GALAN LITHIUM LIMITED

ACN 149 349 646

AND CONTROLLED ENTITIES

ANNUAL REPORT

30 June 2024

CONTENTS

Directors

Richard Homsany (Non-Executive Chairman)
Juan Pablo Vargas de la Vega (Managing Director)
Terry Gardiner (Non-Executive Director)
Daniel Jimenez (Non-Executive Director)
Claudia Pohl (Non-Executive Director)

CFO

Ross Dinsdale (appointed 10 July 2024)

Company Secretary

Mike Robbins

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Auditors

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Share Registry

Automic Share Registry
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Stock Exchange Listing

Australian Securities Exchange Limited (ASX) – Perth, Australia

ASX Code - GLN

FSX Code - 9CH

The Directors submit their report on Galan Lithium Limited (**the Company** or **Galan**) and its controlled entities (**the Group**) for the financial year ending 30 June 2024 (**the year**).

Galan is a company limited by shares that is incorporated and domiciled in Australia. Its listed equity securities are quoted on the Australian Securities Exchange (ASX).

1. DIRECTORS & OFFICERS

The names and details of the Company's Directors in office during the year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Directors

Richard Homsany - Non-Executive Chairman

Experience

Mr Homsany is an experienced corporate lawyer who has extensive board and operational experience in the resources and energy sectors. He is Executive Chairman of ASX listed Toro Energy Limited (ASX:TOE), Executive Vice President, Australia of TSX listed Mega Uranium Ltd (TSX:MGA), Chairman of Health Insurance Fund of Australia Ltd and the principal of Cardinals Lawyers and Consultants, a boutique corporate and energy & resources law firm.

Other listed directorships

Redstone Resources Limited	Since November 2007
Toro Energy Limited	Since December 2013
Brookside Energy Limited	Since February 2020

Interest in shares and options

4,024,284 ordinary shares
3,000,000 performance rights (with various share price vesting conditions)
65,217 listed options (GLNOB - exercise price $0.65 expiry date 20 March 2029)
1,000,000 unlisted options (exercise price $0.35 expiry date 18 July 2026)

Juan Pablo ('JP') Vargas de la Vega - Managing Director

Experience

JP is a Chilean/Australian mineral industry professional with over 20 years' broad experience in ASX listed mining companies, stockbroking and private equity firms. JP has been a specialist lithium analyst in Australia, has also operated a private copper business in Chile and has worked for BHP, Rio Tinto and Codelco. He was the founder of Blue Sky Lithium Pty Ltd, the vendor of the original Argentinian assets and has been Galan's Managing Director since mid 2018.

Other listed directorships

Nil

Interest in shares and options

21,650,741 ordinary shares
6,000,000 performance rights (with various share price vesting conditions)
2,239,129 listed options (GLNOB - exercise price $0.65 expiry date 20 March 2029)
600,000 unlisted options (exercise price $0.35 expiry date 18 July 2026)

Ms Claudia Pohl – Non-Executive Director

Experience

Ms Pohl is a civil industrial engineer with over 23 years' senior executive experience at Sociedad Química y Minera de Chile (SQM NYSE:SQM, Santiago Stock Exchange: SQM-A, SQM-B) a world leader in the lithium industry. Since leaving SQM, she has been Managing Partner and General Manager of Chilean based Ad-Infinitum, a process engineering consultancy, with specific focus on lithium brine projects under study and development, and the associated project evaluations.

Other listed directorships

Nil

Interest in shares and options

43,478 ordinary shares
21,739 unlisted options (exercise price $0.35 expiry date 18 July 2026)

Terry James Gardiner - Non-Executive Director

Experience

Mr Gardiner has over 25 years' experience in capital markets, stockbroking & derivatives trading and prior to that had many years trading in equities & derivatives for his family accounts. Currently a Director of boutique stockbroking firm Barclay Wells Limited, and a Non-Executive Director of Cazaly Resources Ltd and Charger Metals NL plus non-executive positions with other ASX listed entities.

Other listed directorships

Cazaly Resources Limited since December 2016.
Roto-Gro International Limited since July 2019.
Charger Metals NL since August 2021

Interest in shares and options

8,870,704 ordinary shares
3,000,000 performance rights (with various share price vesting conditions)
1,315,217 listed options (GLNOB - exercise price $0.65 expiry date 20 March 2029)
200,000 unlisted options (exercise price $0.35 expiry date 18 July 2026)

Daniel Jimenez - Non-Executive Director

Experience

Mr Jimenez is a civil industrial engineer and MBA who previously worked for the world leader in the lithium industry Sociedad Química y Minera de Chile (NYSE:SQM, Santiago Stock Exchange: SQM-A, SQM-B) for 28 years based in Santiago, Chile, Belgium and the USA. His last position was as Senior Vice President Commercial Lithium, Iodine and Industrial Chemicals where he formulated the commercial strategy and marketing of SQM's industrial products and was responsible for over US$900 million worth of sales.

Other listed directorships

Nil

Interest in shares and options

3,777,497 ordinary shares
3,000,000 performance rights (with various share price vesting conditions)
164,892 unlisted options (exercise price $0.35 expiry date 18 July 2026)

Officers

Ross Dinsdale – Chief Financial Officer (appointed 10 July 2024)

Mr Ross Dinsdale has 18 years of extensive experience across capital markets, equity research, investment banking and executive roles in the natural resources sector. He has held positions with Goldman Sachs, Azure Capital and more recently he acted as CFO for Mallee Resources Limited. He is a CFA charter holder, has a Bachelor of Commerce and holds a Graduate Diploma in Applied Finance.

Mike Robbins - Company Secretary

Mr Robbins has over 25 years resource industry experience gathered at both operational and corporate levels, both within Australia and overseas. During that time, he has held numerous project and head office management positions and is also Company Secretary for Cazaly Resources Limited.

2. DIVIDENDS

No dividend has been paid during the year and no dividend is recommended for the year.

3. DIRECTORS' MEETINGS

The number of Directors' meetings held and conducted during the financial year and the number of meetings attended by each Director are:

	Meetings	
	No. Eligible	No. Attended
Mr Homsany	8	8
Mr Vargas de la Vegas	8	8
Ms Pohl	8	7
Mr Gardiner	8	8
Mr Jimenez	8	7

For details of the function of the Board and any relevant committees please refer to the Corporate Governance Statement on the Company's website at www.galanlithium.com.au.

4. PRINCIPAL ACTIVITIES

The principal activity of the Company during the course of the financial year consisted of mineral exploration, evaluation and development.

5. RISKS

Risk Factors

There are risks that specifically relate to the Company's current mode of operations. The following is not intended to be an exhaustive list of risk factors to which the Company may be exposed.

(a) Security of Tenure

The Company operates in Australia, Argentina and Canada. In all jurisdictions the Company's activities are conducted on granted tenements or licences governed by the relevant state legislation. Each licence is granted for a specified term and has specific compliance conditions including but not limited to annual expenditure, payments of rents and rates, and reporting commitments.

Exploration licences are subject to periodic renewal. Any licence renewal, while not guaranteed, may come with increased costs. While the Company endeavours to meet its commitments for exploration licences, there is no guarantee that the Company will satisfy the expenditure commitments. If the term of any licence is not renewed or extended, the Company may suffer damage through loss of the opportunity to discover and/or develop any mineral resources on these tenements. Interests in tenure may also be compromised or lost due to changes in government policy, third party interests or claims.

(b) Capital requirements

The Company's capital requirements depend on numerous factors. Additional funding may be required and may be raised by the Company via the issues of equity, debt or a combination of debt and equity or asset sales. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

The Board and management of the Company have discretion concerning the use of the Company's capital resources as well as the timing of expenditures. Capital resources may be used in ways not previously anticipated or disclosed. The results and the effectiveness of the application of capital resources are uncertain. If they are not applied effectively, the Company's financial and/or operational performance may suffer.

As announced, the Company has entered into an agreement with Chengdu Chemphys Chemical Industry Co., Ltd (Chemphys) in relation to a US$3 million strategic placement at an issue price of $0.105 per Share. Completion under that agreement is subject to due diligence by Chemphys and the entry into definitive offtake agreements between the Company and Chemphys. Failing satisfaction of these conditions, the Company will receive US$3 million less funding some or all of which will need to be sourced from elsewhere. If settlement does not occur for any reason, the Company will have less funding available for Phase 1 of the HMW Project, which may prevent or delay the implementation of the HMW Project. If the Company does not receive $13.3 million pursuant to the Entitlement Offer announced on the same date, the Company will also need to source funding from elsewhere to fully fund Phase 1 of the HMW Project, which may prevent or delay the implementation of the HMW Project.

If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern or remain solvent. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(c) Offtake

The Company has entered into a non-binding agreement with Chemphys for the offtake of product from Stage 1 of the HMW Project and a prepayment of US$40 million for such product. The agreement is subject to completion of due diligence by Chemphys and the entry into legally binding definitive agreements which is required for the construction of Stage 1 of the HMW Project to be fully funded. If the entry into legally binding definitive agreements does not occur the Company will need to source this level funding from other sources, which include debt and/or equity to complete the construction of Stage 1 of the HMW Project.

The Company's operations and future revenues are also dependent on the counterparties to existing and future offtake agreements performing their obligations. If counterparties do not take their obligated quantities of product or seek to renegotiate the price or quantity of product, the Company's profitability could be adversely affected. The risk of non-performance or attempted renegotiation of terms by the Company's offtake customers is enhanced by prevailing demand and pricing sensitivities currently impacting the global market for lithium products.

If any of the Company's offtake customers default under agreed delivery schedules and/or any of its future offtake agreements are otherwise terminated, there can be no assurance that the Company will find a new counterparty willing to enter into a replacement offtake agreement with similar pricing, quantity of terms.

(d) Reliance on key personnel

The Company is reliant on a number of key personnel and consultants. The loss of one or more of these key contributors could have an adverse impact on the business of the Company. It may be difficult for the Company to continue to attract and retain suitable qualified and experienced people.

(e) New projects and acquisitions

The Company may make acquisitions in the future as part of future growth plans. In this regard, the Directors will use their expertise and experience in the resources sector to assess the value of potential projects that have characteristics that the Directors consider are likely to provide returns to Shareholders.

There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in use of the Company's cash resources and/or the issuance of equity securities, which will dilute shareholdings.

(f) Native title, cultural heritage and land access

Mining tenements are generally subject to native title laws and may be subject to future native title applications. Native title may preclude or delay granting of exploration and mining tenements or the ability of the Company to explore, develop and/or commercialise the mining tenements. Considerable expenses may be incurred negotiating and resolving issues, including any compensation agreements reached in settling native title claims lodged over any of the mining tenements held or acquired by the Company.

The presence of sacred sites and cultural heritage artefacts on mining tenements is usually protected by law. Any destruction or harming of such sites and artefacts may result in the Company incurring significant fines and court injunctions. The existence of such sites may limit or preclude exploration or mining activities, which may cause delays and additional expenses for the Company in obtaining clearances.

(g) Results of studies

Subject to the results of any future exploration and testing programs, the Company may progressively undertake a number of studies in respect to the Company's current projects or any new projects. These studies may include scoping studies, pre-feasibility studies and bankable feasibility studies.

These studies may not occur, but if they are completed, they would be prepared within certain parameters designed to determine the economic feasibility of the relevant project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Company's projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further, even if a study determines the economics of the Company's projects, there can be no guarantee that the projects will be successfully brought into production as assumed or within the estimated parameters in the feasibility study, once production commences including but not limited to operating costs, mineral recoveries and commodity prices.

(h) Reserve and resource estimates

Ore reserve and mineral resource estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Mineral resource and ore reserve estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate. There is no guarantee that any of the Company's projects will become feasible and consequently no forecast is made of whether or not any ore reserve will be defined in future.

The actual quality and characteristics of reserve and resource estimates cannot be known until mining takes place and will almost always differ from the assumptions used to develop resources. Further, ore reserves are valued based on future costs and future prices and, consequently, the actual ore reserves and mineral resources may differ from those estimated, which may result in either a positive or negative effect on operations.

Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(i) Operational

The operations of the Company may be affected by various factors which are beyond the control of the Company, such as failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in exploration and mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company. The operations of the Company may also be affected by various other factors, including failures in internal controls and financial fraud.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(j) Environmental regulation

The Company's projects are subject to provincial, state and federal laws and regulations regarding environmental matters. The governments and other authorities that administer and enforce environmental laws and regulations determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if they result in mine development.

While the Company complies with all environmental laws and regulations, the cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop mineral deposits. There are also risks that the Company may inadvertently breach environmental laws and regulations, with consequential adverse effects on the financial position and performance of the Company.

Further, the Company may require approvals from relevant authorities before it can undertake activities that are likely to impact the environment. There is no guarantee that approvals will be granted, thus preventing the Company from undertaking its desired activities.

(k) Environmental liabilities

The Company's activities are subject to potential risks and liabilities associated with (without limitation) the potential pollution of the environment and the necessary disposal of mining waste products resulting from mineral exploration and production. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to the Company (or to other companies in the minerals industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. Laws and regulations intended to ensure the protection of the environment are constantly changing and are generally becoming more restrictive.

(l) Climate change

The Company acknowledges the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and

Climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(m) Commodity price volatility and exchange rate

The Company is currently exposed to the risks of commodity price volatility and exchange rate fluctuations which affects the Company's expenditures. If the Company achieves success leading to production (which may never occur), the revenue it will derive through the sale of product will expose the potential income of the Company to commodity price and exchange rate risks.

(n) Sovereign/Political

The Company currently operates in Argentina, Australia, and Canada. There is sovereign risk associated with operating in any country, including Australia. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over land access and natural resources.

Any future material adverse changes in government policies or legislation in which the Company has projects that affect ownership, exploration, development or activities of companies involved in exploration and production, may affect the viability and profitability of the Company.

6. OPERATIONS & CORPORATE REVIEW

OPERATIONS

Safety

The Company and its contracting teams recorded four lost time injuries (LTI's) since the 2023 annual report.

ESG

Galan is focused on the discovery of lithium as a critical resource for the development of EV batteries, to assist with the decarbonisation of the economy and the transition to a more sustainable future. From its early ventures in Argentina, Galan has strived 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 committed to sustainable and responsible practices aligned with the World Economic Forum's international framework and the United Nations Sustainable Development Goals (SDGs). Our Environmental, Social and Governance (**ESG**) reports are completed with reference to the Stakeholder Capitalism Metrics (SCM) of the World Economic Forum (WEF). Our commitment spans governance, environmental stewardship, social responsibility, and economic contributions, reflecting our dedication to creating long-term value for stakeholders and communities.

Last year Galan engaged Socialsuite to assist in the compilation of its baseline ESG reporting, database and systems and published its initial ESG Disclosure Report posted on Galan's website (www.galanlithium.com.au). During the 2024 financial year, Galan matured its ESG monitoring and reporting whilst also further developing its ESG framework to enable it to regularly report against the 21-core metrics and disclosures as promoted by the World Economic Forum.

The focus during the period has been on understanding our expected production carbon footprint and developing comprehensive reporting processes and tracking our current performance across a range of metrics:

Governance

Board Composition: Including Independence & Diversity

Corruption and Integrity: Including Galan's ongoing commitment to ensuring ethical practices and transparency.

Planet

Greenhouse Gas (GHG) Emissions: Including tracking Galan's current carbon footprint and future production footprint, expected to be in the first quartile of the industry emissions curve. Galan utilises the Woodmac Emissions Benchmarking tool and has aligned its reporting model to this framework, Galan has engaged Decarbonate to assist in validating our GHG calculations

Land Use and Biodiversity: Galan conducts biannual biodiversity studies to assess and mitigate any impact on local ecosystems. Galan's HMW Phase 2 Environmental Impact Assessment (EIA) has been submitted. Galan monitors the area rigorously, adhering to best practices in waste management, recycling and regulatory standards. Galan's operations are strategically positioned to avoid sensitive areas, reflecting our commitment to sustainable development and the protection of ecological integrity.

Water Use: Galan measures water usage and are committed to responsible water management, conducting daily monitoring and monthly water studies to assess both fresh and groundwater quality. Galan launched an awareness campaign promoting water conservation and sustainable practices, reinforcing our dedication to environmental stewardship.

People

Human Rights and Modern Slavery: Galan maintains rigorous systems and processes to prevent any involvement in modern slavery or human rights violations related to our operations and supply chains, demonstrating our commitment to ethical labour practices. During the financial year, the Company adopted its Modern Slavery Values.

Diversity, Inclusion, and Equality: Galan measures the gender and age diversity of its workforce, including management and continues to prioritise local employment from within the province of Catamarca.

Health and Safety: Galan has developed operation specific OH&S policies and procedures reporting monthly on standard measures such as LTIs, LTIFR and incident severity ratings, training and development hours and have also introduced a comprehensive wellbeing program for its workforce

Prosperity

Rate of Employment: Galan tracks workforce growth, proportion of local workforce participation and employee turnover (including exit interview processes).

Economic Contribution: Galan invests in local development initiatives, conducted several visits and education programs to support our local communities.

Community Relations: Recognising the importance of strong community ties, we have dedicated resources to developing comprehensive Management Plans (including Communication Plan, Training Plan, HR Management Plan and Purchasing and Contracts Management Plan), and Activities Programs that are designed to contribute meaningfully to community development via creating tangible benefits for local residents in relation to health, education, supporting local small businesses and tourism ventures.

Government Relations: Galan values a strong and collaborative relationship with government authorities, recognising its critical role in fostering mutual understanding and driving community progress. We maintain this positive engagement through regular meetings, where we discuss a range of affairs, from regulatory updates to community initiatives.

Hombre Muerto West (100% Galan)

The Hombre Muerto West (HMW) Project is located in 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. The Project is 90 km north of the town of Antofagasta de la Sierra, in the Province of Catamarca, Argentina and 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 Arcadian Lithium Ltd (formerly Livent and Allkem) and Posco (Figure 1). The project is around 1,400 km northwest of Buenos Aires, the capital of Argentina and 170 km west-southwest of the city of Salta.

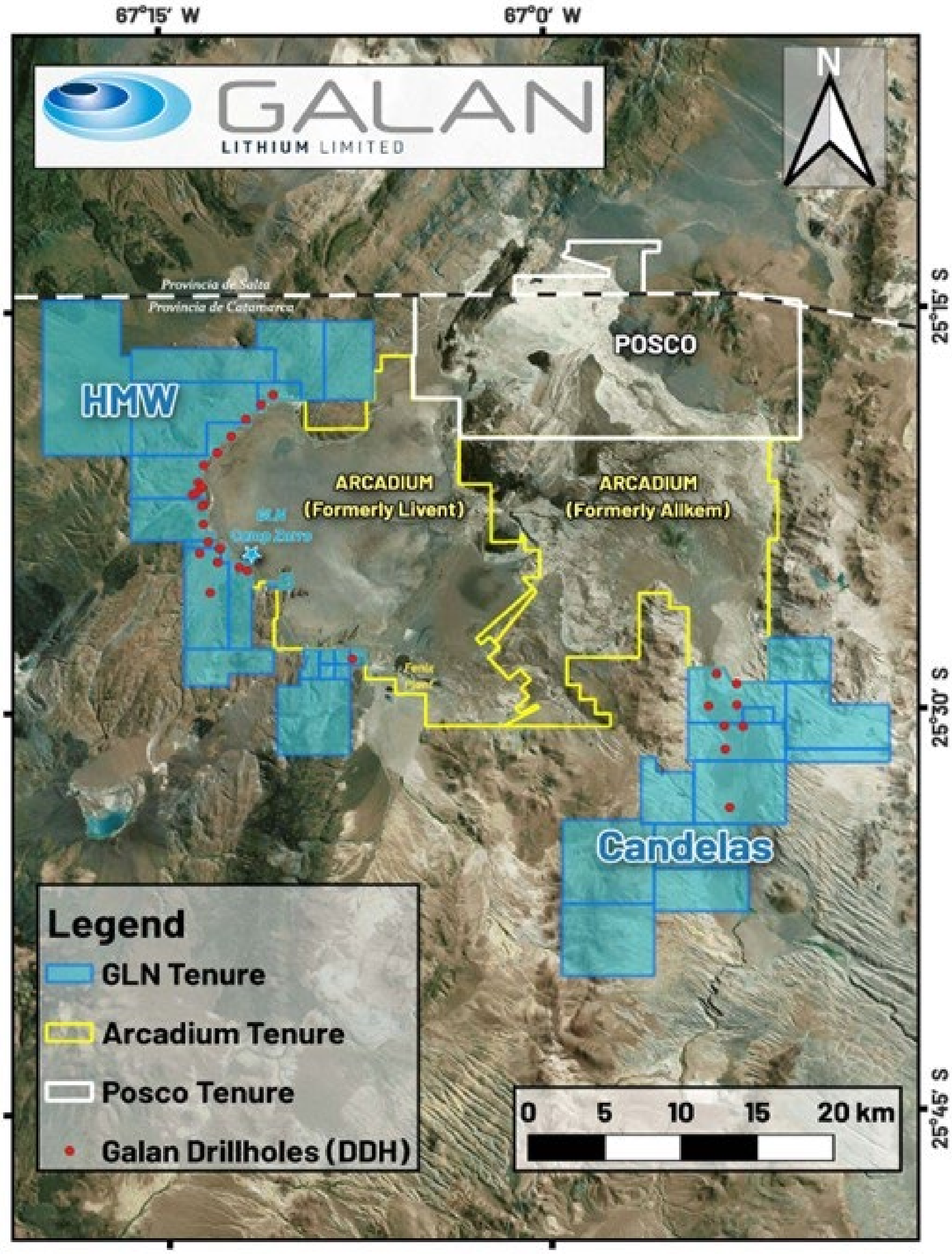

Figure 1: Location of Galan's 100% owned HMW and Candelas Projects in Argentina

Production Plan and Studies

As previously disclosed, the HMW project has been separated into four production phases. The initial Phase 1 Definitive Feasibility Study (DFS) focused on the production of 5.4ktpa LCE of a lithium chloride concentrate, as governed by the approved production permits. The Phase 2 DFS would target 21ktpa LCE of a lithium chloride concentrate, followed by Phase 3 production of 40ktpa LCE and finally a Phase 4 production target of 60ktpa LCE. Phase 4 will include lithium brine sourced from both HMW and Galan's other 100% owned project in Argentina, Candelas.

For full details (including Cautionary Statements and Table 1 and Table 2 disclosures) surrounding the Phase 1 DFS results please refer to the ASX announcement dated 3 July 2023 entitled 'Phase 1 of Hombre Muerto West (HMW) DFS Delivers Compelling Economic Results for Accelerated Production.'

On 3 October 2023, the Company announced that the Phase 2 DFS had 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 that confirmed the tier one status of the HMW lithium brine project.

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.

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 (NPV8%)	US$ Million	3,145
After-Tax Net Present Value (NPV8%)	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

For full details on the technical results (including Cautionary Statements and Table 1 and Table 2 disclosures) surrounding the Phase 2 DFS 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.'

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 is 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 2. Galan will review the transition between the phases to take advantage of potential savings and to further optimise its cash flows.

Table 2: 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

Construction Update

The construction phase and activities for the low cost, high grade HMW project continue to progress towards timely production, forecast in H2 2025.

Overall completion of the HMW Phase 1 project now sits at approximately 45% with the ponds system at ~2/3 capacity. The designed ponds system, if necessary, can support an inventory, until H2 2025, of up to 10,000t LCE without the need for processing through the plant. The key processing parameters, including average flow rates, lithium grades and evaporation rates are all aligned with the Phase 1 DFS.

Lithium inventories have continued to increase in the HMW Phase 1 ponds and currently sit at 4,000t LCE.

New piping from the central northern part of the HMW project has now been connected, increasing pond flow by up to 50%. In addition, the latest batch of liners are being installed for Ponds 4 and 5.

On 22 April 2024, Galan announced that the Catamarca Governor signed a commercial agreement in support of the grant of permits for the commercialisation of lithium chloride concentrate from the Hombre Muerto West lithium brine project. The permits will allow for the domestic sale or export of lithium chloride concentrate, Galan will however continue to endeavour to place lithium chloride concentrate locally. Galan is committed to pursuing further downstream processing routes (e.g. lithium carbonate, hydroxide or other alternatives) after 4 years, in a location outside the Hombre Muerto salar. The next step in the process is the formalisation and the passing into legislation.

Offtake Update

As announced on 27 August 2024, the Company entered into an offtake prepayment memorandum of understanding with Chengdu Chemphys Chemical Industry Co., Ltd (**Chemphys**) in relation to the Company's Hombre Muerto West project in Argentina (**Agreement**).

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

Key terms of the Agreement are contained in Table 3.

Table 3: Key Terms of Agreement

Item	Detail
Lithium Chloride Sales & Purchase Agreement	
Delivery Period	2025 -2030
Delivery Conditions	CIF China
Total Minimum Contract Volume	23,000 t LCE
Pricing	Market linked pricing to Li_2CO_3 Battery Grade ≥ 99.5% index price
Offtake Prepayment	
Prepayment Amount	US$ 40 M.
Security	First ranking security over lithium inventory and HMW project
Repayment	Repayment over off-take period
Conditions of Agreement	
Approvals	Receipt of all regulatory approvals
Due Diligence	Satisfactory completion of due diligence by Chemphys
Nature of Agreement	Non-binding

<u>Candelas Project (100% Galan)</u>

The Candelas Project (refer Figure 1) is fully supported by a Preliminary Economic Assessment and a JORC 2012 Resource (refer Table 4) 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 third-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 LCE production plan.

<u>Greenbushes South Project (100% Galan)</u>

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 are developing another geophysical campaign along with 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.

For full details on the technical results (including Table 1 disclosures) on the Greenbushes South drilling please refer to the ASX announcement dated 21 September 2023 entitled 'Greenbushes South Drilling Update.'

In early April 2024, Galan and representatives from the Karri Karrak Aboriginal Corporation (KKAC) and consulting anthropologists and archaeologists performed an ethnographic and archaeological heritage survey in one of Galan's lithium target areas. The survey confirmed that no ethnographic Aboriginal heritage sites or places are located in the target area. Galan continues to be committed to working with all First Nation peoples and has committed to continue to consult with KKAC in future drilling endeavours.

In July 2024, the Company was successfully awarded a co-funding grant of up to $220,000 for diamond drilling, under Round 29 of the Western Australian Government's Exploration Incentive Scheme (EIS). The EIS funding supports the drilling of new potential pegmatite along strike of the Donnybrook-Bridgetown Shear Zone. It is the first grant to be awarded in the South-West and highlights the government's intention to encourage the exploration of critical minerals and lithium in the region.

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

As announced on 4 October 2023, Galan entered into a binding JV agreement with Redstone Resources Limited (RDS) (as JV Manager) to acquire 100% of the Taiga, Camaro and Hellcat lithium projects in the heart of the James Bay lithium province in Canada.

The JV was formalised upon the receipt by Galan, of 50,000,000 fully paid ordinary shares in RDS on 8 December 2023.

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

The Ontario projects are covered by an exclusivity option.

Mineral Resource Estimate

The latest HMW Mineral Resource estimate was announced on 27 March 2024 (Refer ASX Announcement entitled "Galan Increases Total Mineral Resource by 18% to 8.6MT LCE @ 859 mg/L Lithium". The JORC (2012) revised Mineral Resource estimate was completed by a team of leading independent geological consultants, WSP Chile (WSP).

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

Table 4: Mineral Resource Statement for Hombre Muerto West and Candelas (effective date 26 March 2024)

Resource Category	Brine Vol (Mm^3)	In Situ Li (Kt)	Avg Li (mg/L)	LCE (Kt)	In Situ K (Kt)	Avg K (mg/L)	KCl Equiv. (Kt)
Hombre Muerto West:							
Measured	1,028	890	866	4,738	7,714	7,505	14,711
Indicated	347	310	894	1,649	2,717	7,837	5,181
Inferred	300	278	926	1,480	2,464	8,210	4,700
HMW Total	1,675	1,478	883	7,867	12,895	7,700	24,591
Candelas North (*):							
Indicated	196	129	672	685	1,734	5,193	3,307
Galan´s Total Resource Inventory							
Total	1,871	1,607	859	8,552	14,629	7,819	27,895

- No cut-off grade applied to the updated Mineral Resource Estimate.
- There may be minor discrepancies in the above table due to rounding.
- The conversion for LCE = Li x 5.3228, KCl = K x 1.907.

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

Summary of Resource Estimate and Reporting Criteria

The Mineral Resource Estimate (MRE) for lithium (reported as Li_2CO_3 equivalent) and potassium (KCl equivalent) were completed by WSP (Chile). This updated MRE incorporates geological and geochemical information obtained from thirty one (31) drillholes totalling 9,043 metres within the Pata Pila, Rana de Sal I, Rana de Sal II, Casa del Inca III, Catalina, Del Condor, Pucara del Salar, Delmira, Don Martin, El Deceo I, El Deceo II, El Deceo III and Santa Barbara tenements (see Figure 2). A total of 697 brine assays were used as the foundation of the estimate, all of which were analysed at Alex Stewart International laboratory (Jujuy, Argentina). The QA/QC program includes duplicates, triplicates, and standards, In total, 376 QA/QC samples were considered using Alex Stewart (duplicates) and SGS in Argentina (triplicates) as the umpired laboratory.

The updated HMW MRE was supported by new core porosity data from Santa Barbara, Casa del Inca III and Del Condor tenements. The directly obtained brine samples and core recovery was endorsed with a total of 82.5km of geophysical profiles comprising Controlled Source Audio-Frequency Magnetotellurics (CSAMT) and Transient Electromagnetic surface resistivity (TEM) surveyed between 2018 and 2023. A significant enhancement from previous MRE was the inclusion of the north project area (Catalina tenure), specifically in the tenements of Rana de Sal II, Rana de Sal III, Catalina, El Deceo I, and El Deceo II (see Figure 2).

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

Location & Tenure

The HMW Project is located on the western and south shore of the Hombre Muerto Salar (Salar), a world-renowned lithium bearing salar located in the Argentinean Puna plateau region of the high Andes at an elevation of approximately 4,000m above sea-level. The HMW Project comprises various exploration areas, covering a total estimated polygon area of 18 km strike, up to 8km in width and up to 730m depth. It lies adjacent to Arcadium Lithium and POSCO's projects. It is approximately 1,400 km northwest of the capital of Buenos Aires and 170 km west-southwest of the city of Salta.

Hydrogeological Model

An updated hydrogeological conceptual model was built for the HMW area and its vicinity based on the following information:

- Surface geological and structural map, based on a field campaign conducted in June 2023[1].
- Surface geophysics resistivity profiles (15 CSMAT lines and 20 TEM lines)
- Lithological logs
- Hydraulic tests (Airlift and pumping tests)
- Downhole geophysics (Borehole Nuclear Magnetic Resonance; BMR)
- Granulometric and permeability analysis performed by SGS and Inlab laboratories.
- Core porosity and specific yield measurements performed by SGS and Inlab laboratories with the Boyle method and Porous Plate Capillarity Pressure (PPCP) method respectively.
- Chemical Assays from Alex Stewart and SGS laboratories.

Based on the information listed above, 5 main hydrogeological units (HU) were defined: Evaporite deposits, Clastic deposits, Volcanic Rocks, Fractured Metamorphic Rocks and Basement. Each HU was defined according to its lithology, storage capacity, and water transmissivity. The defined HUs and its lithological description are presented in Table 5.

[1] GLN internal report "Hombre Muerto West Northern Rock Fracture Zone (NFRZ) Mapping Summary"

Table 5: Definition of hydrogeological units and its lithological description

Hydrogeological Unit	Hydrogeological Sub-unit	Lithological description
1.-Evaporite Deposits	1A	Porous halite
	1B	Halite with interbedded sediments
2.-Clastic Deposits	2A	Unconsolidated Clastic deposits
	2B	Semi consolidated clastic deposits
	2C	Breccias and conglomerates
3.-Volcanic Rocks	3A	High-porosity basalts
	3B	Low-porosity basalts
4.-Fractured Metamorphic Rocks	4A	Fractured silicified rock
	4B	Fractured rock with clay infill
5.-Basement	5	Metamorphic Rock

A 3D hydrogeological model was built using Leapfrog geological software package considering lithological logs previously categorized according to definition of hydrogeological units, surface geological and structural array, and surface geophysics as the mainly datasets. 3D visualization of the hydrogeological model and main sections within the HMW project are shown in Figure 2.

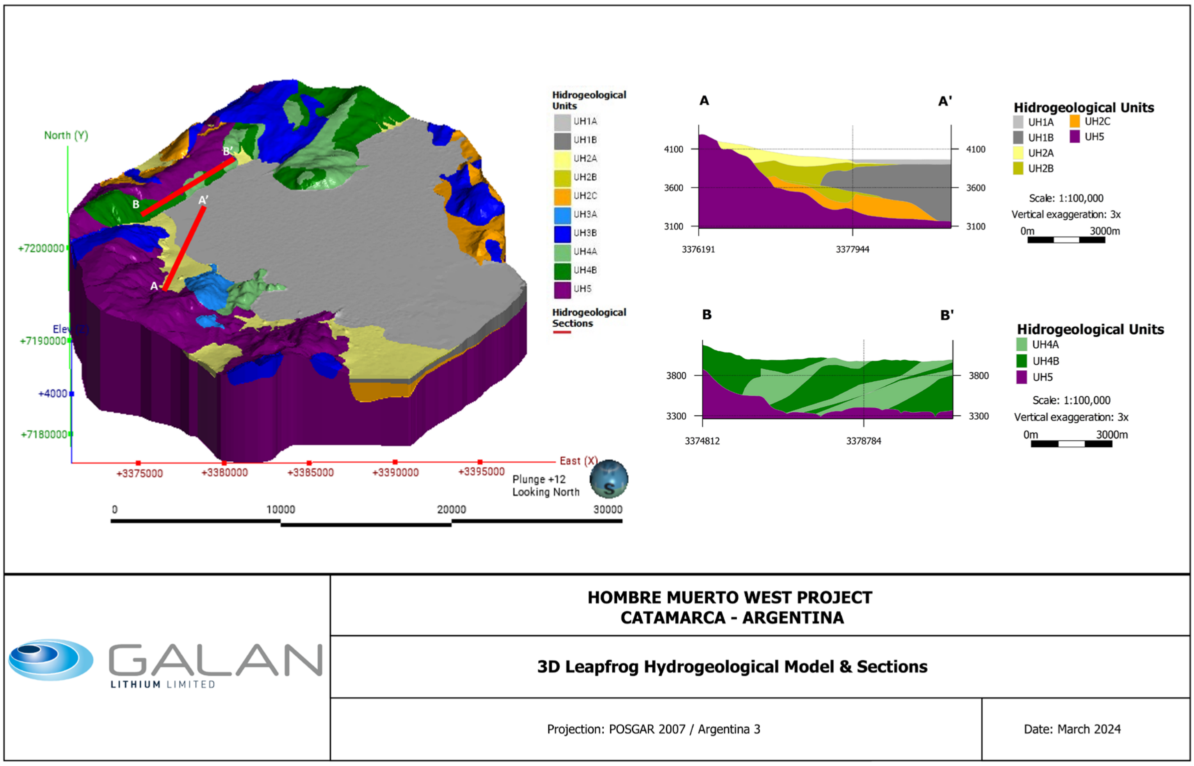

Figure 2: Leapfrog Hydrogeological Model 3D View and representative cross sections within the HMW Project.

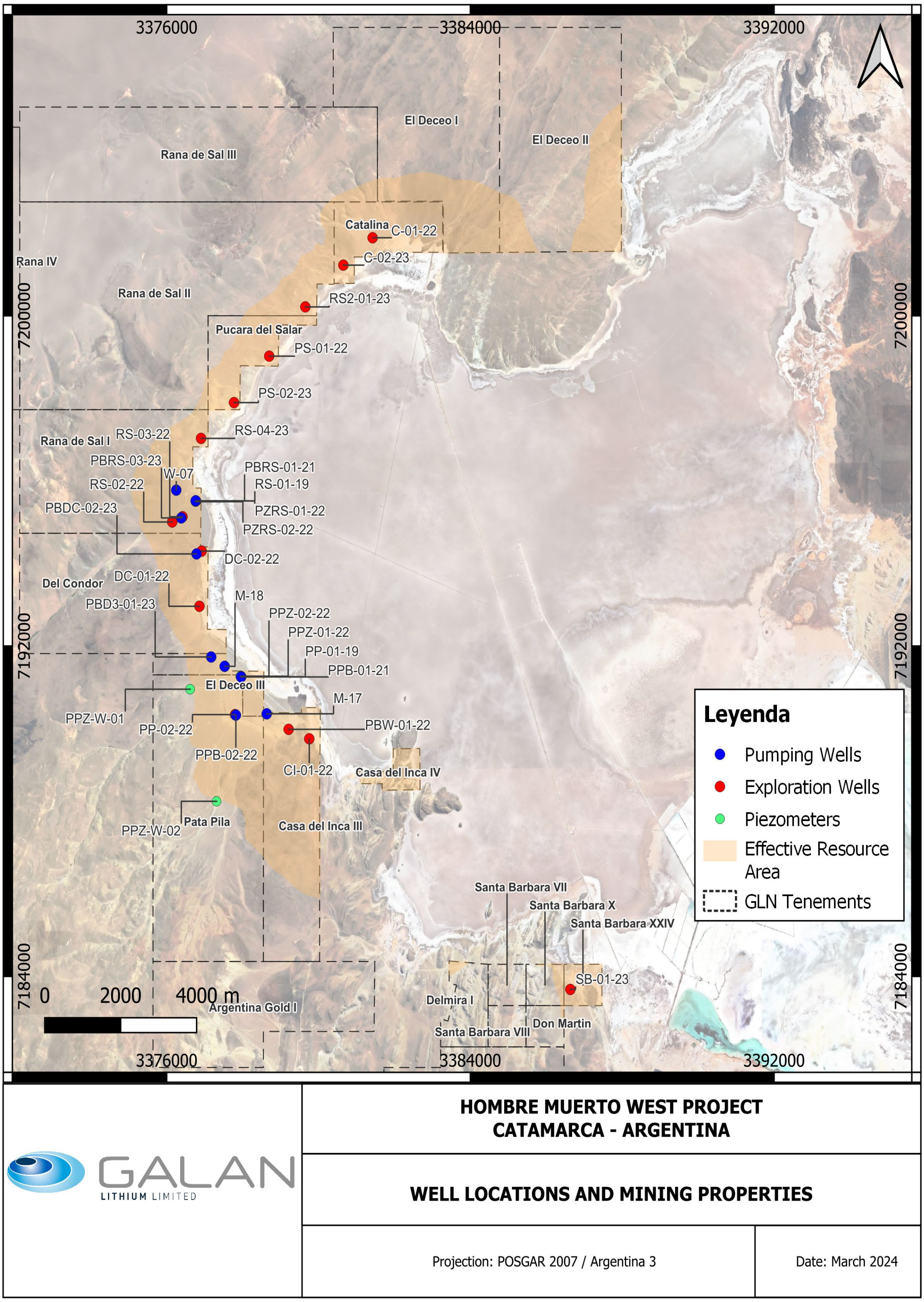

Figure 3: Galan's Western Basin Tenure, Hombre Muerto Salar Argentina (shaded area shows updated effective resource footprint and related tenements)

Resource Estimate

Resource estimate was performed using Leapfrog Edge software package and it was based on the hydrogeological model considering the following: brine body boundaries, MRE block model, brine volume estimate as a function of specific yield and brine chemistry interpolation (lithium and potassium). A summary of each estimate component is presented below.

Brine body boundaries
Resource boundaries of the hydrogeologic model were determined as follows:

- Top vertical limit is constrained by top of brine body determined by resistivity profiles (CSMAT and TEM) and defined resistivity ranges using downhole geophysics (BMR);
- Bottom vertical limit is determined by top of basement;
- The western margin is limited where the top of the brine body pinches out against basement and/or in areas where geophysics identified the freshwater-brine interface;
- The eastern margin is constrained by the tenement boundaries;
- The northern margin is constrained by tenement boundary El Deceo II;
- The southern margin is constrained by Santa Barbara group tenements.

MRE Block model
A block model with cell dimensions of 40m (easting) by 200m (northing) by 10m (vertical) was used for the MRE. Consideration was given to drill spacing, composite sample interval, and the interpreted geometry and thickness of the hydrogeological domain and units.

Brine volume estimate
Was determined for each hydrogeological unit with a representative specific yield (Sy) in accordance with available field data, hydrogeological conceptualization and literature. Sy for clastic deposits (HU 2A, 2B and 2C), halite with interbedded sediments (HU 1B) and high porosity basalts (HU 3A) were derived from SGS laboratory measured values using the standard ISO 5636-5 methodology. Sy for fractured rocks (HU 4A and 4B) were derived from total porosity downhole geophysics and specific retention information based on literature. Basement was not considered in the brine volume estimate. A summary of assigned Sy for each hydrogeological unit is shown in Table 6.

Table 6: Assigned specific yield for each hydrogeological unit.

Hydrogeological sub-unit	Lithology	Aquifer Volume (Mm^3)	Specific yield (%)
1A	Porous halite	44	10
1B	Halite with interbedded sediments	957	6.3
2A	Unconsolidated Clastic deposits	980	21.4
2B	Semi consolidated clastic deposits	3221	19.7 (1)
2C	Breccias and conglomerates	2882	9.6 (1)
3A	High-porosity basalts	8	4.9
3B	Low-porosity basalts	197	2
4A	Fractured silicified rock	1606	8
4B	Fractured rock with clay infill	5394	7

(1) An Sy differentiation was made for units 2B and 2C in Santa Bárbara tenement due to differences in Sy values compared with other tenements where units 2B and 2C are present. Therefore, a value of 11.8 was assigned for HU 2B, and a value of 5.6 was assigned for HU 2C in Santa Barbara tenement based on Sy samples of SB-01-23 exploration well.

Main units comprising the total geological volume modelled in the HMW tenements correspond to:

- Clastic deposits (HU 2A, 2B and 2C) – 7083 Mm3
- Fractured Metamorphic Rocks (HU 4A and 4B) – 7000 Mm3

Clastic deposits and fractured rocks comprise about 90% of the volume (14,083 Mm^3) that hosts brine resources.

Brine chemistry interpolation:
Brine samples were obtained from multiple target intervals using packer, bailer, airlift, and pumping tests. They were analysed by two separate laboratories (Alex Stewart and SGS) and included duplicate brine samples submitted to both laboratories to confirm repeatability as part of the Quality Assurance/ Quality Control (QA/QC) procedure. Alex Stewart laboratory was consistently lower than SGS and was chosen as conservative values over SGS.

Based on already validated Alex Stewart laboratory samples, lithium and potassium concentrations were incorporated into the block model based on 20m composites, generating an interpolation for the whole brine domain (Figure 4). Ordinary Kriging was considered appropriate for a primary interpolation of brine chemistry and confirmed using inverse distance interpolation. Validation of the interpolation was carried out through comparison between input data and the block model output data, statistical parameters, histograms, and quantile-quantile plots.

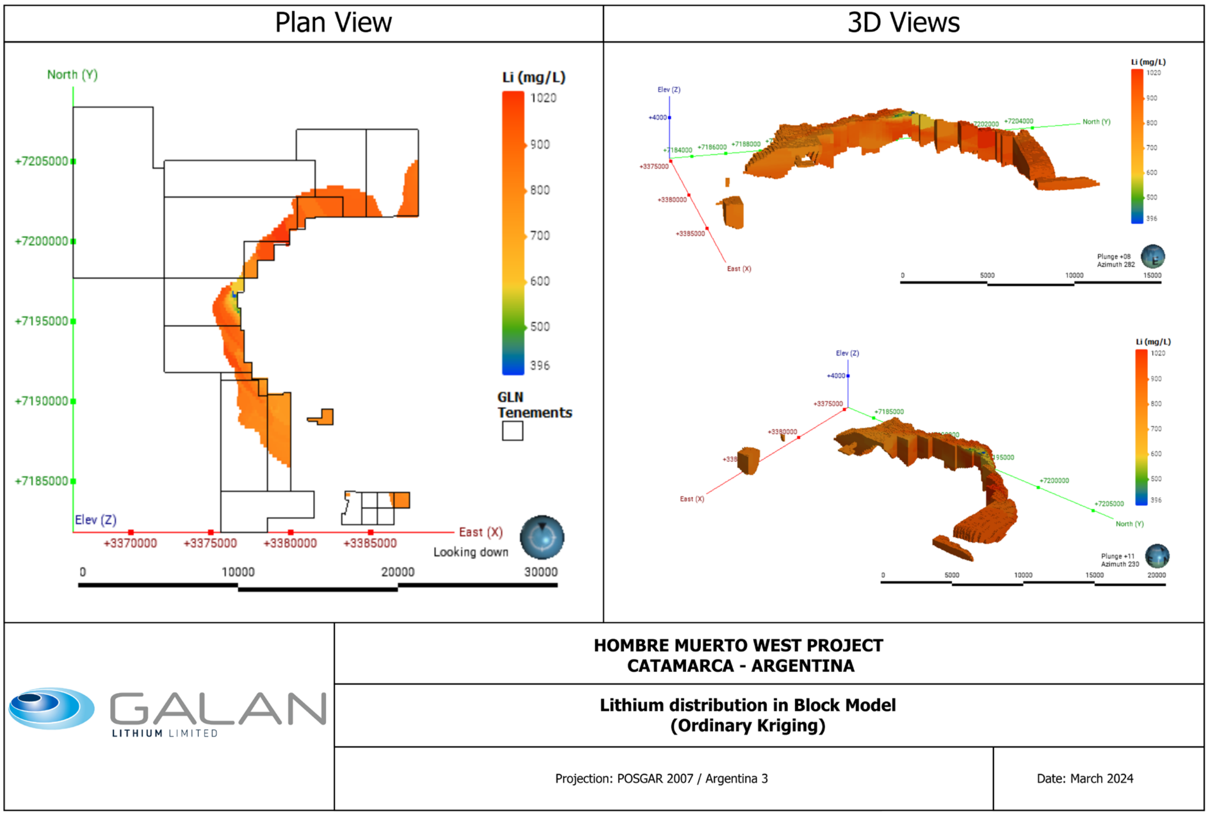

Figure 4: Lithium grade(mg/L) interpolation in Block Model using Ordinary Kriging

Resource Classification

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

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

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

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

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

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

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

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

For further details and relevant technical disclosures please refer to the ASX announcement dated 27 March 2024.

Ore Reserve Estimate

As announced on 3 October 2023, the HMW Project Phase 2 DFS reported an Ore Reserve estimate of 806.4 kt of recoverable LCE (Table 7). The Ore Reserve estimate was signed off by Rodrigo Riquelme (GeoInnova), who is a Competent Person as described in the Competent Persons Statements.

Table 7 - 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.

For further details and relevant technical details please refer to the ASX announcement dated 3 October 2023.

Catalina

On 28 July 2023, the Company announced that it had executed the necessary agreements to register its full ownership of the Catalina tenure (as issued by the Catamarca and Salta authorities). There is a long-standing political border dispute (over 100 years) between Salta and Catamarca, that includes the northern part of the Salar del Hombre Muerto, which does not have a foreseeable resolution. Over time, both respective provincial mining authorities have claimed the right on the disputed area and have been issuing mining rights that overlap over the same area. For clarity, Galan's Catalina tenure covers Catalina, Rana de Sal II, Rana de Sal III, Pucara del Salar and Deceo I.

The Catalina tenure has never been included in the HMW Resource estimate but will now be classified under the HMW Project and a more focused and detailed work campaign will ramp up in the area.

Catalina is located in a disputed area between Salta and Catamarca without final definition, therefore the ownership of the area will be disputed by Salta up until the Federal Congress takes a final decision. It was not expected that such a resolution would eventuate in the foreseeable near future.

An agreement with the Salta private owner was reached whereby the Company issued 9,756,098 fully paid ordinary shares (on 28 July 2023) for 100% ownership of the Catalina project, both in Salta and Catamarca. The uncertainty around the private ownership and potential mine development of the tenure was resolved through this important acquisition.

CORPORATE

Personnel

As announced on 24 June 2024, effective 10 July 2024, Mr Ross Dinsdale joined the Company as Chief Financial Officer, replacing Mr Graeme Fox.

Equity

Capital Raisings

On 31 January 2024, Galan announced an $18 million placement of fully paid ordinary shares and free attaching listed options (exercisable at $0.65 with a 5-year exercise period) on a one (1) for one (1) basis to institutional, sophisticated and professional investors (**$0.46 Placement**) and a share purchase plan offer of $1.5 million to existing Shareholders. Along with the institutional equity raising, a $1.5 million placement to directors (pending Shareholder approval), under the same terms and conditions as the $0.46 Placement, was also announced.

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

Canaccord Genuity (Australia) Limited and Jett Capital Advisors LLC acted as Joint Lead Managers and Bookrunners to the $0.46 Placement.

On 20 May 2024, the Company announced a $13 million equity raising comprising the issue of 56,521,740 fully paid ordinary shares and free attaching unlisted options (exercisable at $0.35 with a 2-year exercise period) on a one (1) for two (2) basis to institutional, sophisticated and professional investors (**$0.23 Placement**). Along with the institutional equity raising, a $1 Million placement to directors (pending Shareholder approval), under the same terms and conditions as the $0.23 Placement, was also announced.

The issue price of A$0.23 per Share represented a 20.7% discount to the last closing price of A$0.29 on 15 May 2024 and a 23.8% discount to the 10-day VWAP of $0.3018 as at the same date.

Canaccord Genuity (Australia) Limited and Petra Capital Pty Limited acted as Joint Lead Managers and Bookrunners to the $0.23 Placement.

Both equity raisings were to provide working capital headroom and financial flexibility for the ongoing development of the Hombre Muerto West (HMW) Phase 1 construction whilst Galan finalises negotiations of alternative funding solutions including debt and prepayment facilities that will enable completion of HMW Phase 1. Proceeds were to be applied to:

- HMW phase 1 developments costs; and
- Corporate overheads, working capital and transaction costs

Acuity ATM

On 12 April 2024, Galan announced that it had entered into an At-The-Market Subscription Deed (**ATM**) with Acuity Capital. The ATM would provide the Company with up to $15 million of standby equity capital until 31 January 2029.

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

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

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

Shares issued during the financial year

- 9,756,098 ordinary shares were issued to Everlight Resources Pty Ltd for 100% ownership of the Catalina tenement in the Salta province (on 28 July 2023)
- A total of 5,940,000 ordinary shares were issued upon the conversion of $0.21 options (on 22 August, 29 August and 12 October 2023);
- 60,777 ordinary shares were issued to a consultant in lieu of services provided (on 4 September 2023);
- 550,000 ordinary shares were issued as part of the consideration paid for the purchase of tenements in James Bay Lithium province in Canada (on 4 October 2023);
- 250,000 ordinary shares were issued to a consultant under the terms of their contract (on 22 December 2023).
- 35,869,565 ordinary shares were issued under the $0.46 placement (on 06 February 2024);
- 8,702,150 ordinary shares were issued to Galan shareholders under a share purchase plan at $0.46 per share (on 02 April 2024);
- 15,000,000 ordinary shares were issued to Acuity Capital under an ATM (on 12 April 2024);
- 3,073,912 ordinary shares were issued to directors under the $0.46 Placement (on 22 May 2024), (approved by shareholders on 22 April 2024); and
- A total of 57,826,088 fully paid ordinary shares were issued under the $0.23 Placement (on 24 April, 28 April and 10 June 2024)

Listed options issued during the financial year

As part of the $0.46 Placement and share purchase plan mentioned above, a total of 44,571,715 listed GLNOB options were issued on 2 April 2024. After shareholder approval was obtained, directors were issued a total of 3,073,912 listed GLNOB options were issued on 22 May 2024 (approved by shareholders on 22 April 2024).

GLNOB options are exercisable at $0.65 on or before 20 March 2029.

Other

On 4 March 2024, the provider of shareholder registry services for the Company changed from Advanced Share Registry to Automic Pty Ltd.

Financial

The loss after tax for the year was $9,505,462 (2023: $7,616,989).

Cash and cash equivalents as at year end were $4,334,457 (2023: $45,150,542).

Exploration expenditure, including acquisitions, for the year was $50,101,259 (2023: $35,566,035) (excluding share valuations capitalised). All of this expenditure was on the Company's various lithium brine projects in the Hombre Muerto salar in Argentina and the Greenbushes South lithium project in Australia. There was no exploration expenditure written off for the year (2023: $Nil).

Net administration expenses and employee benefits for the year totalled $3,749,260 (2023: $3,362,939).

7. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group that occurred during the financial year.

8. AFTER BALANCE SHEET DATE EVENTS

Under the Acuity ATM, Galan issued the following equity after the end of the financial year:

15 July 2024 – 7,050,000 ordinary shares for proceeds of $1,100,000;
2 August 2024 – 4,750,000 ordinary shares for proceeds of $650,000;
15 August 2024 – 9,000,000 ordinary shares for proceeds of $1,100,000; and
30 August 2024 – 4,800,000 ordinary shares for proceeds of $600,000

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

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

As announced on 27 August 2024, the Company entered into an offtake prepayment memorandum of understanding with Chengdu Chemphys Chemical Industry Co., Ltd (**Chemphys**) in relation to the Company's Hombre Muerto West project in Argentina. Upon execution of definitive agreements, Galan will supply and Chemphys will purchase a total of 23,000 tonnes LCE, as a lithium chloride product, over the first five years of Phase 1 production from the HMW project. Chemphys will also provide Galan with a US$40 million offtake prepayment facility to facilitate the continued development of Phase 1 of the HMW project.

On 10 September 2024, The Company announced a $12 million placement to institutional, sophisticated and professional investors (**$0.105 Placement**) and a 1 for 4 non-renounceable entitlement offer (**Entitlement Offer**) up to A$ 13.3 million at the same price as the $0.105 Placement. Under the $0.105 Placement, Galan issued a total of 69,533,340 fully paid ordinary shares in the Company on 17 September 2024. The shares were issued under the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A.

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

Apart from the above, the Directors are not aware of any matters or circumstances at the date of the report, other than those referred to in this report or the financial statements or notes thereto, that has significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Group in subsequent financial years.

9. FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Directors continue the Group's strategy for the advancement of Shareholders' interests and asset values through well-defined work programmes on the Group's tenements and to implement a growth strategy to seek out further exploration, acquisition and joint venture opportunities.

Further information about likely developments in the operations of the Group and expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

10. ENVIRONMENTAL ISSUES

The Group aims to comply with or exceed its environmental performance obligations. The Board believes that the Group has adequate systems in place for the management of its environmental requirements. The Group strives to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors are not aware of any breach of environmental legislation for the financial year under review.

11. REMUNERATION REPORT (Audited)

The remuneration report is set out under the following main headings:

A Remuneration Philosophy
B Remuneration Structure & Contractual Arrangements
C Remuneration and Performance
D Voting and Comments at the Company's 2023 Annual General Meeting
E Details of Remuneration
F Related Party Information
G Interests of Key Management Personnel (KMP)

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001. The remuneration arrangements detailed in this report are for the key management personnel comprising the Non-Executive Chairman, Managing Director and Non-Executive Directors.

A Remuneration Philosophy

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company. The performance of the Company depends upon the quality of its key management personnel. To prosper the Company must attract, motivate and retain appropriately skilled directors and executives.

The Company's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

B Remuneration Structure & Contractual Arrangements

The Company has in place letters of engagement for all Non-Executive Directors. The Directors hold office until the next annual general meeting at which point one third of the directors retire by rotation and will be eligible for election as a Director at that meeting in accordance with the Company's Constitution.

The Directors' appointments will automatically cease in the event that they give notice to the Board of their resignation as a Director or if they retire by rotation and are not re-elected as a Director by the Shareholders of the Company. More-over their appointment will be terminated immediately if, for any reason, they are disqualified or prohibited by law from being or acting as a Director or from being involved in the management of a Company.

The following annual remuneration rates apply to Galan Board members:

- Non-Executive Chairman - Mr Richard Homsany ($96,000 pa plus statutory superannuation)
- Managing Director – Mr Vargas de la Vega ($400,000 pa plus statutory superannuation)
- Non-Executive Director - Mr Terry Gardiner – ($72,000 pa plus statutory superannuation)
- Non-Executive Director - Mr Daniel Jimenez – (US$144,000 pa)
- Non-Executive Director – Ms Claudia Pohl – ($55,000 pa plus statutory superannuation)

Remuneration of Non-Executive Directors is based on fees approved by the Board of Directors (from within the remuneration pool approved by Shareholders from time to time at a general meeting) and is set at levels to reflect market conditions and encourage the continued services of the Directors. The current shareholder approved remuneration pool is $750,000 per annum (approved by shareholders on 18 November 2022).

11. REMUNERATION REPORT (Audited) (Cont'd)

The Company does not offer any variable remuneration incentive plans or bonus schemes to Non-Executive Directors.

The Company is an exploration and development entity and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior management personnel are paid market rates associated with individuals in similar positions within the same industry.

C Remuneration and Performance

During the reporting period, Director remuneration was not linked to either long term or short-term performance conditions. The Board feels that the terms and conditions of options, performance rights and shares held by Directors are a sufficient, long-term incentive to align the goals of the Directors with those of the shareholders to maximise shareholder wealth.

D Voting and Comments at the Company's 2023 Annual General Meeting

The adoption of the Remuneration Report for the financial year ended 30 June 2023 was put to the shareholders of the Company at the Annual General Meeting held on 16 November 2023. The Company received 92.3% FOR vote (from valid proxies), of those shareholders who exercised their right to vote, in favour of the remuneration report for the 2023 financial year. The resolution was passed without amendment via a poll, with a 92.5% FOR vote. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

E Details of Remuneration

The key management personnel of the Company are the Managing Director, Non-Executive Chairman and Non-Executive Directors. Details of the remuneration of the key management personnel of the Company are set out below:

11. REMUNERATION REPORT (Audited) (Cont'd)

	Short-term Benefits				Post-Employment Benefits	Other Long-term Benefits	Equity Based Payment		Total	Performance Related
	Salary	Cash profit Share	Non-cash benefit	Other	Super-annuation	Other	Equity	Options/ Rights (vi)		
	$	$	$	$	$	$	$	$	$	%
Mr Richard Homsany – Non-Executive Chairman (i)										
2024	**96,000**	-	-	-	**10,560**	-	-	**809,928**	**916,488**	**88.37%**
2023	**96,000**	-	-	-	**5,388**	-	-	**648,820**	**750,208**	**86.5%**
Mr Juan Pablo Vargas de la Vega – Managing Director										
2024	**400,000**	-	-	**107,692**	**55,846**	-	-	**1,619,856**	**2,183,394**	**74.19%**
2023	**430,000**	-	-	-	**45,150**	-	-	**1,297,640**	**1,772,790**	**73.2%**
Mr Terry Gardiner – Non-Executive Director										
2024	**72,000**	-	-	-	**7,920**	-	-	**809,928**	**889,848**	**91.02%**
2023	**72,000**	-	-	-	**7,560**	-	-	**648,820**	**728,380**	**89.1%**
Mr Chris Chalwell – Non-Executive Director (ii)										
2024	-	-	-	-	-	-	-	**611,189**	**611,189**	**100%**
2023	**33,000**	-	-	-	**3,465**	-	-	**450,625**	**487,090**	**92.5%**
Mr Raymond Liu – Non-Executive Director (iii)										
2024	-	-	-	-	-	-	-	-	-	**0%**
2023	**25,194**	-	-	-	-	-	-	-	**25,194**	**0%**
Mr Daniel Jimenez – Non-Executive Director (iv)										
2024	**220,355**	-	-	-	-	-	-	**603,703**	**824,058**	**73.26%**
2023	**213,188**	-	-	-	-	-	-	**522,606**	**735,794**	**71.0%**
Ms Claudia Pohl – Non-Executive Director (v)										
2024	**55,000**	-	-	-	-	-	-	-	**55,000**	**0%**
2023	**14,341**	-	-	-	-	-	-	-	**14,341**	**0%**
Total Remuneration										
2024	**843,355**	-	-	**107,692**	**74,326**	-	-	**4,454,604**	**5,479,977**	**81.29%**
2023	**883,723**	-	-	-	**61,563**	-	-	**3,568,511**	**4,513,797**	**79.1%**

(i) Mr Homsany was paid a salary a total salary of $96,000 plus statutory superannuation ($10,560).
(ii) Mr Chalwell resigned as a director on 31 May 2023 and retained his awarded performance rights.
(iii) Mr Liu resigned as a director on 18 November 2022 and subsequently forfeited his performance rights.
(iv) Mr Jiminez was directly paid director fees of $220,355 ($US144,000) (2023 - $213,188 ($US144,000)).
(v) Ms Pohl was appointed on 28 March 2023 and was directly paid director fees of $55,000 (2023 - $14,341).
(vi) The total value of Director Performance Rights on issue is $22,565,125. This amount is being expensed and amortised over the 5 year life of the performance rights, resulting in an expense of $4,454,604 during this period. Refer to note 16 for the performance rights valuation method.

F Related Party Information

The Company received $63,228 (2023: $57,480) for the recoupment of Company Secretarial services from Cazaly Resources Ltd. Cazaly Resources Ltd is considered by the Company to be a related Party, as a Galan Non-Executive Director, Mr Terry Gardiner, is also a director of Cazaly Resources Ltd.

The Company paid a total of $Nil (2023: $69,883) under an Office Services Agreement with Cazaly Resources Ltd. Cazaly Resources Ltd is considered by the Company to be a related Party, as a Galan Non-Executive Director, Mr Terry Gardiner, is also a director of Cazaly Resources Ltd.

Cardinals Corporate Pty Ltd was paid or owed a total of $163,603 (2023: $ 201,339) in legal and advisory fees for the 2023 financial year. Cardinals Corporate Pty Ltd is considered by the Company to be a related Party, as the Galan Non-Executive Chairman, Mr Richard Homsany, is a director of Cardinals Corporate Pty Ltd.

11. REMUNERATION REPORT (Audited) (Cont'd)

Barclay Wells Ltd was paid a total of $231,000 (2023: $82,500) in capital raising fees for the 2024 financial year. Barclay Wells Ltd is considered by the Company to be a related Party, as a Galan Non-Executive Director, Mr Terry Gardiner, is also a director of Barclay Wells Ltd.

G Interests of Key Management Personnel (KMP)

Share holdings

30 June 2024

Name	Balance 1 July 2023	Purchased	Options Exercised	Sold/Other	Balance 30 June 2024
Richard Homsany	959,067	65,217	1,000,000	-	2,024,284
JP Vargas de la Vega	17, 346,932	3,103,809	500,000	(500,000)	20,450,741
Terry Gardiner	6, 580,487	1,365,217	500,000	(500,000)	7,945,704
Claudia Pohl (i)	-	-	-	-	-
Daniel Jimenez	2,447,713	-	1,000,000	-	3,447,713
Chris Chalwell (ii)	-	-	-	-	-
Jinyu (Raymond) Liu (iii)	-	-	-	-	-
Total	**27,334,199**	**4,534,243**	**3,000,000**	**(1,000,000)**	**33,868,442**

30 June 2023

Name	Balance 1 July 2022	Purchased	Options Exercised	Sold/Other	Balance 30 June 2023
Richard Homsany	959,067	-	-	-	959,067
JP Vargas de la Vega	17, 346,932	-	-	-	17, 346,932
Terry Gardiner	6, 580,487	-	-	-	6, 580,487
Claudia Pohl (i)	-	-	-	-	-
Daniel Jimenez	2,342,713	105,000	-	-	2,447,713
Chris Chalwell (ii)	3,050,001	-	-	(3,050,001)	-
Jinyu (Raymond) Liu (iii)	18, 135,860	-	-	(18, 135,860)	-
Total	**48,415,060**	**105,000**	**-**	**(21,185,861)**	**27,334,199**

Option holdings

30 June 2024

Name	Balance 1 July 2023	Issued/Other (iv)	Exercised	Lapsed/Other	Balance 30 June 2024
Richard Homsany	1,000,000	65,217	(1,000,000)	-	65,217
JP Vargas de la Vega	500,000	2,239,129	(500,000)	-	2,239,129
Terry Gardiner	500,000	1,215,217	(500,000)	-	1,215,217
Claudia Pohl	-	-	-	-	-
Daniel Jimenez	1,000,000	-	(1,000,000)	-	-
Chris Chalwell (ii)	-	-	-	-	-
Jinyu (Raymond) Liu (iii)	-	-	-	-	-
Total	**3,000,000**	**3,519,563**	**(3,000,000)**	**-**	**3,519,563**

30 June 2023

Name	Balance 1 July 2022	Issued/Other	Exercised	Lapsed/Other	Balance 30 June 2023
Richard Homsany	1,000,000	-	-	-	1,000,000
JP Vargas de la Vega	500,000	-	-	-	500,000
Terry Gardiner	500,000	-	-	-	500,000
Claudia Pohl	-	-	-	-	-
Daniel Jimenez	1,000,000	-	-	-	1,000,000
Chris Chalwell (ii)	-	-	-	-	-
Jinyu (Raymond) Liu	1,000,000	-	-	(1,000,000)	-
Total	**4,000,000**	**-**	**-**	**(1,000,000)**	**3,000,000**

11. REMUNERATION REPORT (Audited) (Cont'd)

(i) Ms Pohl was appointed on 28 March 2023
(ii) Mr Chalwell resigned 31 May 2023
(iii) Mr Liu resigned 18 November 2022
(iv) Listed options (GLNOB – exercise price $0.65 expiry date 20 March 2029)

Director Performance Rights

At 30 June 2024, the Directors held the following performance rights (as approved by shareholders on 28 January 2022 and 18 November 2022):

Richard Homsany	3,000,000
JP Vargas de la Vega	6,000,000
Terry Gardiner	3,000,000
Daniel Jimenez	3,000,000
Total	**15,000,000 (*)**

The Director Performance Rights have various share price vesting conditions.

(*) As agreed by the Board, Mr Chalwell was entitled to keep his 1,500,000 Performance Rights upon his resignation as a director on 31 May 2023.

Performance Shares

As announced on 12 October 2023, 5 million Performance Shares previously issued to the Managing Director lapsed.

End of Remuneration Report

12. OPTIONS AND PERFORMANCE RIGHTS

Options on Issue

At the date of this report, the Company had the following options on issue:

Expiry Date	Exercise Price	Unlisted Options
24 December 2024	$1.30	500,000
18 July 2026	$0.35	30,899,675
Expiry Date	**Exercise Price**	**Listed Options**
20 March 2029	$0.65	47,645,627

Performance Rights on Issue

At the date of this report, the Company had a total of 18,350,000 performance rights on issue:

Type	Price Vesting Hurdles	Number
Director Performance Rights	Price vesting hurdles at $2.25, $2.50, $3.00, $3.25 and $3.50	8,250,000
Performance Rights	Price vesting hurdles at $2.25, $2.50, $3.00, $3.25 and $3.50	1,850,000
Director Performance Rights	Price vesting hurdles at $1.75, $2.00, $2.25, $2.50 and $2.75	8,250,000

During the financial year, a total of 500,000 Performance Rights, issued to management personnel, were forfeited under the terms and conditions of their issue.

Performance Shares

5 million Performance Shares issued to the Managing Director lapsed on 12 October 2023.

13. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

14. INDEMNIFYING OFFICERS & AUDITORS

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every Officer, or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. No indemnification has been paid with respect to the Company's auditor. The Company has insurance policies in place for Directors and Officers insurance.

15. NON-AUDIT SERVICES

The auditors have not provided any non-audit services to the Company in the financial year ended 30 June 2024.

16. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C in relation to auditor's independence for the Year ended 30 June 2024 has been received and can be found on page 32.

Signed in accordance with a resolution of the Board of Directors.

J P Vargas de la Vega
Managing Director
Perth, Western Australia
Date: 27 September 2024

Competent Persons Statements

Competent Persons Statement 1
The information contained herein that relates to exploration results and geology is based on information compiled or reviewed by Dr Luke Milan, who has consulted to the Company. Dr Milan is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Milan consents to the inclusion of his name in the matters based on the information in the form and context in which it appears.

Competent Persons Statement 2
The information contained herein that relates to 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 3
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.

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.

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.

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		

Forward Looking Statements

This Annual Report contains forecasts and forward-looking statements which are no guarantee of future performance and which involve certain risks. Actual results and future outcomes will in all likelihood differ from those outlined herein. The report should not be construed as an offer or invitation to subscribe for or purchase securities in the Company. Nor is it an inducement to make offer or an invitation with respect to said securities.

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves nor recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements Galan Lithium Limited for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 27th day of September 2024
Perth, Western Australia

	Note	30 June 2024 $	30 June 2023 $
Continuing Operations			
Interest revenue	3	581,348	1,003,152
Other Income	3	317,550	61,102
Total		898,898	1,064,254
Administration expenses		(2,361,264)	(2,207,169)
Compliance & regulatory expense		(515,919)	(281,528)
Employment expense		(1,387,996)	(1,155,770)
Fair value gain/(loss) on financial assets		(1,134,046)	(254,703)
Depreciation		(255,173)	(172,905)
Share based payments	16	(4,749,962)	(4,609,168)
Loss before income tax expenses		(9,505,462)	(7,616,989)
Income tax expenses	4	-	-
Loss for the year from continuing operations		(9,505,462)	(7,616,989)
Exchange differences on translating foreign operations		720,036	21,305
Other comprehensive income		720,036	21,305
Total comprehensive income and net loss for the Year attributable to the owners of the Company		(8,785,426)	(7,595,684)
Basic and diluted weighted average loss per share (cents per share)	15	(2.52)	(2.47)

The accompanying notes form part of these financial statements.

	Note	30 June 2024 $	30 June 2023 $
Current Assets			
Cash and cash equivalents	5	4,334,457	45,150,542
Trade and other receivables	6	191,924	533,610
Total Current Assets		4,526,381	45,684,152
Non-Current Assets			
Term deposit – Bank Guarantee		224,077	224,077
Financial Assets	7	1,640,505	2,378,588
Right of Use – Office Lease	11	689,719	844,272
Plant & Equipment	8	35,578,143	7,773,180
Exploration and evaluation	9	131,601,536	71,137,277
Total Non-Current Assets		169,733,980	82,357,394
Total Assets		174,260,361	128,041,546
Current Liabilities			
Trade and other payables	10	10,255,517	6,933,598
Lease Liability	11	158,809	143,712
Provisions		131,676	161,757
Total Current Liabilities		10,546,002	7,239,067
Non-Current Liabilities			
Lease Liability	11	446,908	605,715
Environment Provision	26	3,425,088	3,748,355
Total Non-Current Liabilities		3,871,996	4,354,070
Total Liabilities		14,417,998	11,593,137
Net Assets		**159,842,363**	**116,448,409**
Equity			
Issued capital	12	176,749,287	128,831,780
Reserves	13	12,061,143	7,079,234
Accumulated losses	14	(28,968,067)	(19,462,605)
Total Equity		**159,842,363**	**116,448,409**

The accompanying notes form part of these financial statements.

	Note	Issued Capital	Reserves	Accumulated Losses	Total Equity
		$	$	$	$
Balance at 30 June 2022		**96,254,698**	**2,451,290**	**(11,845,616)**	**86,860,372**
Net loss for the year		-	-	(7,616,989)	(7,616,989)
Other comprehensive income for the year net of tax		-	21,305	-	21,305
Total comprehensive loss for the year		-	21,305	(7,616,989)	(7,595,684)
Transactions with owners recorded directly in equity:					
Issue of Equity		32,770,378	-	-	32,770,378
Equity to be issued		(141,695)	-	-	(141,695)
Options exercised		6,500	-	-	6,500
Vendor shares		1,551,000	-	-	1,551,000
Share issue costs		(1,611,628)	-	-	(1,611,628)
Performance shares		-	403,818	-	403,818
Performance rights valuation		-	4,205,348	-	4,205,348
Fair value exercised options		2,527	(2,527)	-	-
Balance at 30 June 2023		**128,831,780**	**7,079,234**	**(19,462,605)**	**116,448,409**
Net loss for the year		-	-	(9,505,462)	(9,505,462)
Other comprehensive income for the year net of tax		-	720,036	-	720,036)
Total comprehensive loss for the year		-	720,036	(9,505,462)	(8,785,426)
Transactions with owners recorded directly in equity:					
Issue of Equity		37,602,149	-	-	37,602,150
Options exercised		1,247,400	-	-	1,247,400
Vendor shares		10,363,000	-	-	10,363,000
Consultant shares		181,600	-	-	181,600
Share issue costs		(1,964,731)	-	-	(1,964,732)
Share Based Payments		-	4,749,962	-	4,749,962
Fair value exercised options		488,089	(488,089)	-	-
Balance at 30 June 2024		**176,749,287**	**12,061,143**	**(28,968,067)**	**159,842,363**

The accompanying notes form part of these financial statements.

	Note	30 June 2024 $	30 June 2023 $
Cash flows from operating activities			
Interest received		767,028	817,472
Other income		65,179	55,833
Cash paid to suppliers and employees		(3,607,822)	(2,780,415)
Net cash used in operating activities	17	(2,775,615)	(1,907,110)
Cash flows from investing activities			
Payments for Property, Plant & Equipment		(32,555,818)	(5,221,939)
Payments for exploration expenditure		(42,046,892)	(24,532,246)
Purchase of exploration assets		(145,616)	(4,671,956)
Payment for investments		(448,248)	(2,081,849)
Payment for term deposit bond		-	(224,077)
Proceeds sale of Investments		287,286	-
Net cash from / (used in) investing activities		(74,909,288)	(36,732,067)
Cash flows from financing activities			
Proceeds from issue of equity instruments		37,451,000	31,500,000
Proceeds from Option Conversion		1,247,400	6,500
Payment for share issue costs		(1,829,582)	(1,611,628)
Net cash from financing activities		36,868,818	29,894,872
Net increase/(decrease) in cash and cash equivalents		(40,816,085)	8,744,305
Cash and cash equivalents at beginning of the year		45,150,542	53,894,847
Cash and cash equivalents at end of year	5	4,334,457	45,150,542

The accompanying notes form part of these financial statements.

STATEMENT OF MATERIAL ACCOUNTING POLICIES

These financial statements and notes represent those of Galan Lithium Limited (**the Company** or **Galan**) and its controlled entities (**the Group**) for the financial year ending 30 June 2024.

Galan is a company limited by shares that is incorporated and domiciled in Australia. Its listed equity securities are quoted on the Australian Securities Exchange (ASX). The financial statements were authorised for issue on 27 September 2024 by the Directors of the Company.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by the Company at the end of the reporting period. A controlled entity is any entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities, as at 30 June 2024 is contained in Note 23 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the Company.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Profit or Loss and other Comprehensive Income. The non-controlling interest in the net assets comprises their interests at the date of the original business combination and their share of changes in equity since that date.

(c) Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the year of $9,505,462 (2023: $7,616,989) and net cash outflows used in operating activities of $2,775,615 (2023: $1,907,110). As at 30 June 2024, the Group had a cash balance of $4,334,457 (2023: $45,150,542).

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and debt markets, managing cashflow in line with the available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

On 27 August 2024, the Company entered into an offtake prepayment memorandum of understanding with Chengdu Chemphys Chemical Industry Co., Ltd (**Chemphys**) in relation to the Company's Hombre Muerto West project in Argentina.

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

On 10 September 2024, The Company announced a $12 million placement to institutional, sophisticated and professional investors (at $0.105 per share) and a 1 for 4 non-renounceable entitlement offer for up to A$ 13.3m at the same price as the placement.

The Directors are satisfied that the going concern basis of preparation of the annual report is appropriate due to:

- The Company has a history of successful capital raising to date and the Directors are confident of the Company's ability to raise additional funds as and when they are required; and
- The Directors have prepared a cash flow forecast which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for a period of 12 months from the date of this report.

Based on the above, the Directors consider the going concern basis of preparation to be appropriate for this annual report.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

(d) Basis of measurement

The financial statements have been prepared on an accrual basis and are based on the historical cost, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(e) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Group's presentation currency.

Determination of functional currency of Argentinian subsidiaries

Based on the primary indicators under IAS 21 – The Effects of Change in Foreign Exchange Rates – Effective 1 July 2021 the Company has adopted the US dollar as the functional currency of Galan Exploraciones S.A. ('GESA') and Galan Litio S.A. ('GLSA'), the two Argentinian based subsidiaries of Galan Lithium Limited.

The Company has recently headed into the next development phase for its Argentinian projects including a Definitive Feasibility Study for its HMW Project. The material contracts associated with the DFS will be in USD including drilling, camp rental and purchase, some pilot plant construction costs, engineering, resource and reserves and project modelling.

All tenement and project acquisitions in Argentina have been and continue to be in USD.

Galan has loan agreements in place with GESA and GLSA that are USD denominated. All transfers to Argentina are done in USD. GESA also has a loan agreement in place with GLSA (incorporated Galan Argentinian subsidiary) that is USD denominated. All cash call transfers to Argentina are executed in USD.

(f) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit and loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the Year when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.
Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future Years in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the relevant tax authority.

Receivables and payables are stated with amounts of GST receivable or payable. The net amount of GST recoverable from, or payable to, the relevant tax authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cashflows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Financial Instruments

Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and

either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payable and convertible notes.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Impairment of Assets

At the end of each reporting year, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting Year.

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts.

(l) Revenue and other Income

Interest Revenue is recognised as interest accrues using the effective interest method.

(m) Trade and other payables

Trade and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the reporting date and are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(n) Equity settled compensation

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting Year, with a corresponding increase to the option reserve.

Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve

The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(o) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an area of interest that is abandoned are written off in full against profit in the year in which the decision to abandon the areas is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(p) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment.

(q) Depreciation

Depreciation is provided for on plant and equipment.

Depreciation in Australia is calculated on a diminishing value basis to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value for book purposes. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Depreciation in Argentina is charged to Exploration and Evaluation expenditure, no depreciation has been charged on assets under construction, relating to the construction of evaporation ponds until the pond system is fully installed and in use.

(r) Critical accounting estimates and judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Judgements –Exploration and evaluation expenditure

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Judgments – Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Key Estimates – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Key Estimates – equity settled transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined by an internal valuation using Black-Scholes option pricing model.

For equity settled transactions with consultants and other non-employees the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services the value of options is calculated using the Black and Scholes option pricing model.

(s) Foreign Currency Transaction and Balances

Functional and presentation currency

The Company has adopted the US dollar as the functional currency for the Argentinian subsidiaries. The Company's financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Profit and loss foreign currency transactions are translated into the functional currency using the average exchange rate for the financial year.

Balance sheet foreign currency items are translated at the year-end exchange rate.

Exchange differences arising on the translation of monetary items are recognised in the Statement of Profit or Loss and Other Comprehensive Income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise exchange differences are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(t) Fair value measurements

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition.

(i) Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

(ii) Valuation techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation technique selected by the Company is the market approach ie. valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	30 June 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
- Australian listed shares	1,640,505	-	-	1,640,505

	30 June 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
- Australian listed shares	2,378,588	-	-	2,378,588

(u) New, revised or amending accounting standards and interpretations adopted

Adoption of new and revised Accounting Standards

The Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2022.

Standards and Interpretations in issue not yet adopted

The Group has reviewed the new and revised Standards and Interpretations on issue not yet adopted for the year ended 30 June 2024. As a result of this review the Group has determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Group accounting policies.

(v) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the consolidated group are classified as finance leases. Finance leases are capitalised by recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets (office premises) are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. This is 5 years.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2. OPERATING SEGMENTS

The Company is currently managed primarily on the basis of its exploration activity. Operating segments are therefore determined on the same basis.

Exploration
Segment assets, including acquisition costs of exploration licenses, all expenses related to the tenements and profit on sale of tenements are reported on in this segment.

Segment assets and liabilities
Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location. Unless indicated otherwise in the segment assets note, deferred tax assets and intangible assets have not been allocated to operating segments.

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables.

Corporate items
The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:
- non-recurring items of revenue or expense;
- deferred tax assets and liabilities.

30 June 2024	**Exploration $**	**Corporate $**	**Total $**
Revenue			
Interest	-	581,348	581,348
Other	-	317,550	317,550
Total segment revenue	-	898,898	898,898
Segment net operating (loss)/profit after tax	-	(9,505,462)	(9,505,462)
Share based payments	-	(4,749,962)	(4,749,962)
Segment assets			
Exploration expenditure*	131,601,536	-	131,601,536
Cash and cash equivalents	-	4,334,457	4,334,457
Other assets	35,458,143	2,866,225	38,324,368
Total segment assets	167,059,679	7,200,682	174,260,361
Segment liabilities	13,553,114	864,884	14,417,998

30 June 2023	**Exploration $**	**Corporate $**	**Total $**
Revenue			
Interest	-	1,003,152	1,003,152
Other	-	61,102	61,102
Total segment revenue	-	1,064,254	1,064,254
Segment net operating (loss)/(profit after tax	-	(7,616,989)	(7,616,989)
Share based payments	-	(4,069,168)	(4,069,168)
Segment assets			
Exploration expenditure*	71,137,277	-	71,137,277
Cash and cash equivalents	-	45,150,542	45,150,542
Other assets	7,615,812	4,137,915	11,753,727
Total segment assets	78,753,089	49,288,457	128,041,546
Segment liabilities	10,106,717	1,486,420	11,593,137

**Exploration expenditure above is predominately focussed in Argentina, but includes $7,546,163 as at 30 June 2024 (2023: 6,407,613) relating to the Greenbushes South project in Australia*

3. *REVENUE AND OTHER INCOME*

	30 June 2024 $	30 June 2023 $
Interest received and accrued from financial institutions	581,348	1,003,152
Other Income		
Sundry	941	3,622
Company secretarial recoupment	57,480	57,480
Office recharge	259,129	-
Total Other Income	317,550	61,102

4. INCOME TAX EXPENSE

Recognised in the income statement	**30 June 2024 $**	**30 June 2023 $**
a) Tax Expense		
Current tax expense	-	-
Deferred tax expense	-	-
Total income tax expense per income statement	-	-

b) Numerical reconciliation between tax expense and pre-tax net profit or (loss)

Net profit/(loss) before tax	**(9,505,462)**	**(7,619,989)**
Corporate tax rate applicable	*30.00%*	*30.00%*
Income tax expense/(benefit) on above at applicable corporate rate	**(2,851,639)**	**(2,285,997)**
Increase in income tax due to tax effect of:		
Share based payments expense	1,438,219	1,382,750
Non-deductible expenses	916,145	125,706
Current year tax losses not recognised	205,960	758,111
Current year capital losses not recognised	53,661	-
Decrease in income tax expense due to:		
Movement in unrecognised temporary differences	287,415	76,411
Deductible equity raising costs	(49,761)	(56,981)
Income tax expense attributable to entity	-	-

Deferred tax assets and liabilities

c) Recognised deferred tax assets and liabilities	*30.00%*	*30.00%*
Deferred tax assets		
Employee Provisions	39,503	48,527
Other Provisions & Accruals	17,466	7,350
ROU Assets	11,361	4,615
Blackhole - Previously Expensed	602	125
Tax losses	1,980,455	786,356
Other DTA's	33,084	-
	2,082,471	846,974
Set-off of deferred tax liabilities	(2,081,471)	(846,974)
Net deferred tax assets	-	-

	30 June 2024 $	30 June 2023 $
Deferred tax liabilities		
Exploration & Mine Properties	(2,056,108)	(780,792)
Unearned Income	-	(46,211)
Other DTL's	(26,363)	(19,972)
Gross deferred tax liabilities	(2,082,471)	(846,974)
Set-off of deferred tax assets	2,082,471	846,974
Net deferred tax liabilities	-	-

d) Unused tax losses and temporary differences for which no deferred tax asset has been recognised

Deferred tax assets have not been recognised in respect of the following using corporate tax rates of:	*30.00%*	*30.00%*
Deductible Temporary Differences	559,988	328,856
Tax Revenue Losses	3,665,460	3,445,726
Tax Capital Losses	54,097	436
Total Unrecognised deferred tax assets	4,279,545	3,775,019

The corporate tax rates on both recognised and unrecognised deferred tax assets and deferred tax liabilities have been calculated with respect to the tax rate that is expected to apply in the year the deferred tax asset is realised or the liability is settled.

5. CASH AND CASH EQUIVALENTS

	30 June 2024 $	30 June 2023 $
Cash at bank	4,334,457	18,150,542
Deposits at call (i)	-	27,000,000
	4,334,457	45,150,542

(i) The effective interest rate on short-term bank deposits was 3.05% (2023: 3.49%).

6. TRADE AND OTHER RECEIVABLES

	30 June 2024 $	30 June 2023 $
GST receivables, interest accrued and other debtors	191,924	533,610

There were no trade receivables past due but not impaired. Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 18 for more information on the risk management policy of the Company and the credit quality of the Company's trade receivables.

7. FINANCIAL ASSETS

	30 June 2024 $	30 June 2023 $
Shares in listed corporations at fair value(i)	1,640,505	2,378,588

(i) Level 1 valuation under Fair Value Hierarchy

8. PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment	Assets Under Construction	Computer Equipment	Motor Vehicles	Total
	$	$	$	$	$
Year Ended 30 June 2024					
Opening net book amount	6,663,721		211,518	897,941	7,773,180
Additions	18,707,539	15,283,512	430,046	1,647,149	36,068,246
Adjustment/Transfers	-	-	-	-	-
Disposal of assets	-	-	-	-	-
Depreciation expense	(6,934,916)	-	(298,661)	(1,029,706)	(8,263,283)
Closing net book amount	18,436,344	15,283,512	342,903	1,515,384	35,578,143
Year Ended 30 June 2024					
Cost	25,420,606	15,283,512	690,487	2,626,625	44,021,229
Accumulated depreciation and impairment	(6,984,262)	-	(347,584)	(1,111,241)	(8,443,086)
Net book amount	18,436,344	15,283,512	342,903	1,515,384	35,578,143
Year Ended 30 June 2023					
Opening net book amount	1,836,695	-	70,127	689,914	2,596,736
Additions	4,866,381	-	177,877	285,259	5,329,517
Adjustment/Transfers	-	-	-	-	-
Disposal of assets	-	-	-	-	-
Depreciation expense	(39,355)	-	(36,486)	(77,232)	(153,073)
Closing net book amount	6,663,721	-	211,518	897,941	7,773,180
Year Ended 30 June 2023					
Cost	6,713,067	-	260,441	979,476	7,952,984
Accumulated depreciation and impairment	(49,346)	-	(48,923)	(81,535)	(179,804)
Net book amount	6,663,721	-	211,518	897,941	7,773,180

9. EXPLORATION AND EVALUATION

	30 June 2024	30 June 2023
	$	$
Costs carried forward in respect of areas of interest:		
Brought forward	71,137,277	33,020,242
Exploration expenditure capitalised during the year	50,101,259	35,566,035
Catalina vendor shares issued	10,000,000	-
Candelas vendor shares issued	-	1,551,000
Greenbushes vendor shares	-	1,000,000
Quebec vendor shares issued	363,000	-
Balance at reporting date	131,601,536	71,137,277

The value of the Company's interest in exploration expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

9. EXPLORATION AND EVALUATION (Cont'd)

Asset acquisition – Hombre Muerto Lithium Project

On 25 June 2018, the Company acquired 100% of the issued capital of Blue Sky Lithium Pty Ltd ('Blue Sky') under the Share Sale and Purchase Agreement. The purchase consideration was as follows:

(a) 3,000,000 fully paid ordinary shares in the capital of Galan and 3,000,000 options each at an exercise price of $0.14 on or before 31 December 2019 (the shares and options were issued on 25 June 2018).
(b) Issue to the Blue Sky vendors and shareholders of 17,000,000 Shares and 12,000,000 Options (the shares were issued on 25 June 2018 and the options on 15 August 2018).
(c) Upon the delineation by or on behalf of Galan of a JORC resource of not less than 80kt lithium carbonate equivalent within the area of the mining properties in which Blue Sky has an interest as at Completion, the issue of 15,000,000 Shares to the Blue Sky vendors and shareholders (the shares were issued on 2 December 2019).
(d) Upon the commencement of commercial production from a pilot plant by on or behalf of Galan, the issue of 10,000,000 Shares to the Blue Sky vendors and shareholders.

Purchase consideration

The fair value of the consideration for the acquisition was as follows:

25,000,000 ordinary shares	$4,625,000
25,000,000 options	$2,518,475
Total consideration	$7,143,475

10. TRADE AND OTHER PAYABLES

	30 June 2024 $	30 June 2023 $
Trade payables	3,063,548	2,206,109
Accruals	7,191,969	4,727,489
	10,255,517	6,933,598

Accounts payable are non-interest bearing and are predominantly settled on 30-45 day terms.

11. RIGHT OF USE ASSETS AND LEASE LIABILITY

Effective 1 December 2022 the company executed a 5 year office lease for its current premises at level 1, 50 Kings Park Road, West Perth 6005.

Right-of-use assets	**30 June 2024 $**	**30 June 2023 $**
Office lease		
At carrying amount	941,221	830,992
Additions	15,142	110,229
Less: Accumulated amortization	(266,654)	(96,949)
	689,719	844,272

Leases

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

As at 1 July	749,427	
Additions	-	830,992
Accretions of interest	34,253	19,718
Payments	(177,963)	(101,283)
As at 30 June	605,717	749,427
Current	158,809	143,712
Non-current	446,908	605,715

The following are the amounts recognised in profit or loss:

Depreciation	166,198	96,949
Interest expense on lease liabilities	34,253	19,718
Total amount recognised in profit or loss	200,451	116,667

The Group had total cash outflows for leases of $177,965 in the period to 30 June 2024 (2023: $101,283)

12. ISSUED CAPITAL

	2024 Number	**2024 $**
Fully paid ordinary shares (2023: 336,915,405- $128,831,780)	473,943,995	176,749,287

Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

12. ISSUED CAPITAL (Cont'd)

	30 June 2024 Number	30 June 2024 $	30 June 2023 Number	30 June 2023 $
Balance at the beginning of the period	336,915,405	128,831,780	304,399,362	96,254,698
Option conversions at $0.21 (i)	5,940,000	1,247,400	30,950	6,500
Placement shares at $1.05 (ii)	-	-	30,000,000	31,500,000
Placement shares at $0.46 (iii)	38,943,477	17,913,999	-	-
Share Purchase Plan at $0.46 (iv)	8,702,150	4,003,000	-	-
Placement shares at $0.23 (v)	57,826,088	13,300,000	-	-
Acuity ATM Collateral Shares(vi)	7,050,000	-	-	-
Acuity ATM Collateral Shares set off (vi)	7,950,000	2,385,150		
Vendor shares – Candelas (vii)	-	-	1,410,000	1,551,000
Vendor shares - Greenbushes South (viii)	-	-	864,345	1,000,000
Vendor shares - Catalina (ix)	9,756,098	10,000,000	-	-
Vendor shares - Quebec (x)	550,000	363,000	-	-
Consultant shares (xi)	-	-	97,729	141,671
Consultant shares (xii)	60,777	44,100	41,840	44,100
Consultant shares (xiii)	250,000	137,500	-	-
Consultant shares (xiv)	-	-	66,122	78,583
Consultant shares (xv)	-	-	5,057	6,000
	473,943,995	178,225,929	336,915,405	130,582,552
Shares to be issued (vi)	-	-	-	(141,671)
Less: transaction costs	-	(1,964,731)	-	(1,611,628)
Transfer from equity-based reserve	-	488,089	-	2,527
Balance at the end of the period	473,943,995	176,749,287	336,915,405	128,831,780

(i) Issued on various dates upon the conversion of unquoted options (exercisable @ $0.21 on or before 8/10/23).
(ii) Issued 30,000,00 fully paid ordinary shares in a placement at $1.05 per share on 22 May 2023.
(iii) Issued 38,943,477 fully paid ordinary shares in a placement at $0.46 per share on 06 February 2024.
(iv) Issued 8,702,174 fully paid ordinary shares in a share purchase placement at $0.46 per share on 02 April 2024.
(v) Issued 57,826,088 fully paid ordinary shares in a placement at $0.23 per share on 24 May 2024.
(vi) Issued 15,000,000 ordinary shares to Acuity Capital under an ATM (on 12 April 2024). On 14 May2024 7,950,000 shares were set off, with 7,050,000 collateral shares remaining under the facility.
(vii) Issued to a vendor as part consideration for tenement acquisitions (Candelas).
(viii) Issued to a vendor as part consideration for tenement acquisition (Greenbushes South).
(ix) Issued to a vendor as part consideration for tenement acquisition (Catalina).
(x) Issued to a vendor as part consideration for tenement acquisition (Quebec)).
(xi) Shares issued to a study consultant ($133,671) and to a geological consultant ($8,000) in lieu of services provided.
(xii) Shares issued to a consultant on 26 August 2022 and 04 September 2023 in lieu of services provided.
(xiii) Shares issued to a consultant in lieu of services provided.
(xiv) Shares issued to a study consultant in lieu of services provided.
(xv) Shares issued to a geological consultant in lieu of services provided.

12. ISSUED CAPITAL (Cont'd)

Performance Shares

A revaluation of performance shares as at 30 June 2024 was conducted by management (refer Note 16 for details).

Options as at 30 June 2024

5,940,000 options with an expiry date of 08/10/23 and exercise price of $0.21 were exercised during the period and 500,000 options with an expiry date of 04/02/24 expired during the period.

The following unquoted options remained on issue as at 30 June 2024:

Expiry Date	Exercise Price	Unquoted Options
24/12/2024	$1.30	500,000
Expiry Date	**Exercise Price**	**Listed Options**
20/03/29	$0.65	47,645,627

Performance Rights as at 30 June 2024

There were a total of 18,350,000 performance rights on issue at 30 June 2024 (refer Note 16 for details).

Capital risk management

The Board controls the capital of the Company in order to provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern. The Company's capital includes ordinary share capital. There are no externally imposed capital requirements.

	30 June 2024 $	30 June 2023 $
Cash and cash equivalents	4,334,457	45,150,542
Trade and other receivables	191,924	533,610
Trade and other payables	(10,255,517)	(6,933,598)
Working capital position	(5,729,136)	38,750,554

13. RESERVES

This reserve records the value of equity benefits provided to employees and directors as part of their remuneration, share based payments to third parties plus option consideration for acquisitions.

	30 June 2024 $	30 June 2023 $
Equity Based Reserve		
Opening balance	7,079,234	3,441,217
Valuation of Performance rights (i)	5,131,307	4,205,348
Performance shares (ii)	-	403,818
Reversal of option valuation for resigned employees	(233,310)	-
Reversal of option valuation for lapsed options	(148,035)	-
Fair value of exercised options transferred to share capital	(488,089)	(2,527)
Closing Balance	11,341,107	8,047,856
Foreign Currency Translation Reserve	720,036	(968,622)
	12,061,143	7,079,234

(i) Represented by 16,500,000 performance rights issued to directors and 1,850,000 performance rights issued to senior management, which are being expensed and amortised over the 5 year life of the performance rights.

(ii) Revaluation of unvested performance shares on issue.

14. ACCUMULATED LOSSES

	30 June 2024 $	30 June 2023 $
Opening balance	(19,462,605)	(11,845,616)
Loss for the Year	(9,505,462)	(7,616,989)
Transfer from Reserves	-	-
Closing Balance	(28,968,067)	(19,462,605)

15. LOSS PER SHARE

	30 June 2024 Number	30 June 2023 Number
Basic weighted average number of ordinary shares outstanding during the year used in calculation of diluted loss/share	376,661,469	308,228,463
Diluted weighted average number of ordinary shares outstanding during the year used in calculation of diluted loss/share	424,807,096	315,168,463
	$	$
Loss used in the calculation of basic and diluted loss per share	(9,505,462)	(7,616,989)

16. SHARE BASED PAYMENTS

Options

There were no Options issued to directors, employees and consultants.

Performance Rights

There were a total of 18,350,000 Performance Rights on issue at 30 June 2024 including 1,850,000 issued to management personnel.

16. SHARE BASED PAYMENTS (Cont'd)

Directors

Total value of the Director Performance Rights is $22,565,125. This amount is being expensed and amortised over the 5 year life of the performance rights, resulting in an expense of $4,454,604 during this period. The Rights were valued using a barrier up-and-in trinomial pricing model with a Parisian barrier adjustment. The model, produced by an external consultant, takes into consideration that the Rights will vest at any time during the performance period, given that the VWAP of the Company's shares exceeds the relevant barrier over 20 consecutive trading days.

Management

The total value of the Management Performance Rights was $3,003,330. This amount is being expensed and amortised over the 5 year life of the performance rights, resulting in an expense of $443,392 during this period. The Rights were valued using a barrier up-and-in trinomial pricing model with a Parisian barrier adjustment. The model, produced by an external consultant, takes into consideration that the Rights will vest at any time during the performance period, given that the VWAP of the Company's shares exceeds the relevant barrier over 20 consecutive trading days.

The following table illustrates the movements and the number and weighted average exercise prices of share-based payment options on issue during the year:

	2024		2023	
	Number of Options	Weighted Ave Exercise Price $	Number of Options	Weighted Ave Exercise Price $
Balance at 1 July 2023	6,940,000	0.32	6,970,950	0.32
Expired during the year	(500,000)	0.65	-	-
Exercised during the year	(5,940,000)	0.21	(30,950)	0.21
Issued during the year	-	-	-	
Balance at 30 June 2024	500,000	1.30	6,940,000	0.32
Exercisable at 30 June 2024	500,000		6,940,000	

Options expired during the year resulted in a reversal to share based payment expense of $148,034. The options outstanding at 30 June 2024 had a weighted average remaining life of 0.485 years (2023 – 0.38 years). The weighted average fair value of the options outstanding at 30 June 2024 was $1.30 (2023 - $0.18).

<u>Performance Shares</u>

Allottee	Number of Shares	Fair Value at Grant Date per Option	Probability	Life of Shares (years)	Expiry Date	Expected exercise date
<u>Blue Sky Milestones</u>						
- Share A[(i)]	Vested for vendors on 2 December 2019 [(i)]					
- Share B[(iii)]	10,000,000	$0.185	80%	N/A	N/A	N/A

The calculation of the value of the above performance shares resulted in a share-based expense of Nil during the year, which is based on management's assessment of the probability of the milestones being met.

(i) Milestone of 80kt lithium carbonate lithium JORC resource achieved 1 October 2019
(ii) Milestone of 1Mt lithium carbonate JORC (2012) compliant Indicated resource achieved 22 June 2020.
(iii) Probability of Blue Sky Milestone – Share B was re-assessed at 80% , recognising the delivery of a DFS study targeting production of 5.4ktpa on 3/7/2023.

16. SHARE BASED PAYMENTS (Cont'd)

Blue Sky Milestones

Under the Share Sale and Purchase Agreement for the acquisition of Blue Sky, there is one final allotment of 10 million shares to the Blue Sky vendors and shareholders outstanding. These are due upon the commencement of commercial production from a pilot plant.

Managing Director Performance Shares

On 6 June 2019, shareholders approved the issue of a total 10 million performance shares to Mr JP Vargas de la Vega upon the achievement of certain milestones on or before 31 July 2023. The 5 million Class A Performance Shares would convert to Shares upon the Company announcing an Indicated and Measured resource of 1Mt of lithium carbonate equivalent at a minimum grade of 400 mg/l of lithium pursuant to The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (JORC Code) within a project in which the Company has an interest. The 5 million Class B Performance Shares would convert to Shares upon financial close for a commercial scale lithium production facility capable of production of at least 5,000tpa of lithium carbonate equivalent per annum.

On 22 July 2020, 5 million Class A Performance Shares were converted to fully paid ordinary shares and issued to Mr JP Vargas de le Vega (milestone announced 22 June 2020).

On 31 July 2023, the 5 million Class B Performance Shares were converted to a total of 5 Shares as the financial close for a commercial scale lithium production facility capable of production of at least 5,000tpa of lithium carbonate equivalent per annum did not meet the 31 July 2023 deadline.

17. CASH FLOW INFORMATION

Reconciliation from the net loss after tax to the net cash flow from operations

	30 June 2024 $	**30 June 2023 $**
Loss from ordinary activities after income tax	(9,505,462)	(7,616,989)
Government Grant	-	-
Gain on hyper inflation	-	-
Gain on sale of shares	-	-
Fair value adjustment to investments	1,154,793	254,703
Exploration Written off	-	-
Depreciation	255,173	75,956
Share based payments	4,749,962	4,609,168
Changes in assets and liabilities		
- (Increase)/decrease in trade and other receivables	(156,007)	(474,372)
- Increase/(decrease) in provisions	(30,081)	78,607
- Increase/(decrease) in trade and other payables	756,007	1,165,817
Cash flow from operations	(2,775,615)	(1,907,110)

18. FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of deposits with banks, accounts receivable and payable. The main risks arising from the Company's financial instruments are interest rate risk, credit risk, and liquidity risk. Risk management is carried out by the Board of Directors who monitor, evaluate, and manage the Company's financial risk. The financial receivables and payables of the Company in the table below are due or payable within 30 days.

18. FINANCIAL RISK MANAGEMENT (Cont'd)

	Variable Interest Rate $	Fixed Maturity – 1 Year or Less $	Non-interest Bearing $	2024 Total $
2024				
Financial assets				
Cash and cash equivalents	4,334,457	-	-	4,334,457
Receivables	-	-	191,924	191,924
Held for trading financial assets	-	-	1,640,505	1,640,505
Total financial assets	4,334,457	-	1,832,429	6,166,886
Weighted average effective interest rate				3.05%
Financial liabilities				
Trade payables and accruals			(10,255,517)	(10,255,517)
Net financial assets				(4,088,631)

	Variable Interest Rate $	Fixed Maturity – 1 Year or Less $	Non-interest Bearing $	2023 Total $
2023				
Financial assets				
Cash and cash equivalents	18,150,542	27,000,000	-	45,150,542
Receivables	185,680	-	347,930	533,610
Held for trading financial assets	-	-	2,378,588	2,378,588
Total financial assets	18,336,222	27,000,000	2,726,518	48,062,740
Weighted average effective interest rate				3.5%
Financial liabilities				
Trade payables and accruals	-	-	(6,933,598)	(6,933,598)
Net financial assets				41,129,142

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. All financial instruments measured at fair value are level one, meaning fair value is determined from quoted prices, in active markets for identical assets.

Financial risk management objectives and policies

The Board of Directors monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including fair value and interest rate risk), credit risk and liquidity risk. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

18. FINANCIAL RISK MANAGEMENT (Cont'd)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financing loss from defaults. The Company exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the board. The board's policy requires that surplus funds are only invested with counterparties with Standard & Poor's rating of at least AA-. All of the Company's surplus funds are invested with a AA- rated financial institution.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised below:

	30 June 2024 $	30 June 2023 $
Cash and cash equivalents – Australia	2,745,143	44,263,723
Receivables – Australia	191,924	533,610

The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the Company's maximum exposure to credit risk.

All Australian receivables noted above are due within 30 days.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company has no borrowings. The Company's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

Interest rate risk exposure

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk as it invests funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate deposits. The Company has no borrowings.

	30 June 2024 $	30 June 2023 $
<u>Interest bearing financial instruments</u>		
Cash and cash equivalents – Australia	2,745,143	44,263,723
Weighted average effective interest rate	3.05%	3.5%

18. FINANCIAL RISK MANAGEMENT (Cont'd)

Sensitivity analysis
Interest rate risk

The Company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest rate sensitivity analysis

At 30 June 2024, the effect on loss as a result of changes in the interest rate, with all variables remaining constant, applied to group cash balance would be as follows:

	30 June 2024 $	30 June 2023 $
Change in Loss		
Increase in interest rate by 100 basis points	43,345	451,505
Decrease in interest rate by 100 basis points	(43,345)	(451,505)
Change in equity		
Increase in interest rate by 100 basis points	43,345	451,505
Decrease in interest rate by 100 basis points	(43,345)	(451,505)

Foreign currency sensitivity analysis

At 30 June 2024, the effect on loss as a result of changes in the Foreign currency, with all variables remaining constant would be as follows:

Change in loss		
Increase in 20% of Australian Dollar against the Argentinian Peso	1,866,985	1,030,992
Decrease in 20% of Australian Dollar against the Argentinian Peso	(1,866,985)	(1,030,992)
Change in equity		
Increase in 20% of Australian Dollar against the Argentinian Peso	1,866,985	1,030,992
Decrease in 20% of Australian Dollar against the Argentinian Peso	(1,866,985)	(1,030,992)

19. KEY MANAGEMENT PERSONNEL (KMP) COMPENSATION

Refer to the remuneration report contained in the directors' report for details of remuneration paid or payable to each member of the Company's key management personnel for the year ended 30 June 2024.

The totals of remuneration paid to KMP of the Company during the year are as follows:

	30 June 2024 $	30 June 2023 $
Short term employee benefits	951,047	883,723
Post-employment benefits	74,326	61,563
Other long term benefits	-	-
Equity based payments	4,454,604	3,568,511
	5,479,977	4,513,797

Barclay Wells Ltd was paid a total of $231,000 (2023: $82,500) in capital raising fees for the 2023 financial year. Barclay Wells Ltd is considered by the Company to be a related Party, as a Galan Non-Executive Director, Mr Terry Gardiner, is also a director of Barclay Wells Ltd.

The Company received $63,228 (2023: $57,480) for the recoupment of Company Secretarial services from Cazaly Resources Ltd. Cazaly Resources Ltd is considered by the Company to be a related Party, as a Galan Non-Executive Director, Mr Terry Gardiner, is also a director of Cazaly Resources Ltd.

19. KEY MANAGEMENT PERSONNEL (KMP) COMPENSATION (Cont'd)

The Company paid a total of $Nil (2023: $69,883) under an Office Services Agreement with Cazaly Resources Ltd. Cazaly Resources Ltd is considered by the Company to be a related Party, as a Galan Non-Executive Director, Mr Terry Gardiner, is also a director of Cazaly Resources Ltd.

Cardinals Corporate Pty Ltd was paid or due a total of $163,603 (2023: $ 201,339) in legal fees for the 2024 financial year. Cardinals Corporate Pty Ltd is considered by the Company to be a related Party, as the Galan Non-Executive Chairman, Mr Richard Homsany, is a director of Cardinals Corporate Pty Ltd. There was Nil outstanding at 30 June 2024.

20. COMMITMENTS

The mining tenement option obligations, which include declared tenement commitments at Greenbushes are not provided for in the financial statements and are payable as follows:

	30 June 2024 $	30 June 2023 $
No longer than one year	260,363	160,012
Longer than one year but not longer than five years	592,241	304,954
Longer than five years	-	-
	852,604	464,966

A summary of the resolution of previously material outstanding mining tenement option obligations are as follows:

Candelas Properties – Candela, Candela II, Candela III, Candela Iv, Candela V and Candela VI

As announced on 8 February 2023, Galan moved to 100% full ownership and title to the Candelas project. Candelas has no outstanding payment obligations attached to it.

Catalina Property – Full Ownership

On 28 July 2023, the Company announced that it had executed the necessary agreements to register its full ownership of the Catalina tenure (as issued by the Catamarca and Salta authorities). There is a long-standing political border dispute (over 100 years) between Salta and Catamarca, that includes the northern part of the Salar del Hombre Muerto, which does not have a foreseeable resolution. Over time, both respective provincial mining authorities have claimed the right on the disputed area and have been issuing mining rights that overlap over the same area. For clarity, Galan's Catalina tenure covers Catalina, Rana de Sal II, Rana de Sal III, Pucara del Salar and Deceo I.

The Catalina tenure has never been included in the HMW Resource estimate but will now be classified under the HMW Project and a more focused and detailed work campaign will ramp up in the area.

Catalina is located in a disputed area between Salta and Catamarca without final definition, therefore the ownership of the area will be disputed by Salta up until the Federal Congress takes a final decision. It is not expected that such a resolution will eventuate in the foreseeable near future.

An agreement with the Salta private owner was reached whereby the Company issued 9,756,098 fully paid ordinary shares (on 28 July 2023) for 100% ownership of the Catalina project, both in Salta and Catamarca. The uncertainty around the private ownership and potential mine development of the tenure was resolved through this important acquisition.

21. EVENTS SUBSEQUENT TO THE REPORTING DATE

Under the Acuity ATM, Galan issued the following equity after the end of the financial year:

15 July 2024 – 7,050,000 ordinary shares for proceeds of $1,100,000;
2 August 2024 – 4,750,000 ordinary shares for proceeds of $650,000;
15 August 2024 – 9,000,000 ordinary shares for proceeds of $1,100,000; and
30 August 2024 – 4,800,000 ordinary shares for proceeds of $600,000

21. EVENTS SUBSEQUENT TO THE REPORTING DATE (Cont'd)

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

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

As announced on 27 August 2024, the Company entered into an offtake prepayment memorandum of understanding with Chengdu Chemphys Chemical Industry Co., Ltd (**Chemphys**) in relation to the Company's Hombre Muerto West project in Argentina.

On 10 September 2024, The Company announced an $12 million placement to institutional, sophisticated and professional investors (**$0.105 Placement**) and a 1 for 4 non-renounceable entitlement offer (**Entitlement Offer**) up to A$ 13.3m at the same price as the $0.105 Placement. Under the $0.105 Placement, Galan issued a total of 69,533,340 fully paid ordinary shares in the Company on 17 September 2024. The shares were issued under the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A.

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

Apart from the above, the Directors are not aware of any matters or circumstances at the date of the report, other than those referred to in this report or the financial statements or notes thereto, that has significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Group in subsequent financial years.

22. REMUNERATION OF AUDITORS

	30 June 2024 $	30 June 2023 $
Remuneration of the auditor for:		
Auditing and reviewing the financial reports YE 30 June 2023	3,665	39,666
Auditing and reviewing the financial reports YE 30 June 2024	57,501	-
	61,164	39,666

23. CONSOLIDATED ENTITY DISCLOSURE STATEMENT

	Type of Entity	Country of Incorporation	% Owned	Australian or Foreign resident	Foreign tax jurisdiction of foreign residents
Galan Lithium Limited (Parent Entity)	Body corporate	Australia		Australia	Australia
Blue Sky Lithium Pty Ltd (Controlled Entity)	Body corporate	Australia	100%	Australia	Australia
Galan Exploraciones S.A. (GESA) (Controlled Entity)	Body corporate	Argentina	100%	Foreign	Argentina
Galan Litio S.A. (GLSA) (Controlled Entity)	Body corporate	Argentina	100%	Foreign	Argentina
Galan Quebec Exploration Inc. (Controlled Entity)	Body corporate	Canada	100%	Foreign	Canada

On 15 July 2019, the Argentinian authorities granted the Company permission to become a registered foreign shareholder of GESA. Under the Argentine Corporations Code, a local company must have at least two shareholders. At the date of this report, the Company now holds 95% of the issued shares in GESA with the remaining 5% being held in trust, on behalf of the Company, by Mr Vargas de le Vega. In Financial year ended 30 June 2022, a second company was registered in the Salta province in Argentina - Galan Litio SA ('GLSA') under the same ownership structure as GESA. On 26 September 2023, Galan Quebec Exploration Inc was incorporated.

24. PARENT ENTITY DISCLOSURES

	30 June 2024 $	30 June 2023 $
(a) Statement of financial position		
Assets		
Current assets	2,937,067	44,797,333
Non-current assets	158,556,570	73,535,404
Total assets	161,493,637	118,332,737
Liabilities		
Current liabilities	1,072,691	1,915,988
Non-current liabilities	578,583	767,472
Total liabilities	1,651,274	2,683,460
Equity		
Issued capital	176,749,287	128,831,779
Reserves:		
Equity based payment reserve	13,051,066	8,069,158
Retained losses	(29,957,990)	(21,251,660)
Total Equity	159,842,363	115,649,277
(b) Statement of Profit or Loss and Other Comprehensive Income		
Total profit/ (loss)	(8,785,426)	(7,595,684)
Total comprehensive income	(8,785,426)	(7,595,684)

25. CONTINGENT LIABILITIES

Galan Lithium Limited has the following material contingent liabilities as at 30 June 2024:

Under the Share Sale and Purchase Agreement for the acquisition of Blue Sky, there is one final allotment of 10 million shares to the Blue Sky Lithium Pty Ltd vendors and shareholders outstanding. These are due upon the commencement of commercial production from a pilot plant.

On 6 June 2019, shareholders approved the issue of a total 10 million performance shares to Mr JP Vargas de la Vega upon the achievement of certain milestones on or before 31 July 2023. The 5 million Class A Performance Shares would convert to Shares upon the Company announcing an Indicated and Measured resource of 1Mt of lithium carbonate equivalent at a minimum grade of 400 mg/l of lithium pursuant to The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (JORC Code) within a project in which the Company has an interest. The 5 million Class B Performance Shares would convert to Shares upon financial close for a commercial scale lithium production facility capable of production of at least 5,000tpa of lithium carbonate equivalent per annum.

On 20 July 2020, the above 5 million Class A Performance Shares were issued to the Managing Director (milestone announced 22 June 2020).

Assessments are conducted by management at each reporting date to determine the likelihood of the milestones being achieved. As at 30 June 2024 there was no share based payment expense (2023: $403,818).

26. ENVIRONMENT PROVISION

A provision of $3,425,088 has been recognised for rehabilitation costs associated with land disturbance and infrastructure at our Hombre Muerto West and Candelas projects in Argentina.

In accordance with a resolution of the directors of Galan Lithium Limited, the directors of the company declare that:

1. the financial statements and notes, as set out, on pages 33 to 62 are in accordance with the Corporations Act 2001 and:

    a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
    b. give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Company;

2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

3. in the directors' opinion the information disclosed in the consolidated entity disclosure statement in note 23 is true and correct; and

4. the directors have been given the declarations required by s 295A of the Corporations Act 2001 from the Managing Director and Chief Financial Officer.

On behalf of the Directors

JP Vargas de la Vega
Managing Director
Perth, Western Australia
27 September 2024

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GALAN LITHIUM LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Galan Lithium Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the Group disclosure statement and the director's declaration.

In our opinion:

a. the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1 (a).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(c) in the financial report which indicates that the Group incurred a net loss of $9,505,462 during the year ended 30 June 2024. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Exploration and Evaluation As disclosed in Note 9 to the financial statements, the Group had an exploration and evaluation balance of $131,601,536 as at 30 June 2024. Exploration and evaluation expenditure is a key audit matter due to: • The significance of the balance to the Group's financial position. • The level of judgement required in evaluating management's application of the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"). AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset. • The assessment of impairment of exploration and evaluation expenditure requiring judgement.	Our procedures included, amongst others: • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Group holds an interest and the exploration programs planned for those tenements; • For each area of interest, we assessed the Group's rights to tenure by corroborating to agreements in place; • We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets; • Substantiated a sample of expenditure by agreeing to supporting documentation; and • We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure: ○ the licenses for the right to explore expiring in the near future or are not expected to be renewed;

Key Audit Matter	How our audit addressed the Key Audit Matter
	○ substantive expenditure for further exploration in the specific area is neither budgeted or planned decision or intent by the Group to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and ○ data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale. Assessing the adequacy of the disclosures included in Note 9 to the financial statements.
Accounting for share based payments As disclosed in Notes 13 and 16 to the financial statements, during the year ended 30 June 2024 the Group incurred share based payments expense of $4,749,962. Share based payments are considered to be a key audit matter due to: • the value of the transactions; • the complexities involved in the recognition and measurement of these instruments; and • the judgement involved in determining the inputs used in the valuations.	Our procedures amongst others included: • Analysing agreements to identify the key terms and conditions of share based payments issued and relevant vesting conditions in accordance with AASB 2 Share Based Payments; • Evaluating valuation models and assessing the assumptions and inputs used; • Assessing the amount recognised during the year in accordance with the vesting conditions of the agreements; • Assessing the achievement of relevant milestones; and Assessing the adequacy of the disclosures included in notes 13 and 16 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

HALL CHADWICK

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the Group disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error. In Note 1 (a), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Galan Lithium Limited, for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 27th day of September 2024
Perth, Western Australia

Additional information required by Australian Securities Exchange Limited and not shown elsewhere in this Annual Report is as follows. The information is provided as at **17 September 2024**.

DETAILS OF EQUITY SECURITIES

ORDINARY SHAREHOLDERS

There are 576,200,597 fully paid ordinary shares on issue, held by 7,565 individual shareholders. Each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands every person who is a member or a representative or a proxy of a member shall have one vote and on a poll every member present in person or by proxy or attorney or other authorised representative shall have one vote for each share held.

TWENTY LARGEST SHAREHOLDERS

Fully Paid Ordinary Shareholders	Number	Percentage
UBS Nominees Pty Ltd	38,184,892	6.63
Citicorp Nominees Pty Ltd	36,687,883	6.37
BNP Paribas Nominees Pty Ltd (IB AU Noms Retail Client))	35,129,269	6.10
HSBC Custody Nominees (Australia) Limited	25,083,275	4.35
BNP Paribas Noms Pty Ltd	23,766,014	4.12
Juan Pablo Vargas de la Vega	21,238,711	3.69
Havelock Mining Investment Ltd	16,983,004	2.95
BNP Paribas Nominees Pty Ltd (Clearstream)	12,967,710	2.25
Acuity Capital Investment Management Pty Ltd (Acuity Capital)	10,303,231	1.79
Mr Zhaoyang Liu	9,090,924	1.58
Est of Ms Margaret Lynette Harvey	7,485,714	1.30
Annandale Street Holdings Pty Ltd (Annadale Street Holding A/c)	6,000,000	1.04
J P Morgan Nominees Australia Pty Ltd	5,897,428	1.02
Mr Terry James Gardiner	5,788,817	1.00
Hawksburn Capital Pte Ltd (Methuselah Strategic Fnd A/c)	5,336,358	0.95
Clive Jones (The Alyse Investment A/C)	4,199,254	0.73
Mrs Kelly Allen	4,000,000	0.69
Cardinals Corporate Pty Ltd (Cardinals Corporate A/c)	3,818,608	0.66
Mr Bradley William Smith	3,486,388	0.61
Mr Bao Fen Pan & Ms Min Hua Zuan (Bao Superfund A/c)	3,249,662	0.56
	278,697,142	48.37

VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

(a) each shareholder entitled to vote, may vote in person or by proxy, attorney or representative;

(b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

(c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

VOTING RIGHTS

There are 3,572 shareholders who hold less than a marketable parcel of shares.

DISTRIBUTION OF SHARE HOLDERS

	Ordinary Shares
1 to 1,000	907,250
1,001 to 5,000	6,469,262
5,001 to 10,000	8,177,122
10,001 to 100,000	71,546,178
100,001 and over	489,100,785
	576,200,597

SUBSTANTIAL SHAREHOLDERS

As at report date, the following shareholders are recorded as Substantial Shareholders pursuant to their last notices lodged in accordance with section 671B of the Corporations Act:

Substantial Shareholder	Ordinary Shares held	% Held
Regal Funds Management Pty Ltd and its associates	39,540,601	6.86%

The percentage set out above is based on the total issued share capital at the date of ASX notification of substantial shareholder interest.

SHARE BUY-BACKS

There is no current on-market buy-back scheme.

OTHER INFORMATION

Galan Lithium Limited, incorporated and domiciled in Australia, is a public listed Company limited by shares.

INTEREST IN MINING TENEMENTS (AS AT 17 SEPTEMBER 2024)

Argentina (Hombre Muerto projects) - 100% right, interest and/or title

ARGENTINA GOLD
CANDELA I – VIII, XI-XV
CASA DEL INCA I, II, III, IV
CATALINA
DECEO I, II, III
DEL CONDOR
DELMIRA I
DON MARTIN
JAZMIN II
JUANA DE ANTOFALLA
PATA PILA
PUCARA DEL SALAR
RANA DE SAL I, II, III, IV
SALINAS
SANTA BARBARA VII,VIII,X,XXIV

Australia (Greenbushes South project) – 100% interest

E70/4690
E70/4790
E70/4777
E70/5680
E70/6263
E70/6263 (formerly E70/4889)(pending)
E70/4624 (formerly E70/4629)(pending)
P70/1698 to P70/1704 (pending)

Canada (James Bay project) – 50% interest

James Bay – Claim Nos

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

Taiga - Claim Nos

CDC2661464-CDC2661493