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GALAN LITHIUM LIMITED

AND CONTROLLED ENTITIES

ABN 87 149 349 646

Financial Report

Half Year ended 31 December 2025

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DIRECTORS

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

COMPANY SECRETARY

Mike Robbins (resigned 23.01.2026)
Katherine Garvey (appointed 23.01.2026)

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Level 1, 50 Kings Park Road
West Perth WA 6005
Phone: +61 8 9214 2150

Email: admin@galanlithium.com.au
Website: www.galanlithium.com.au

AUDITORS

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco WA 6008

SHARE REGISTRY

Automic
Level 5, 126 Phillip St
SYDNEY NSW 2000
Telephone: 1300 288 664

STOCK EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange Limited.
Home Exchange: Perth

ASX Code
GLN

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The Directors of Galan Lithium Limited ('the Company' or 'Galan') present the financial report of the Company and its controlled entities ('the Group') for the half year ended 31 December 2025. 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 under the ticker GLN.

DIRECTORS

The names of Directors who held office during or since the end of the half year and until the date of this report are as follows.

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

The Directors were in office for this entire period except for Mr Ofer Amir, who was appointed on 23 January 2026.

Mike Robbins resigned on 23 January 2026, and Katherine Garvey was appointed Company Secretary on 23 January 2026.

RESULTS

The operating loss after income tax of the Group for the half year ended 31 December 2025 was $5,358,172 (2024: $5,541,178).

HALF YEAR REVIEW

CORPORATE

At the end of the 2025 calendar year, the Group had cash and cash equivalents of $14,907,460 (June 2025: $4,447,999).

Equity

During the half year to 31 December 2025, the Company issued the following equity:

Shares

- A total of 5,972,171 fully paid ordinary shares were issued to Directors (and/or their nominees) under the terms and condition of the $0.11 placement announced on 16 April 2025.
- At the Shareholders meeting held on 22 August 2025, Shareholders approved the issue of a total of 181,818,182 fully paid ordinary shares ('Shares') and 90,909,091 options ($0.15 exercise price with a 3 year exercise period from date of issue) in relation to the $20 million placement to Clean Elements Fund ('Clean Elements'). The placement consisted of two tranches:
  Tranche 1 – 90,909,091 Shares and 45,454,545 options ($0.15 exercise price with a 3 year exercise period from date of issue); and
  Tranche 2 – 90,909,091 Shares and 45,454,546 options ($0.15 exercise price with a 3 year exercise period from date of issue).
  Tranche 1 equity was issued on 1 September 2025 upon the receipt of $10m. Tranche 2 equity was issued on 5 November 2025.
- On 1 September 2025, the Company issued 3,000,000 Shares to a consultant under the terms and conditions of an agreement.
- On 27 November 2025, the Company issued 1,325,873 Shares upon the exercise of vested STI performance rights for nil consideration to Key Management Personnel under the Galan Securities Incentive Plan (2022).
- On 17 December 2025, the Company issued 614,830 Shares to employees in lieu of an annual bonus cash payment.

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OPERATIONS

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 the established El Fenix lithium operation, Sal de Vida (both projects are operated by Rio Tinto) and Sal de Oro (POSCO) lithium projects (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.

HMW is a tier-1 lithium brine project located on the Hombre Muerto salar in Argentina. Phase 1 is designed to deliver 5.2 ktpa LCE as a 6% lithium chloride concentrate, over an initial 40-year mine life[1]. Current brine inventories sit at approximately 9,500 t LCE.

Project execution remains on schedule with the following key developments being achieved:

- A placement was completed with AUD $20 million received during the period for Phase 1 funding with Clean Elements.
- Authium completed construction of the nano-filtration plant in January 2026, which was shipped to site following testing.
- The nano-filtration plant arrived onsite in February 2026, installation and commissioning is currently underway.
- Site construction activities, including completion of pond 4, have now been materially completed.
- First production is expected in H1 2026 at a 4 ktpa LCE production rate.
- A placement was completed for ~AUD $40 million to support a 30% expansion to Phase 1 to a 5.2 ktpa production during H2 2026.

HMW is a multi-decade, lithium brine project with compelling economics. Phase 1 provides for a 5.2 ktpa LCE operation, producing a 6% LiCl concentrate product over a projected 40-year life [1]. Finalisation of Phase 1 and commencement of production is the key focus for Galan. Beyond Phase 1, the Company will undertake a phased scaling approach, eventually ramping up to 60 ktpa LCE at the conclusion of Phase 4. This approach mitigates funding and execution risk and will allow for continuous process improvement.

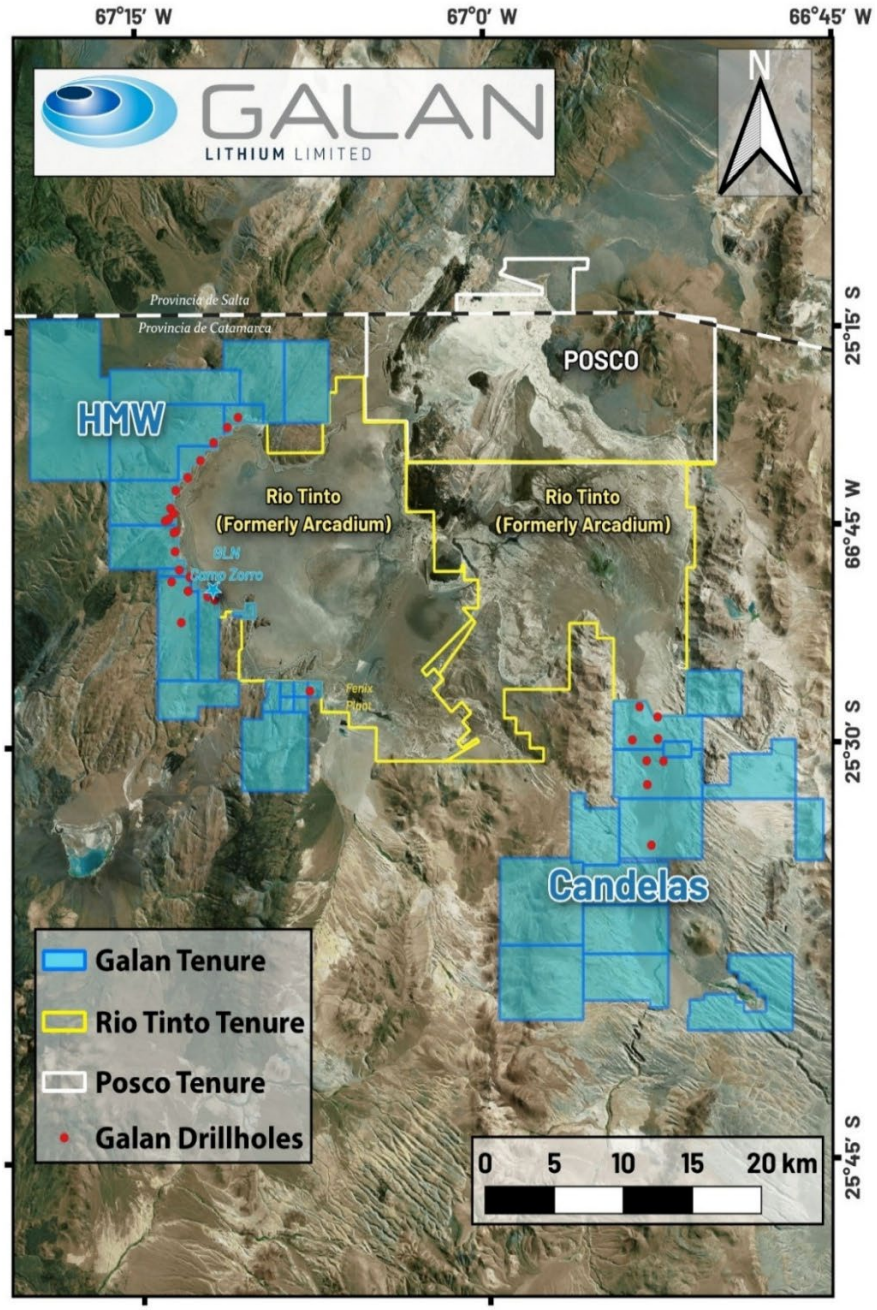
With a world class resource and a cost profile within the first quartile globally, HMW is a clear demonstration of the benefits of a high-quality lithium brine asset. These benefits are allowing Galan to progress through development and into production with a lower capital intensity and lower risk profile when compared to hard rock lithium (spodumene) projects.

Importantly, lithium chloride is a key component for lithium iron phosphate (LFP) batteries, which have become the dominant battery product globally. With the ability to be cost effectively converted into a lithium dihydrogen phosphate or lithium carbonate, lithium chloride, as will be produced at HMW, is an ideal source for LFP batteries.

Please refer to Mineral Resource Table for Galan's Total Resources of 9.5Mt LCE.

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

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



RIGI Incentive Regime

On 25 July 2025, the Company advised that the Comite Evaluador de Proyectos RIGI, responsible for awarding the Argentine Government's Régimen de Incentivo para Grandes Inversiones (the incentive regime for large-scale investments referred to as the "**RIGI**"), approved the RIGI for Galan's flagship HMW project in Catamarca Province, Argentina. Galan received official notification of approvals relating to the RIGI on 28 August 2025. The RIGI is a landmark investment framework introduced as part of the Government of Argentina's new economic reform agenda, aimed at encouraging large-scale investment in key sectors, including mining. The RIGI provides long-term certainty on tax and foreign exchange regulations, as well as streamlined permitting, both critical enablers for project financing, efficient construction and operation of the HMW Project over its multi-decade life. At the time of the grant, HMW was only the sixth project to receive the RIGI approval in Argentina and the second in the mining sector, following the recent award to Rio Tinto's Rincon project.

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Key Benefits of the RIGI for the HMW Project:

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

AUD $20M placement completed for HMW Phase 1 – 4 ktpa Production

As announced on 25 August 2025, all conditions relating to a $20 million share placement (Placement) to Clean Elements were completed. Settlement was completed during the period in two equal tranches of $10 million, providing Galan with the funding required for the finalisation of the HMW Phase 1 construction at 4ktpa production rate, with first production of lithium chloride concentrate scheduled for H1 2026.

AUD $40 Million placement completed to Support 30% Expansion of Phase 1 Hombre Muerto West (HMW) – 5.2 ktpa Production rate

As announced on 29 January 2026 the Company raised a total of $40 million (before costs) under a placement to sophisticated and institutional investors and an additional $1 million to be raised under a second tranche consisting of a director placement (together the 'Equity Raising'), at an issue price of $0.41 per Share. The Equity Raising was undertaken in two tranches:

Tranche 1: Comprising the issue of approximately 86.6 million new Shares to institutional, professional and sophisticated investors under Galan's placement capacity under ASX Listing Rules 7.1 and 7.1A. AUS $35 million was received on 3 February 2026 in satisfaction of Tranche 1.
Tranche 2: Comprising the proposed issue of 13.4 million Shares to Clean Elements and Directors of Galan, subject to shareholder approval under ASX Listing Rule 10.11 which will be sought at an Extraordinary General Meeting expected to be held in April 2026.

Candelas Project (100% Galan)

The Candelas Project (refer Figure 1) is supported by a full Preliminary Economic Assessment and a JORC 2012 Resource (refer Table 1) 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 lithium bearing brines.

Candelas has no third party royalties attached to it and has a readily accessible reverse osmosis water source. The Candelas project will be incorporated into Phase 4 of the Company's 60 ktpa LCE long term production plan.

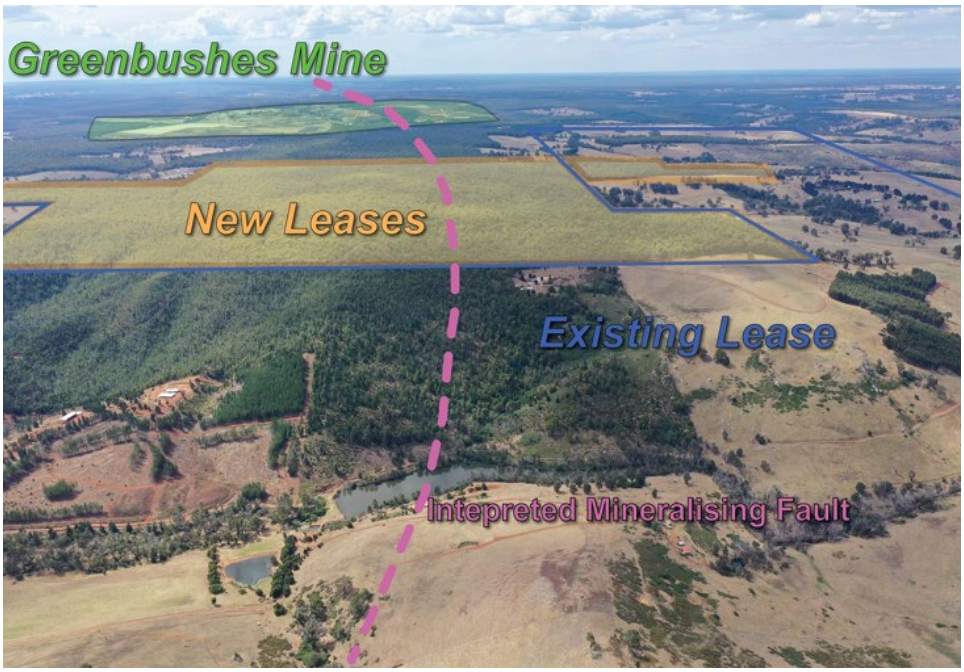
No material activities were performed at Candelas during the period.

Greenbushes South Project (100% Galan)

While Galan's focus remains on the construction activities at HMW, the Company is also committed to maintaining and exploring its exploration tenure at Greenbushes South and surrounding areas. In October 2025, Galan was granted exploration licence E70/4889 and prospecting licences P70/1702, P70/1703 and P70/1704 by the Western Australian Department of Mines, Industry Regulation and Safety. The new tenure is located approximately two kilometres south of, and along strike from, the Tier 1 Greenbushes lithium mine.

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Figure 2. Drone photo showing new tenements relative to the Greenbushes Mine.



Importantly, the licences cover the interpreted continuation of the primary mineralising structure associated with Greenbushes, including the Donnybrook–Bridgetown Shear Zone. This significantly enhances Galan's strategic landholding in one of the world's most prospective lithium districts and increases exposure to the structural corridor believed to control pegmatite emplacement.

The licences provide an opportunity to test geological continuity between the Greenbushes system and Galan's existing tenure. Exploration planning is underway, building on previous airborne geophysical surveys, with initial work expected to commence in the second half of FY2026, subject to permitting and conditions.

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

No material activities were performed at the Canadian Projects during the period.

Mineral Resources and Reserves

Resources

On 29 January 2025, the Company announced a substantial increase in the mineral resources at its 100% owned Candelas lithium brine project. The Candelas Mineral Resource was increased by more than 150% to 1.6 Mt LCE, providing Galan with a total Mineral Resource of 9.5 Mt LCE. This increase provides Galan with increased optionality in commercialising the project with significant upside potential also identified to further enhance the latest Candelas Mineral Resource.

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

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

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

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

Ore Reserve Estimate

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

Table 2 - Ore Reserve Statement for HMW Project Phase 2 DFS (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 on the Ore Reserves please refer to the ASX announcement dated 3 October 2023.

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Significant changes in the state of affairs

Other than as disclosed elsewhere in the report, there have been no significant changes in the state of affairs of the Group to the date of this report.

Subsequent events after balance date

On 6 January 2026, the Company issued a total of 101,492 Shares to an employee for the exercise of 200,000 unlisted options, exercisable at $0.165 each, issued under the Galan Securities Incentive Plan.

On 16 January 2026, the Company issued a total of 211,957 Shares as a result of the exercise of options, which were exercisable at $0.35 each before 18 July 2026.

On 22 January 2026, a total of 581,673 Shares were issued to Director Juan Pablo Vargas de la Vega for the exercise of vested PIP performance rights issued under the Galan Securities Incentive Plan (2022) for nil consideration, as approved by Shareholders on 5/6/25 due to Phase 1 construction capital vesting conditions being met.

On 30 January 2026, the Company issued a total of 99,262 Shares as a result of the exercise of options, which were exercisable at $0.35 each before 18 July 2026.

On 4 February 2026, the Company issued total of 86,560,979 Shares as part of a placement announced on 29 January 2026, at a price of $0.41 per Share, pursuant to a placement to sophisticated and institutional investors as detailed above.

On 6 March 2026, the Company issued total of 734,783 Shares as a result of the exercise of options, which were exercisable at $0.35 each before 18 July 2026.

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.

Auditor Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick WA Audit Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 12 and forms part of this Directors' Report for the half year ended 31 December 2025.

This report is signed in accordance with a resolution of the board of directors made pursuant to s 306(3) of the Corporations Act 2001.



Juan Pablo Vargas de la Vega
Managing Director
Perth, 13 March 2026

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Competent Persons Statements

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

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

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

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.

Forward Looking Statements

This Half Year 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 Galan. Nor is it an inducement to make an 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 or 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. Readers are 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.

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In the opinion of the directors:

(a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position of the Company as at 31 December 2025 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134: "Interim Financial Reporting" and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors, made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Board



Juan Pablo Vargas de la Vega
Managing Director
13 March 2026

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HALL CHADWICK

To the Board of Directors

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

As lead audit director for the review of the financial statements of Galan Lithium Limited for the half year ended 31 December 2025, 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 review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

CHRIS NICOLOFF FCA
Director

Dated this 13th day of March 2026
Perth, Western Australia

GALAN LITHIUM LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2025

	Note	31 December 2025	31 December 2024
		$	$
Revenue			
Other income		194,155	175,483
Gain on financial assets at fair value through profit and loss		1,333	(203,084)
Administration and occupancy expenses		(1,034,186)	(1,145,450)
Corporate and compliance		(361,392)	(304,244)
Personnel expenses		(835,157)	(922,594)
Depreciation		(96,400)	(110,399)
Share based payment expense	5	(3,226,525)	(3,030,890)
Loss before income tax		(5,358,172)	(5,541,178)
Income tax		-	-
Loss for the period		(5,358,172)	(5,541,178)
Exchange differences on translating foreign operations	5	(2,737,610)	1,756,741
Other comprehensive income		-	-
Total comprehensive loss for the period		(8,095,782)	(3,784,437)
Basic loss per share (cents per share)		(0.51)	(0.91)

The accompanying notes form part of these financial statements.

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GALAN LITHIUM LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the half year ended 31 December 2025

	Note	31 December 2025 $	30 June 2025 $
Current Assets			
Cash and cash equivalents		14,907,460	4,447,999
Trade and other receivables		51,772	177,956
Prepayments		29,685	29,685
Total Current Assets		14,988,917	4,655,640
Non-Current Assets			
Term deposit – Bank Guarantee		224,077	224,077
Financial assets		153,470	352,137
Right of Use – Office Lease		435,166	520,023
Plant and equipment		23,937,977	26,671,910
Exploration and evaluation	3	198,064,903	190,767,729
Total Non-Current Assets		222,815,593	218,535,876
Total Assets		237,804,510	223,191,516
Current Liabilities			
Trade and other payables		5,117,416	8,374,312
Lease Liability		183,336	174,910
Provisions		192,369	194,681
Total Current Liabilities		5,493,121	8,743,903
Non-Current Liabilities			
Lease Liability		178,852	271,998
Environment Provision	9	6,463,984	6,928,452
Total Non-Current Liabilities		6,642,836	7,200,450
Total Liabilities		12,135,957	15,944,353
NET ASSETS		**225,668,553**	**207,247,163**
Equity			
Issued capital	4	251,080,982	227,790,336
Reserves	5	17,615,684	17,126,769
Accumulated losses		(43,028,113)	(37,669,942)
NET EQUITY		**225,668,553**	**207,247,163**

The accompanying notes form part of these financial statements

GALAN LITHIUM LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2025

	31 December 2025	31 December 2024
	$	$
Cash Flows from Operating Activities		
Payments to suppliers, contractors and employees	(2,021,076)	(1,499,978)
Interest received	107,672	46,231
Other Income	135,091	179,247
Net cash flows used in operating activities	(1,778,313)	(1,274,500)
Cash Flows from Investing Activities		
Proceeds of the sale of Investments	200,000	1,085,265
Payments for exploration expenditure	(10,246,374)	(26,818,571)
Payments for property, plant and equipment	-	(8,396)
Net cash flows used in investing activities	(10,046,374)	(25,741,702)
Cash Flows from Financing		
Proceeds from issue of equity	22,639,461	27,206,054
Share issue costs	-	(912,525)
Net cash flows from financing activities	22,639,461	26,293,528
Net increase/(decrease) cash and cash equivalents	10,814,774	(722,674)
Cash and cash equivalents at the beginning of the financial period	4,447,999	4,334,457
Foreign exchange movements	(355,313)	-
Cash and cash equivalents at the end of the financial period	**14,907,460**	**3,611,783**

The accompanying notes form part of these financial statements.

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GALAN LITHIUM LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2025

	Issued Capital $	Reserves $	Accumulated losses $	Total $
Balance at 1 July 2024	176,749,287	12,061,143	(28,968,067)	159,842,363
Loss for the period	-	-	(5,541,178)	(5,541,178)
Foreign currency movement	-	1,756,741	-	1,756,741
Total comprehensive loss for the period	-	1,756,741	(5,541,178)	(3,784,437)
Issue of shares @ $0.23	913,849	-	-	913,849
Issue of shares @ $0.105	21,221,713	-	-	21,221,713
Acuity ATM shares	5,565,000	-	-	5,565,000
Creditor and consultant shares	3,724,008	-	-	3,724,008
Performance rights valuation	-	2,541,944	-	2,541,944
Valuation of options issued	-	488,948	-	488,948
Share Issue Costs	(1,227,526)	-	-	(1,227,526)
Balance at 31 December 2024	**206,946,331**	**16,848,776**	**(34,509,245)**	**189,285,862**

	Issued Capital $	Reserves $	Accumulated losses $	Total $
Balance at 1 July 2025	227,790,336	17,126,769	(37,669,942)	207,247,163
Loss for the period	-	-	(5,358,172)	(5,358,172)
Foreign currency movement	-	(2,737,610)	-	(2,737,610)
Total comprehensive loss for the period	-	(2,737,610)	(5,358,172)	(8,095,782)
Issue of shares @ $0.11	656,939	-	-	656,939
Issue of shares @ $0.11	20,000,000	-	-	20,000,000
Acuity ATM shares set off	2,000,000	-	-	2,000,000
Creditor and consultant shares	633,708	-	-	633,708
Performance rights valuation	-	2,447,828	-	2,447,828
Service Rights granted	-	111,902	-	111,902
PIP and STI rights granted	-	209,009	-	209,009
Valuation of options issued	-	457,786	-	457,786
Balance at 31 December 2025	**251,080,982**	**17,615,684**	**(43,028,113)**	**225,668,553**

The accompanying notes form part of these financial statements.

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1. CORPORATE INFORMATION

This interim financial report represents Galan Lithium Limited ('the Company' or 'Galan') and its controlled entities ('the Group') for the half-year ended 31 December 2025 and was authorised for issue by the Directors on 13 March 2026.

Galan Lithium Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The principal activity of the Company is the exploration and development of mineral resources.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Statement of Compliance

The interim financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34: *Interim Financial Reporting*.

The condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2025 and any public announcements made by Galan during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

Basis of Preparation

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The financial report has also been prepared on an historical cost basis, modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian Dollars, which is the Group's presentation currency.

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., the two Argentinian based subsidiaries of Galan Lithium Limited. The historical cost basis has been used to value the non-monetary balances as at this date, subsequent balances will be remeasured at each reporting date.

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

New accounting standards, interpretations and amendments adopted by the Group

Adoption of new and revised Accounting Standards

In the period ended 31 December 2025, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

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 period ended 31 December 2025. 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.

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Significant Accounting Judgements and Key Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing this half-year report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2025.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options are determined by using a Black and Scholes model.

Going Concern

The condensed consolidated half year financial report has been prepared on the 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 half year of $*5,358,172* (2024: $*5,541,178*) and net cash outflows used in operating activities of $1,778,313 (2024: $1,274,500). At the end of the 2025 calendar year, the Group had a cash balance of $14,907,460 (June 2025: $4,447,999).

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 or debt markets and 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.

The Directors are satisfied that the going concern basis of preparation of the condensed consolidated half-year financial 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 reasons above, the Directors believe it is appropriate that the condensed consolidated half year financial report be prepared on a going concern basis. 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 Group be unable to continue as a going concern and meet its debts as and when they fall due.

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3. EXPLORATION AND EVALUATION

	31 December 2025 $	30 June 2025 $
Costs carried forward in respect of areas of interest:		
Exploration and evaluation phases at cost		
Movement:		
Brought forward	190,767,729	131,601,536
Exploration expenditure capitalised during the half year	7,297,174	52,944,688
Creditor shares Issued	-	6,221,505
Balance at reporting date	198,064,903	190,767,729

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.

4. ISSUED CAPITAL

	31 Dec 2025 Number	31 Dec 2025 $
Fully paid ordinary shares (30 June 2025: 957,978,401)	1,150,709,457	251,080,982

	31 Dec 2025 Number	31 Dec 2025 $	30 Jun 2025 Number	30 Jun 2025 $
Balance at the beginning of the period	957,978,401	227,790,336	473,943,995	176,749,288
Placement shares at $0.23 (i)	-	-	3,973,262	913,849
Placement shares at $0.105 (ii)	-	-	244,947,277	25,719,464
Placement shares at $0.11 (iii)	-	-	114,923,665	12,641,602
Placement shares at $0.11 (iv)	187,790,353	20,656,938	-	-
Share Purchase Plan at $0.11 (v)	-	-	3,045,436	334,998
Acuity ATM Collateral Shares (vi)	-	2,000,000	67,250,000	7,911,000
Consultant shares (vii)	-	-	451,427	67,714
Shares issued to Creditors (viii)	-	-	48,187,045	5,996,754
Shares issued Employees (ix)	-	-	1,256,294	157,037
Option rights exercised (x)	1,325,873	-	-	-
Consultant shares (xi)	3,000,000	480,000	-	-
Bonus shares issued Employees (xii)	614,830	153,708	-	-
	1,150,709,457	251,080,982	957,978,401	230,491,706
Transfer from equity-based reserve	-	-	-	-
Less: transaction costs	-	-	-	(2,701,370)
Balance at the end of the period	1,150,709,457	251,080,982	957,978,401	227,790,336

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(i) Issued 3,973,262 fully paid ordinary shares were issued to directors under a $0.23 placement, as approved by Shareholders on 12 July 2024 (on 12 August 2024).
(ii) Issued 244,947,277 fully paid ordinary shares in a placement at $0.105 per share on 17 September 2024, 17 October, 24 October 2024 and 30 January 2025.
(iii) Issued 114,923,665 fully paid ordinary shares in a placement at $0.11 per share on 28 April 2025, 08 May 2025 and 27 May 2025.
(iv) Issued 187,790,353 fully paid ordinary shares in a placement at $0.11 per share on 4 July 2025, 01 September 2025 and 5 November 2025.
(v) Issued 3,045,436 fully paid ordinary shares in a share purchase placement at $0.11 per share on 12 June 2025.
(vi) Issued 67,250,000 fully paid ordinary shares were issued to Acuity Capital under the terms and conditions of an At-The-Market Subscription Deed (on 15 July 2024, 2 August 2024, 15 August 2024, 20 November 2024, 27 December 2024, 28 February 2025 and 28 March 2025). Set off 2,000,000 collateral shares on 1 August 2025.
(vii) 451,427 fully paid ordinary shares were issued to a consultant under the terms of their contract (on 08 November 2024).
(viii) 48,187,045 fully paid ordinary shares issued to creditors on 20 September, 17 December 2024 and 17 January 2025 in lieu of payment.
(ix) 1,256,294 fully paid ordinary shares were issued to employees in lieu of payment of bonus on 07 February 2025.
(x) 1,325,873 PIP and STI rights exercised 27 November 2025
(xi) 3,000,000 shares issued to a consultant under the terms of an agreement
(xii) 614,830 shares issued to employees in lieu of a cash bonus

Options

The following unquoted options remained on issue at 31 December 2025:

Expiry Date	Exercise Price	Unquoted Options
18/07/2026	$0.35	30,899,675
05/11/2027	$0.50	1,000,000
16/06/2028	$0.165	700,000
31/12/2029	$0.35	5,000,000
1/9/2028	$0.15	45,454,545
5/11/2028	$0.15	45,454,546

The following listed options remained on issue at 31 December 2025:

Expiry Date	Exercise Price	Listed Options
20/03/2029	$0.65	47,645,627

Performance Rights

There were a total of 26,188,219 performance and service rights on issue at 31 December 2025.

5. RESERVES

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

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	31 December 2025 $	30 June 2025 $
Equity Based Reserve		
Opening balance	17,126,769	12,061,143
Valuation of Performance rights (i)	2,447,828	4,949,861
Reversal of Performance rights for resigned employees (ii)	-	(503,822)
Valuation of options (iii)	-	71,683
Valuation of STI and PIP performance rights (iv)	209,009	66,832
Transfer to accumulated losses (v)	-	(612,145)
Valuation of Service rights (vi)	111,902	-
Valuation of options Issued (vii)	457,786	-
Closing Balance	20,353,294	16,033,552
Foreign Currency Translation Reserve	(2,737,610)	1,093,217
	17,615,684	17,126,769

(i) Represented by 16,500,000 performance rights issued to directors and 1,350,000 performance rights issued to senior management, which are being expensed and amortised over the 5 year life of the performance rights.
(ii) Reversal of Performance rights for resigned employees.
(iii) Valuation of unlisted options issued to senior management and staff.
(iv) Valuation of STI and PIP performance rights and service rights issued during the period
(v) Transfer to accumulated losses Valuation of expired options.
(vi) Valuation of Service rights issued
(vii) Valuation of options vested for Managing Director from prior period issuance

Options

There were no options issued to directors and employees during the period.

Performance and Service Rights

There were no Performance Rights issued during the period.

6. SUBSEQUENT EVENTS

On 6 January 2026, the Company issued a total of 101,492 Shares to an employee for the exercise of 200,000 unlisted options, exercisable at $0.165 each, issued under the Galan Securities Incentive Plan.

On 16 January 2026, the Company issued a total of 211,957 Shares as a result of the exercise of options, which were exercisable at $0.35 each before 18 July 2026.

On 22 January 2026, a total of 581,673 Shares were issued to Director Juan Pablo Vargas de la Vega for the exercise of vested PIP performance rights issued under the Galan Securities Incentive Plan (2022) for nil consideration, as approved by Shareholders on 5/6/25 due to Phase 1 construction capital vesting conditions being met.

On 30 January 2026, the Company issued a total of 99,262 Shares as a result of the exercise of options, which were exercisable at $0.35 each before 18 July 2026.

On 4 February 2026, the Company issued total of 86,560,979 Shares as part of a placement announced on 29 January 2026, at a price of $0.41 per Share, pursuant to a placement to sophisticated and institutional investors as detailed above.

On 6 March 2026, the Company issued total of 734,783 Shares as a result of the exercise of options, which were exercisable at $0.35 each before 18 July 2026.

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.

7. SEGMENT INFORMATION

The Group currently operates in two geographical areas being Argentina and Australia, and in one industry, being exploration, for the half year ended 31 December 2025. The Chief Operating Decision Makers are the Board of Directors and the management of the Company. There is currently only one operating segment identified, being exploration activities based on internal reports reviewed by the Chief Operating Decision Makers in assessing performance and allocation of resources.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

8. COMMITMENTS AND CONTINGENCIES

There have been no material changes in commitments and contingent liabilities or assets since the annual reporting date.

9. ENVIRONMENTAL PROVISION

Due to increased activity in development of evaporation ponds, a provision has been raised to allow for future rehabilitation of ponds and infrastructure.

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

Conclusion

We have reviewed the accompanying half-year financial report of Galan Lithium Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Consolidated Entity does not comply with the *Corporations Act 2001* including:

a. Giving a true and fair view of Galan Lithium Limited financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Consolidated Entity incurred a net loss of $5,358,172 during the half year ended 31 December 2025. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

CHRIS NICOLOFF FCA
Director

Dated this 13th day of March 2026
Perth, Western Australia