



14 April 2025

ASX Compliance

By email: ListingsCompliancePerth@asx.com.au
Caitlyn Cooke Caitlyn.Cooke@asx.com.au
Damian Dinelli damian.dinelli@asx.com.au

Dear Damian and Caitlyn

Response to ASX Aware Letter

Galan Lithium (GLN) refers to the ASX Aware Letter dated 9 April 2025 and responds to the queries in that letter as set out below:

1. When did GLN board receive and subsequently formally reject the Proposal Offer?

The board received the Proposal Offer on 30 March 2025 and decided to reject the Proposal Offer at a board meeting held prior to market open on 3 April 2025. The 708A Notice was released prior to market open on 3 April 2025.

2. Given the conditional, non-binding Proposal Offer had already been considered and rejected by the board of GLN prior to the lodgement of the 708A Notice, on what basis does GLN consider the Rejected Proposal to be “excluded information” required to be disclosed under section 708A(7) of the Act?

Noting the timing of receipt of the Proposal Offer and of the GLN board’s decision to reject it, relative to the time the 708A Notice was issued, as well as the amount of the Proposed Offer and credibility of the bidders, GLN considered, notwithstanding its rejection of the Proposed Offer, the information disclosed in the 708A Notice could be regarded as information that investors and their professional advisors reasonably required for the purpose of making an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of GLN. GLN therefore considered this information should be disclosed in the 708A Notice. In making this decision, GLN took a proactive approach to ensure there was no possibility of a misinformed market or a breach of GLN’s obligations under section 708A of the Act and disclosed details of the Proposal Offer and its decision to reject it in the 708A Notice. The 708A Notice was classified, on release by the ASX, as market sensitive.

3. At the time the 708A Notice was lodged on MAP, was GLN relying on Listing Rule 3.1A so as to not disclose the Proposal Offer? In answering this question, and bearing in mind the board had already rejected the Proposal Offer, please indicate which section of Listing Rule 3.1A.1 GLN was relying on at the time it lodged the 708A Notice.

Until the time GLN decided to reject the Proposal Offer, GLN was relying on the exception in Listing Rule 3.1A for confidential incomplete proposals or negotiations that a reasonable person would not expect to be disclosed in the circumstances.

GLN does not consider that its rejection of the Proposal Offer changed the availability of Listing Rule 3.1A in relation to the Proposal Offer. It remained confidential and it remained an incomplete proposal, notwithstanding this decision. Therefore, GLN considers that it was able to rely on Listing Rule 3.1A in relation to the Proposal Offer at the time it lodged the 708A Notice, but that the information included in the 708A Notice needed to be disclosed due to the requirements of s708A(7) of the Act.

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4. Does GLN consider the Proposal Offer, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Yes.

5. If the answer to question 4 is 'yes', please advise why the Proposal Offer was not disclosed within a standalone announcement at the time the Proposal Offer was received.

The Proposal Offer was not disclosed at the time the Proposal Offer was received since it was confidential, non-binding and indicative. GLN therefore considered that the Listing Rule 3.1A exception for confidential, incomplete proposals that a reasonable person would not expect to be disclosed applied so as exempt the Proposal Offer from being required to be disclosed under Listing Rule 3.1.

6. If GLN first became aware of the Proposal Offer or Rejected Proposal before the date of the 708A Notice, did GLN make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when, if at all, you believe GLN was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps GLN took to ensure that the information was released promptly and without delay.

GLN did not make any announcement of the Proposal Offer or Rejected Proposal prior to the date of the 708A Notice.

Information in relation to the Proposal Offer was not released prior to that time because the Proposal Offer remained confidential and an incomplete proposal which a reasonable person would not expect to be disclosed and the exception in Listing Rule 3.1A therefore applied.

As set out in the response to Q2 GLN's decision to disclose the information included in the 708A Notice was made because it considered in the specific circumstances applying to GLN, the information could be regarded as 'excluded information' which it was required to include in the 708A Notice under section 708A(7) of the Act. GLN does not consider that it was obliged to release the information under Listing Rule 3.1 due to the operation of Listing Rule 3.1A.

7. Please confirm that GLN is in compliance with the Listing Rules, and in particular Listing Rule 3.1.

Confirmed

8. Please confirm that GLN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GLN with delegated authority from the board to respond to ASX on disclosure matters.

Confirmed

For and on behalf of the Galan Board.

Yours faithfully
Mike Robbins
Company Secretary



9 April 2025

Reference: 108101

Mr Mike Robbins
Company Secretary
Galan Lithium Limited

By email

Dear Mr Robbins

Galan Lithium Limited ('GLN'): ASX Aware Letter

ASX refers to the following:

- A. GLN's announcement titled "Secondary Trading Notice" (the '708A Notice') released on the ASX Market Announcements Platform ('MAP') at 9:29 AM on 3 April 2025 providing notice that:
- (i) 5,700,000 shares issued by GLN on 28 March 2025 without disclosure to investors under Part 6D.2 of the Corporations Act ('the Act') will fall under the exemption under section 708A(5) of the Act; and
 - (ii) GLN had received an unsolicited, conditional, non-binding proposal (the 'Proposal Offer') to acquire the Company's interests in Hombre Muerto West and Candelas for US \$150m and that the board considered and rejected the Proposal (the 'Rejected Proposal').
- B. The change in the price of GLN's securities from a low of \$0.105 immediately prior to the release of the 708A Notice to an intraday high of \$0.16 following the release of the 708A Notice on 3 April 2025.
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."*
- E. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.
- "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 One or more of the following 5 situations applies:*
- *It would be a breach of a law to disclose the information;*
 - *The information concerns an incomplete proposal or negotiation;*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - *The information is generated for the internal management purposes of the entity; or*

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- *The information is a trade secret; and*
- 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
- 3.1A.3 *A reasonable person would not expect the information to be disclosed.”*
- G. The concept of “confidentiality” detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:
- “Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule.”*
- H. Section 7.10 of ASX GN8 headed ‘Ramping Announcements’ which states relevantly that:
- “ASX is alive to listed entities making market announcements with a view to “ramping up” their securities. Ramping announcements come in many forms, including:*
- *the release of a “business update” or something similar, which will typically be worded in an exuberant fashion but which on closer examination contains little in the way of substance that has not already been disclosed to the market;*
 - *a series of announcements in close proximity, none of which is particularly material but which together are intended to pique investor interest in the entity; [...]*
 - *an announcement that an entity has entered into what appears to be a material contract or transaction but without disclosing key information that investors and their professional advisers reasonably need to understand the materiality of the contract or transaction and to assess its impact on the price or value of the entity’s securities.*
- The last example above occurs not infrequently in the context of announcements about customer contracts. Some examples that ASX has observed include an entity:*
- *describing a customer contract as “material” or with other superlatives when plainly it is not.”*

Request for information

Having regard to the above, we ask GLN to respond separately to each of the following questions:

1. When did the GLN board receive and subsequently formally reject the Proposal Offer?
2. Given the conditional, non-binding Proposal Offer had already been considered and rejected by the board of GLN prior to the lodgement of the 708A Notice, on what basis does GLN consider the Rejected Proposal to be “excluded information” required to be disclosed under section 708A(7) of the Act?
3. At the time the 708A Notice was lodged on MAP, was GLN relying on Listing Rule 3.1A so as to not disclose the Proposal Offer? In answering this question, and bearing in mind the board had already rejected the Proposal Offer, please indicate which section of Listing Rule 3.1A.1 GLN was relying on at the time it lodged the 708A Notice.
4. Does GLN consider the Proposal Offer, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
5. If the answer to question 4 is ‘yes’, please advise why the Proposal Offer was not disclosed within a standalone announcement at the time the Proposal Offer was received.

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6. If GLN first became aware of the Proposal Offer or Rejected Proposal before the date of the 708A Notice, did GLN make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when, if at all, you believe GLN was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps GLN took to ensure that the information was released promptly and without delay.
7. Please confirm that GLN is in compliance with the Listing Rules, and in particular Listing Rule 3.1.
8. Please confirm that GLN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GLN with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **10:00AM AWST Monday, 14 April 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, GLN's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require GLN to request a trading halt immediately if trading in GLN's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in GLN's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to GLN's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that GLN's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance