

## Target Market Determination

**Galan Lithium Limited**

ACN 149 349 646 of Level 1, 50 Kings Park Rd, West Perth, Western Australia 6005 (**Company**)

**Product:**

Free attaching options (**Attaching Options**) in connection with an offer of shares in the Company (**Shares**), under a placement announced by the Company on 31 January 2024 and a Share Purchase Plan announced on 31 January 2024 and 9 February 2024, with the Attaching Options to be issued under a prospectus dated 27 March 2024 (**Prospectus**).

**Effective date:**

27 March 2024

### 1. Background

This target market determination (**TMD**) has been produced by the Company in relation to an offer to issue the Attaching Options made by the Company under the Prospectus (**Offer**) pursuant to section 713 of the Corporations Act 2001 (Cth) (**Act**) and has been designed to help investors understand who the offer of Attaching Options is most suitable for.

The Offer will be made under the Prospectus. Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their professional adviser if they have any questions regarding the contents of the Prospectus. Any recipient of this TMD who wants to acquire Attaching Options under the Offer will need to follow the instructions in the application form that will be in, or will accompany, the Prospectus. There is no cooling off period in respect of the issue of the Attaching Options.

A copy of the Prospectus is available on the Company's website, [www.galanlithium.com.au](http://www.galanlithium.com.au)

This TMD is not a disclosure document for the purposes of the Act, and therefore has not been lodged, and does not require lodgement, with the Australian Securities and Investments Commission (**ASIC**).

This TMD does not take into account what you currently have, or what you want and need, for your financial future. It is important for you to consider these matters and read the Prospectus before you make an investment decision. The Company is not licensed to provide financial product advice in relation to the Attaching Options.

Unless otherwise defined in this TMD, capitalised terms have the meaning given to them in the Prospectus.

## 2. Product Information

The key features of the Attaching Options are as follows:

<b>Offer</b>	For the offer of:  (a) up to 35,869,565 listed options to institutional, sophisticated and professional investors who participated in the placement as announced by the Company on 31 January 2024, exercisable at \$0.65 on or before 20 March 2029 ( <b>Attaching Options</b> ); (b) up to 4,782,606 listed options to Directors who participate in the placement as announced by the Company on 31 January 2024, subject to Shareholders approving their participation in that placement; and (c) up to 8,702,150 listed options to existing Shareholders pursuant to the Company's Share Purchase Plan ( <b>SPP</b> ) as announced by the Company on 31 January 2024 and 9 February 2024.
<b>Exercise Price</b>	The exercise price for the listed options will be \$0.65 per listed option.
<b>Expiry Date</b>	20 March 2029
<b>Exercise Period</b>	Exercisable at any time on or prior to 5.00pm (AWST) on 20 March 2029
<b>Shares Issued on Exercise</b>	Shares issued on the exercise of the listed options will rank pari passu in all respects with the Company's other Shares on issue and are listed on the ASX.

## 3. Target Market

The objectives, financial situation and needs of investors which are suitable for investment in the Attaching Options and an explanation of why those particular financial circumstances are suitable are provided below:

<b>Eligible and Excluded Consumers</b>	The issuing of Attaching Options is limited to participants in the placement announced by the Company on 31 January 2024 and Eligible shareholders as defined in the SPP dated 9 February 2024.  The Attaching Options have not been design for individuals and any person who: <ul style="list-style-type: none"><li>• Requires an income stream from their investment;</li><li>• Does not ordinarily invest in speculative investments in the mineral exploration and development section; and</li><li>• Are not applicants under the Offer.</li></ul>
<b>Investment Objective</b>	As the Attaching Options may be exercised at any time prior to the expiry date, which is 5.00pm (AWST time) on 20 March 2029, the Company expects that an investment in the Attaching Options will be suitable to investors who wish to have the right, but not obligation, in the medium term to acquire the Company's shares.
<b>Investment Timeframe</b>	The target market of investors will take a medium term outlook in relation to their investment in the Company and are in a financial position that is sufficient for them to invest their funds over the time period to 5.00pm (AWST time) on 20 March 2029, should they wish to exercise their Attaching Options.

<b>Investor Metrics</b>	<b>Suitability</b>	While the Company does not have an established eligibility framework for investors based on metrics (for instance employment status, income levels, age or an expected return or volatility) it is expected that the target market of investors will be those investors that wish to obtain optionality for exposure to the Issuer's ongoing operations and projects.
<b>Risk</b>		The Company considers that an investment in the Attaching Options will have a different risk profile to a direct upfront investment in Shares, including due to the fact that there is no obligation to exercise the Attaching Options prior to the expiry date. Investors should also have a sufficient level of financial literacy to understand and appreciate the risks of investing in options as an asset class generally and the more specific risks of investing in the Company.

The Attaching Options are not suitable for investors:

- (a) who are not seeking to have the potential to increase their investment in the Company; and
- (b) who do not understand and appreciate the risks of investing in options as an asset class generally and the more specific risks of investing in the Issuer.

The Company has assessed the Attaching Options and formed the view that the Attaching Options, including the key attributes set out in section 2, are likely to be consistent with the objectives, financial situation and needs of investors in the target market as described above in this section 3.

#### **4. Distribution Conditions**

The key restriction on distribution of the Attaching Options is that the Offer will only be made to participants in the placement and eligible shareholders as defined in the SPP.

The Company considers that these distribution conditions will ensure that persons who invest in Attaching Options fall within the target market in circumstances where personal advice is not being provided to those persons by the Issuer.

#### **5. Review triggers**

As the Offer of the Attaching Options is limited to certain investors (being the participants in the placement and eligible shareholders as defined in the SPP), is only open for a limited time under the Prospectus and the Company is subject to continuous disclosure requirements, the Company considers it is not necessary or appropriate to implement the requirement of periodic reviews of this TMD.

The Company will review this TMD where any event or circumstance has arisen that would suggest this TMD is no longer appropriate. This may include (but is not limited to):

- (a) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Attaching Options or this TMD;
- (b) an unreasonable number of consumer complaints or feedback from those who distribute or acquire the product; and
- (c) significant adverse changes to the Company's circumstances.

This TMD will be reviewed within 10 business days upon the occurrence of a review trigger.

The Company may also amend this TMD at any time.

## **6. Review**

If a review trigger occurs during the Offer Period, the Issuer will undertake a review of the TMD in light of the review trigger as soon as reasonably practicable and, in any case, within 10 business days of the review trigger occurring.

Periodic reviews of the TMD will occur regularly during the Offer Period, noting that the Offer Period is likely to be less than one month. If the Offer Period extends for more than one month, the TMD will in addition be reviewed on a monthly basis.

## **7. Reporting Requirements**

As the Company is not appointing external distributors of the Attaching Options, complaints relating to the Attaching Options should be provided directly to the Company as soon as practicable. The Company will review all complaints received in relation to the Attaching Options on a continuous basis and consider any of the following matters:

- (a) significant dealings in the Attaching Options which are consistent with this TMD;
- (b) any dealings outside the target market (to the extent that the Company is aware of such dealings); and
- (c) the conduct of the Company under this TMD.

This TMD has been authorised for release by the Board of directors of Galan Lithium Limited.