Galan Lithium Ltd (ASX: GLN)

Report date: 23 April 2026 Framework: The 10-module ASX mining FA course

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TL;DR — What actually happened to this stock

- **GLN** = **Stage 8–9 developer crossing into commissioning** (lithium brine)

GLN is a South American lithium brine developer that has spent ~7 years building Hombre Muerto West (HMW) in Argentina. They **completed Phase 1 construction on 31 March 2026** and are now in commissioning, with first lithium chloride production targeted for **H1 2026** (imminent) and first shipments in **H2 2026**.

The re-rate from ~$0.09 in mid-2025 to ~$0.47 in late January 2026 (more than a 5x) is the classic Module 1 Lassonde Curve **second peak build** — the stock moves *into* commissioning because this is the exact point where a developer stops being speculative and starts being valued on cash flow. Four things stacked:

1. **Phase 1 construction completion** (on time, on budget — rare in mining)
2. **The RIGI tax/investment regime approval** from Argentina (only Rio Tinto and Galan got this in the lithium sector)
3. **Two high-quality capital raises at premiums to VWAP** — Clean Elements at $0.11 in Aug 2025, $40m placement at $0.41 in Jan 2026
4. **Lithium price recovery** through 2H 2025 and into 2026 — same macro as ELV but GLN benefits even more because they're pre-revenue with low unit costs

The Clean Elements placement at **$0.11** in Aug 2025 and the $40m placement at **$0.41** in Jan 2026 are the same investors paying ~**4x more per share in 5 months**. That's the signal to understand — the institutional smart money saw something through the downturn and doubled down at much higher prices.

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1. Company snapshot (Module 1, 6)

Field	Value
Ticker	ASX: GLN (OTC: GLNLF, FSX: 9CH)
Former name	Dempsey Minerals (changed to Galan Lithium August 2018)
Listed	ASX since 2011 (as Dempsey); as Galan from 2018
Ref price (late Dec 2025)	$0.32
Last placement price (Jan 2026)	$0.41 (2% premium to 5-day VWAP)
Market cap (late Dec 2025)	~$368m
Market cap (post-$40m raise)	materially higher, estimate $500m+ at $0.41 issue price given ~1.2bn+ fully diluted shares
Flagship asset	**Hombre Muerto West (HMW), Catamarca Province, Argentina (100%)**
Other assets	Candelas Project (Argentina, 100%); Greenbushes South (WA, exploration)
Cash (31 Dec 2025, pre-$40m raise)	A$15m + US$6m undrawn prepayment facility
Cash (post-$40m raise, Feb 2026)	materially higher, probably A$50m+
Debt	None — significant green flag
Lassonde stage	**Stage 8–9: Construction complete → Commissioning → First production imminent**

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2. The asset — why brine is different (Modules 2, 3)

This is the key technical distinction between GLN and every hard-rock lithium stock (ELV, PLS, MIN, etc.). If you understand this, you understand GLN. If you don't, you'll misread everything about it.

Hard rock vs brine — the two lithium economics

Dimension	Hard rock (spodumene)	Brine (GLN's approach)
Capex	Moderate	Higher upfront
Opex	Higher ($700–900/t spodumene, plus conversion costs to carbonate/hydroxide)	**Lower — first-quartile globally**
Time to first production after decision	3–5 years	4–7 years (evaporation cycles)
Ramp speed once operational	Fast	Slower (brine takes time to concentrate)
Environmental profile	Higher footprint, tailings	Lower water impact per tonne but water-intensive overall
Product	Spodumene concentrate (~5.5% Li_2O), requires further conversion	**Lithium chloride concentrate** (direct to LFP battery supply chain)
Typical margin at low commodity prices	Compressed or negative	Still profitable
Typical margin at high commodity prices	Large	Also large but upside capped by fixed-capacity ponds

GLN's specific asset — HMW

Hombre Muerto salar, Catamarca Province, Argentina. The same salar as:

- Livent's Fenix operation (now Arcadium/Rio Tinto after Rio's $6.7B acquisition of Arcadium in 2025)
- POSCO's Sal de Oro project
- Gangfeng's Mariana project nearby

This salar is **the most proven lithium brine asset in Argentina**, with commercial production going back decades. The geological setting is validated — not a moose pasture.

The grade story

Per Module 3 benchmarks for brine:

- Atacama (Chile, world's best): 1500–2700 mg/L Li
- HMW average brine grade: **859 mg/L Li**, with recent tests **981 mg/L**
- Most Argentine salars: 200–800 mg/L

This puts HMW in the **upper tier for Argentine brines** — not Atacama-level, but well above the median Argentine salar. More importantly:

- **Low magnesium (Mg) and sulphate (SO_4) impurities** — these are the killer costs in brine processing. Many Argentine projects with decent Li grade are uneconomic because high Mg:Li ratios require expensive chemistry to reject.
- **Lower impurity profile than most competitors** — quoted as the differentiator for Clean Elements' due diligence.

Resource scale

Total Resource: **9.5 Mt LCE** — one of the top 20 largest lithium resources globally. Multi-decade mine life (40 years in the DFS). This scale is why Phases 3 and 4 can target 60 ktpa LCE by 2030 — there's enough brine in the ground to sustain that scale.

The product: lithium chloride concentrate (LiCl)

HMW produces **6% lithium chloride concentrate** rather than carbonate or hydroxide. This is important and under-discussed:

- Skips one processing step (carbonate conversion)
- Lower capex, faster time to revenue
- Particularly suited to **LFP (lithium iron phosphate) battery production**, which is the dominant chemistry in Chinese EVs and stationary storage
- Can be further processed into carbonate at the buyer's facility if needed

LFP is ~60% of global EV battery demand and the dominant chemistry for grid-scale BESS. GLN's product is a direct fit for that segment.

Module 3 reality check

On Module 3's lithium benchmarks, HMW is a **tier-1 Argentine brine asset by grade and impurity profile**, with Atacama-comparable economics on cost per tonne LCE but higher than Atacama on absolute grade. Combined with scale (9.5Mt LCE resource), it's a genuinely world-class asset — the kind of deposit you'd expect a major to acquire (as Rio did with Arcadium).

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3. The staged development plan (Modules 1, 5)

HMW is being built in phases. Understanding the phases is critical to understanding the valuation.

Phase 1 — 4 ktpa LCE (expanded to 5.2 ktpa)

- **Construction completed 31 March 2026** (announced today → 3 weeks ago)
- Now in commissioning
- Brine inventory ready: **~10,000 t LCE** already in evaporation ponds
- First processed brine: early Q2 2026
- First lithium chloride concentrate: **H1 2026** (targeting this quarter)
- First shipments: H2 2026
- **30% expansion to 5.2 ktpa** announced with the $40m placement in Jan 2026

This is the "prove the flowsheet works" phase. Once Phase 1 is operational and generating cash flow, Phase 2 is far easier to finance.

Phase 2 — 20.85 ktpa LCE (DFS complete 2023)

Per Module 5 framework, this is a **DFS-stage project**, so economic numbers are ±10–15% accuracy (better than scoping):

- Production target: 20.85 ktpa LCE
- **Post-tax NPV (8% discount): USD $2 billion**
- **IRR: 43%**
- Free cash flow: USD $236m per year at steady state
- Product: 6% LiCl concentrate (same as Phase 1)

Module 5 stress test

The headline DFS NPV of $2B and IRR of 43% is impressive, but apply the Module 5 lens:

- **What commodity price assumption?** The 2023 DFS would have used price assumptions that may now look either conservative or aggressive depending on current vs long-term outlook. Need to verify by reading the DFS document directly.
- **IRR 43%** is in the "strong project" band per Module 5, but bordering on "assumptions aggressive" territory (>40%). Plausible for brine given the low opex, but verify.
- **Capex** — not in my immediate notes but will be substantial. Brine capex intensities are typically $20,000–35,000 per tonne LCE of annual capacity — so Phase 2's 20.85 ktpa could be $500m–$700m capex. Phase 1's 4 ktpa (now 5.2 ktpa) was funded with roughly $80–100m of capital raised over 2023–2026, implying capex intensity around $20,000/tpa — at the lower end, consistent with brownfield / shared-infrastructure economics.

Phase 3–4 — 60 ktpa LCE by 2030

Long-dated expansion to become one of Argentina's largest lithium producers. Not yet at DFS stage. **Treat this as optionality, not a base case.** Construction permits for Phases 1 and 2 exist (up to 21 ktpa); Phases 3 and 4 still need further permitting.

Where GLN sits on the Lassonde Curve

At this moment (April 2026), GLN is **at the transition from Stage 8 (Construction) to Stage 9 (Commissioning)**. This is the most volatile part of the curve because:

- Construction overruns / delays get punished hard (the Module 5 capex-blowout pattern applies here)
- Commissioning problems (ramp issues, recovery shortfalls) are common for any new plant, brine plants in particular (evaporation takes time)
- But **if commissioning goes well**, the second peak starts forming very quickly

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4. Capital structure and funding history (Module 6)

This is where Galan's story gets genuinely interesting and where Module 6's framework pays off.

The pre-2025 situation

GLN had been grinding through the lithium bear market with limited cash, similar to every other developer. Share price collapsed from highs in the 2022 bull market (>$1.70) to low teens of cents

by mid-2025 — a punishing drawdown of ~90%. SOI grew materially during this period as they raised capital at progressively lower prices. **Classic Module 1 valley of death behaviour.**

The June 2025 rejected takeover offer

Worth flagging for context: in **December 2024**, GLN rejected a **US$150 million offer** from **Zhejiang Huayou Cobalt and Renault Group** for the company's Argentine assets. Two implications:

1. **Validation of the asset quality** — two serious strategic buyers did genuine DD and concluded the assets were worth making a bid for
2. **Benchmark for valuation** — at the time of the bid, GLN's full market cap was well below $150m, so the bid represented a significant premium to market but management believed (rightly, in retrospect) that standalone development would unlock more value

Rejecting offers is risky — many companies that reject bids end up disappointing shareholders who wanted the certain exit. In this case, the subsequent lithium recovery and GLN's own execution have validated the decision (so far).

The Clean Elements cornerstone (August 2025) — Module 6 green flag

- **A$20m placement at A$0.11 per share**
- **21% premium to last close** at the time
- **Clean Elements Fund** — a specialist lithium/clean energy fund
- Includes attached options: 1 unlisted option per 2 shares, exercise price A$0.15
- 77-day technical and legal due diligence period completed successfully

This is **textbook Module 6/8 green flag pattern**:

- Premium to market (not discount)
- Serious DD completed
- Specialist cornerstone that understands the asset
- Options at higher strike price align Clean Elements with upward moves

The Authium offtake + prepayment (April 2025)

- Binding offtake and operating agreements with **Authium Limited** (USA)
- US$6m prepayment facility available

- Locks in a customer for the first tonnes of production
- Non-dilutive working capital access

The January 2026 $40m placement — Module 6 green flag scaled up

This is where the story gets genuinely striking.

- **A$40m institutional placement + A$1m director placement**
- **Issue price: A$0.41 per share — 2% premium to 5-day VWAP, premium to 10 and 15-day VWAPs**
- 13% discount to last close of A$0.47 (standard for placements)
- Clean Elements participating again (reinforcing cornerstone)
- Canaccord Genuity lead manager (tier-1 broker)
- Directors committing their own cash alongside institutional money
- Proceeds: expand Phase 1 to 5.2 ktpa (30% uplift), Greenbushes South exploration, working capital

The Clean Elements arithmetic is the tell:

- **Aug 2025 placement price: A$0.11**
- **Jan 2026 placement price: A$0.41**
- **Same cornerstone paying ~3.7x more per share in 5 months**

Clean Elements is doubling down at much higher prices after seeing Phase 1 progress. That's not normal; that's a fund with genuine conviction based on watching execution first-hand.

Module 6 framework green flags — almost all present

- ✅ Premium-to-VWAP pricing in both recent raises
- ✅ Tier-1 institutional cornerstone (Clean Elements) across both
- ✅ Director participation with own cash
- ✅ Specialist cornerstone (not generic institutional money)
- ✅ Clear use-of-funds aligned to stated milestones
- ✅ Canaccord Genuity as bookrunner
- ✅ No debt (removed financing risk, preserved optionality)

Watch-items

- ⚠ **SOI has grown significantly** through the 2023–2025 raises. Pre-consolidation SOI is in the 1+ billion share range. That's the opposite of tight-register (compare to PC2's tight register). Large SOI means individual moves translate less directly to dollar-market-cap changes.
- ⚠ **Clean Elements options** — at A$0.15 strike with ~91 million options (half of 182m shares issued), these are deep in the money. Pending dilution of ~91m shares.
- ⚠ **Phase 2 funding not yet secured** — the $500m+ capex for Phase 2 will require substantial future capital. Likely a mix of debt, streaming/royalty, strategic partner equity, and maybe another placement. Each path has trade-offs.
- ⚠ **Authium prepayment facility** — US$6m is small but any prepayment is a forward sale at a discount. Not concerning at this size but watch if scaled.

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5. Argentina — the jurisdictional factor (Module 8, 9)

This is the single biggest company-specific risk (not commodity risk, which applies to all lithium).

The headline risk

Argentina has historically been one of Latin America's more volatile economic jurisdictions:

- Currency controls
- Capital export restrictions
- Peso hyperinflation
- Retroactive tax changes
- Political regime shifts

Some of these historical risks have moderated under the Milei administration (pro-market reforms, reduced currency controls, fiscal tightening) but the structural risks remain real.

The RIGI (Régimen de Incentivo para Grandes Inversiones)

This is the unsung hero of GLN's story. The RIGI is an incentive framework for large foreign investments introduced under Milei's reforms:

- **30 years of fiscal stability** (tax rates locked in)

- Income tax benefits
- Reduced export duties
- Simplified foreign currency access
- Streamlined regulatory processes

Per Galan's disclosures, **only two lithium companies have been approved for RIGI status: Rio Tinto (Arcadium) and Galan**. This is a serious differentiator and a substantial green flag. The Argentine government is signalling that GLN/HMW is a strategic priority investment.

Why this matters for valuation

RIGI status materially reduces country risk premium on GLN's DCF valuation. A DCF discount rate that might be 12–15% for an un-RIGI Argentine lithium project can reasonably be 8–10% for GLN. That's directly reflected in the DFS's NPV calculation at 8%.

What can still go wrong

RIGI is framework-level; implementation is ongoing. Political change (Milei's coalition doesn't survive 2027 elections, or policy reverses) could undermine the 30-year stability promise. Argentina has history of governments unwinding predecessors' commitments. This is a real tail risk but not a near-term issue.

Catamarca Province specifics

Catamarca is one of Argentina's most mining-friendly provinces (alongside San Juan and Salta). Existing lithium operations have generally operated without major political disruption. Indigenous community relations in the Puna region have historically been negotiated case-by-case; GLN's disclosures don't flag active community disputes.

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6. Macro positioning (Module 9)

Same lithium macro story as ELV, but with different leverage dynamics.

The lithium cycle context

- Spodumene spot: USD$600/t in mid-2025 → USD$2,000+/t by Jan 2026
- Lithium carbonate: ~USD$9,000 → USD$26,000+

- Module 9 phase: transitioning from Phase 1 (capitulation) through Phase 2 (stealth recovery) into Phase 3 (broad bull)

Why GLN benefits differently to ELV

- **ELV is already producing** — benefits from higher realised prices directly and immediately
- **GLN is commissioning** — benefits from higher *forward* price expectations that drive:
  - Higher NPV on the asset
  - Better terms on future offtake agreements
  - Easier access to Phase 2 financing
  - Better M&A valuation if a bid emerges
- GLN's **operating leverage is higher** because they're starting from zero production and building to 5.2 ktpa, then 20.85 ktpa, then potentially 60 ktpa. Each phase of production is valued against a commodity price that could be wildly different from the DFS assumption.

The LFP-specific demand story

GLN's lithium chloride product is specifically optimised for LFP batteries. The demand tailwinds for LFP specifically:

- Chinese domestic EV market dominated by LFP (BYD especially)
- Tesla's standard-range vehicles globally use LFP
- BESS (battery energy storage systems) overwhelmingly LFP
- **Fastmarkets raised its 2026 ESS shipment forecast from 460 GWh to 750 GWh** — a 60%+ increase

This specific demand vector is structurally stronger than the high-nickel chemistry demand that drives hydroxide pricing. GLN is positioned in the right segment.

The supply-side caveat

The same Module 9 bear case applies:

- Zimbabwe could lift its concentrate export ban
- Australian mothballed capacity (Bald Hill, Mt Cattlin, Ngungaju, Finniss) could restart within 4–6 months
- Chinese lepidolite producers could resume at CATL Jianxiawo
- New brine projects in Argentina are coming online (multiple)

A 30% correction in lithium prices from current levels would be painful for GLN — the DFS NPV scales roughly linearly with long-term price assumption. But because GLN is low on the cost curve and has Phase 1 already built, they survive a downturn better than most peers.

7. Operational status and catalyst calendar (Modules 7, 10)

Where we are right now (April 2026)

- **Phase 1 construction completed 31 March 2026** (announced ~3 weeks ago)
- Electrical and mechanical testing programs underway
- Wet commissioning next — using both raw and pre-concentrated brine
- ~10,000 t LCE brine inventory in ponds ready for processing
- First lithium chloride concentrate production **targeted for H1 2026** (imminent, probably Q2)
- First shipments H2 2026

Module 7 catalyst calendar

Window	Catalyst	Type	Conviction	Expected impact
Q2 2026	First processed brine through plant	One-off	Very high (already happening)	Positive if no issues; significant negative if commissioning problems
Q2 2026	First lithium chloride concentrate production	One-off	**Company-defining milestone**	Major SP impact
Q3 2026	First shipments to Authium	Recurring	High	First revenue = real valuation change
H2 2026	Phase 1 ramp to nameplate (4 ktpa, then 5.2 ktpa expansion)	Ongoing	Medium	Quarterly reporting catalyst
H2 2026	Updated Phase 2 DFS / Phase 2 FID	One-off	High	Next major re-rate catalyst
2026–2027	Phase 2 financing package (debt + offtake + streaming)	One-off	High	Critical — dilution risk vs non-dilutive path
2027	Phase 2 construction start	Ongoing	High	Entry to next Lassonde stage cycle

Module 7 risk framework for commissioning

Commissioning is genuinely high-risk on brine projects. Things that go wrong in brine commissioning:

1. **Evaporation rate below model** — weather, sun exposure, pond geometry assumptions
2. **Nanofiltration plant yield below design** — impurity rejection not meeting spec
3. **Product grade below spec** — customer price penalties kick in
4. **Brine chemistry surprises** — Mg/SO_4 levels higher than predicted after full concentration cycle
5. **Scale/deposits in piping and ponds** — routine but can disrupt early operations

The ~10,000 t LCE brine inventory already in the ponds means GLN has a material head-start — they're not waiting for 12+ months of evaporation to start producing. But the process plant itself still needs to work.

Ramp-up realism

Per Module 5 and 10 framework: **nameplate capacity in Year 1 is rare**. Expect Phase 1 to produce maybe 60–75% of 4 ktpa nameplate in the first 12 months of operation. The 5.2 ktpa expansion target probably means steady-state mid-to-late 2027. Plan financial modelling accordingly.

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8. Red and green flags (Module 8)

Green flags

- ✅ **First-quartile cost curve position** — structurally low opex brine
- ✅ **RIGI approval** — major Argentina de-risking, only 2 lithium companies have it
- ✅ **Tier-1 asset quality** — 9.5 Mt LCE resource, top grade Argentine brine, low impurities
- ✅ **Clean Elements cornerstone doubling down** at 3.7x higher prices in 5 months
- ✅ **Premium-to-VWAP placements** — both the Aug 2025 and Jan 2026 raises
- ✅ **Director participation with own cash** in Jan 2026 placement
- ✅ **Canaccord Genuity lead-managed** (tier-1 broker)
- ✅ **No debt** — preserved financial optionality through the downturn
- ✅ **Phase 1 construction on time, on budget** — the exception, not the rule in mining
- ✅ **Authium binding offtake** — first customer locked in

- ✅ **Product fit with LFP battery chemistry** — right segment of demand growth
- ✅ **Rejected US$150m bid from Huayou + Renault in 2024** — asset attracts serious strategic interest
- ✅ **Multiple future expansion phases already permitted** (up to 21 ktpa)

Watch-items / yellow flags

- ⚠ **SOI has grown very large** through the downturn raises — each new share materially less impactful to per-share value
- ⚠ **Clean Elements options overhang** (~91m at $0.15 strike)
- ⚠ **Phase 2 funding still to be arranged** — $500m+ capex is the next big challenge
- ⚠ **Commissioning risk is genuine and imminent** — Q2 2026 first production is a go/no-go moment
- ⚠ **DFS economics** dated from 2023 — commodity price assumption needs to be verified against current spot
- ⚠ **Argentina political tail risk** — RIGI protects for 30 years but requires political continuity to actually hold
- ⚠ **"World-class" promotional language** in announcements — not a red flag given asset quality, but Module 8 always flags this style

Genuine red flags

I didn't identify any serious Module 8 red flags. Like ELV, this is a real company with a real asset, real cornerstone institutional money, and executing its plan. The risks are operational (commissioning) and macro (lithium price, Argentina politics) — not governance or structural.

The GLN-specific anti-pattern check

Going through Module 8's sneaky-tactics taxonomy:

- **Transformational acquisition pivot?** No — they've been on HMW since 2018
- **Shell recycling?** No — legitimate development company
- **Capital raise immediately after positive news?** Yes actually — the $40m placement Jan 2026 came after share price had rallied through late 2025. This is the Module 8 pattern: positive news → elevated SP → placement. But priced at **premium to VWAP** is mitigating; suggests supply was strong enough demand didn't require a discount. Still worth noting.
- **Death spiral convertibles?** No
- **Going concern emphasis?** No — no debt, cash in hand
- **Heavy free options attached?** The Clean Elements deal had 1-for-2 options at $0.15 strike — not trivial, but not excessive given the depressed SP environment at the time
- **Related-party deals?** No flags I found

9. Valuation framing (Module 10)

The DFS anchor

Phase 2 DFS (2023): **US$2B NPV at 8% discount rate, 43% IRR** for 20.85 ktpa LCE operation

At post-Jan-2026-placement SOI of around 1.2bn+ shares and a share price around $0.41, market cap is roughly A$500m = ~US$330m. If Phase 2 alone is worth US$2B NPV, the stock is trading at ~17% of Phase 2 NPV.

But:

- Phase 2 isn't built yet — the NPV is future value, not present value
- Phase 1 only delivers 5.2 ktpa, not 20.85 ktpa — less cash flow in the near term
- Phase 2 requires $500m+ capex that's not funded yet, so dilution/streaming needed
- The DFS commodity price assumption needs to be verified against current/forward
- Argentina discount (even with RIGI) should pull discount rate up from 8% in a true risk-adjusted model

Applying a more realistic framework:

- Phase 1 (5.2 ktpa) at current commodity prices might generate US$40–80m annual EBITDA at steady state
- Assigning a 6–10x EV/EBITDA multiple to Phase 1 alone gives $300–800m
- Phase 2 option value (risk-adjusted NPV) probably another $300–600m
- Phase 3–4 option value — more speculative, maybe $100–300m

Rough sum: $700m–$1.7bn enterprise value. Current EV (~$500m) is at the low end of that range.

Module 10 position-sizing implications

GLN is a **Stage 8–9 position** by the Module 10 framework — 3–6% per position of mining allocation is the default range. Weighted toward upper end of that if commissioning goes well, scaled back significantly if commissioning hits problems.

The comp set

In the context of other Argentine brine plays:

- Rio Tinto/Arcadium (now private, but comp pricing from the acquisition)
- Lithium Argentina / Ganfeng's projects
- Allkem/Orocobre (before merger with Livent)
- POSCO's Sal de Oro

Comps generally trade at EV/tonne LCE of resource in the US$50–$300 range depending on development stage. GLN has 9.5Mt LCE resource; at $70/t LCE that's ~$665m EV (about where current EV sits); at $150/t LCE that's $1.4B.

GLN sits broadly in-line with developer-stage brine comps but could re-rate toward producer multiples once commissioning succeeds.

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10. Thesis statement (Module 10)

Bull case, in one paragraph: Galan Lithium is a near-producer Argentine brine developer with a tier-1 asset (9.5 Mt LCE, first-quartile cost curve, RIGI-approved), Phase 1 construction completed on time and on budget, and first lithium chloride production targeted for this quarter. The cornerstone institutional investor (Clean Elements) has doubled down at 3.7x higher prices across two recent raises, both executed at premium to VWAP — a pattern that only happens when specialist money sees genuine asset quality and execution. The product (LiCl) is specifically suited to the structurally fastest-growing lithium demand segment (LFP batteries and grid BESS). Phase 2 at 20.85 ktpa would multiply scale 4x from Phase 1; Phase 3–4 could push to 60 ktpa by 2030. A Zhejiang Huayou + Renault takeover bid was rejected at US$150m in late 2024; the asset would attract serious strategic interest at multiples of that today.

Bear case, in one paragraph: GLN is pre-revenue, crossing the highest-risk point of the Lassonde Curve (commissioning), with years of further development ahead. Phase 2 requires $500m+ capex that isn't funded, which means either substantial further dilution (current SOI is already large after years of downturn raises), expensive debt, or streaming agreements that encumber future production. Argentina political risk is real — RIGI protects for 30 years but only if successive governments respect it. The DFS NPV of $2B is based on 2023 commodity price assumptions that may not hold at any given future lithium price. Any commissioning issues (ramp-up problems, product spec failures, unexpected brine chemistry) push first revenue out, extend cash burn, and likely trigger further capital raises at compressed prices. The 5x rally from mid-2025 lows has priced in a lot of good news before it actually arrives in the P&L.

What would invalidate the bull thesis:

1. Commissioning problems delay first production past Q3 2026
2. Product LiCl grade comes in below spec (below 6% target), triggering offtake price penalties
3. Actual Phase 1 ramp takes longer than 12–18 months to nameplate
4. Lithium prices correct 30%+ sustainably

5. Phase 2 financing forces substantial further dilution at compressed SP
6. Argentina political disruption undermines RIGI in practice
7. DFS capex for Phase 2 blows out significantly when detailed engineering is done

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11. What I'm uncertain about / verify before acting

Things I'd verify from primary ASX disclosures before sizing a position:

1. **Current fully diluted SOI** — including all Clean Elements options, performance rights, director options
2. **The exact commodity price assumptions in the Phase 2 DFS** — this is the key NPV sensitivity
3. **Updated Phase 1 capex vs original budget** — any overruns hidden in detail?
4. **Recent brine chemistry confirmation tests** — does the concentrated brine actually meet spec after the full cycle?
5. **Status of Authium prepayment facility drawdown** — drawn or not?
6. **Updated Mineral Resource and Ore Reserve Statement** — has the 9.5 Mt LCE been refined since DFS?
7. **Phase 2 financing timeline and preferred path** — debt, equity, streaming, or strategic partnership?
8. **Insider on-market buying activity** — Appendix 3Y filings since January 2026
9. **Comp pricing** — what did Rio Tinto pay for Arcadium per tonne LCE? Useful benchmark.
10. **Detailed RIGI terms** — exactly which fiscal benefits and which are contingent on meeting investment thresholds?

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12. How this compares to PC2 and ELV (completing the triangle)

Dimension	PC2	ELV	GLN
Lassonde stage	3–4 (discovery/resource)	10 (producer)	**8–9 (commissioning)**
Commodity	Gold	Lithium (hard rock)	Lithium (brine)
Jurisdiction	NT, Australia (Tier-1)	Quebec, Canada (Tier-1)	Catamarca, Argentina (Tier-2 with RIGI upgrade)

Dimension	PC2	ELV	GLN
Primary re-rate driver	Company-specific discovery	Lithium macro + M&A scale	**Construction completion + lithium macro**
Time to first cash flow	2–3+ years (PFS late 2026)	Already producing	**Weeks to months**
Key near-term catalyst	June 2026 resource update + PFS late 2026	Quarterly realised price updates	**First lithium chloride production Q2 2026**
Key near-term risk	PFS disappointment; gold correction	Lithium price correction	**Commissioning problems**
Cap table quality	Clean, tight	Recently cleaned up	**Diluted through downturn but growing institutional quality**
Cornerstone	Macquarie Mining Finance	RCF VIII	Clean Elements Fund
What triples it	Major discovery + takeover	Spodumene sustained $2000+/t	**Successful ramp-up + Phase 2 FID on favourable terms**
What halves it	Drill results disappoint	Lithium crash back to $800/t	**Commissioning problems + dilutive Phase 2 financing**

The strategic framing

If I were building a portfolio from these three per Module 10's framework, they serve different roles:

- **PC2** = asymmetric bet on discovery outcomes; highest idiosyncratic risk/reward
- **ELV** = direct lithium cycle exposure with operating leverage; highest macro beta
- **GLN** = event-driven bet on near-term commissioning with meaningful asset backing; highest time-specific conviction

These aren't substitutes. They're complements if you want diversified mining exposure. They're overlapping risk if you stack all three at full position size.

Final honest note

GLN is the stock where the **Module 6 capital structure analysis tells you the most**. The fact that Clean Elements paid $0.11 in August 2025 and then voluntarily paid $0.41 in January 2026 — the same fund, at 3.7x the price, without being compelled — is information you don't get from drill results or brokers or charts. That's a specialist investor with more information than retail markets about both the asset and the macro, putting real money behind a specific view.

It doesn't mean GLN can't fail. Commissioning problems are common. Argentina could throw a political curveball. Lithium could correct hard. Phase 2 financing could be brutally dilutive.

What it does mean is: the framework's answer here isn't "guess what happens next." The framework's answer is: you can see what informed institutional money is doing, you can see what commissioning milestones need to be met, you can see where the catalysts sit on the timeline. The rest is calibrating position size to your conviction in operational execution.

The asymmetric moment — buying at $0.09 in mid-2025 when the specialist cornerstone was announced at 21% premium to that price — has passed. The current question is whether the transition from Stage 8 to Stage 10 (full producer status) plays out on schedule and delivers the DFS economics. If yes, GLN re-rates toward producer multiples. If no, the valley resets.

Sources cross-referenced

- Galan Lithium company website and investor portal (galanlithium.com.au)
- ASX announcements via Listcorp and Market Index (gln.asx.com.au)
- StockTitan, Investing News Network (INN), Mining.com coverage
- 2023 Phase 2 DFS (referenced in multiple announcements)
- Company quarterly activities reports (Dec 2025 quarter most recent pulled)
- Access Newswire (31 March 2026 Phase 1 completion announcement)
- California Telegraph, Stocktitan coverage of $40m Jan 2026 placement
- PR Newswire, INN coverage of Clean Elements August 2025 placement
- Ainvest and industry commentary on RIGI framework
- Yahoo Finance, Simply Wall St for market data

All claims based on public ASX disclosures and industry reporting as at 23 April 2026. Before acting, verify the latest commissioning status from GLN's investor page and check ASX for any post-30 March 2026 operational updates.

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