

15 January 2024

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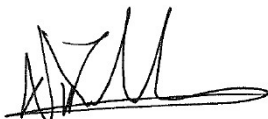
## R e s p o n s e t o A S X A w a r e Q u e r y

Kali Metals Limited ("**Kali**" or "**the Company**") (ASX: KM1) refers to the Aware Query from ASX dated 11 January 2024 ("**Aware Query**") and responds as follows. Paragraph numbers and definitions used in this letter correspond to those used in the Aware Query, unless otherwise stated.

1. The Mineral Rights Agreements were each completed on 28 December 2023, and the Higginsville Share Sale Agreement was completed on the following day, 29 December 2023.
2. The Company's exploration manager, along with geologist consultants from CSA Global, were responsible for the Rock Chip Sampling Program. The Rock Chip Sampling Program formed part of the due diligence process for the Independent Technical Assessment Report ("**ITAR**") prepared by CSA Global for the Prospectus. The Company financed the Rock Chip Sampling Program.
3. Yes. However, the Company also notes the significant media coverage surrounding the Company's initial public offering in the lead up to, and following, its listing on ASX on 8 January 2024, which included multiple articles in the Australian Financial Review, the Australian, the West Australian and other prominent news outlets, released prior to the Announcement. In addition, immediately prior to the release of the Announcement, Mineral Resources Limited (ASX: MIN), an ASX Top-50 company and prominent investor in small/mid-cap lithium exploration entities in Western Australia, lodged with ASX a "Notice of initial substantial holder", disclosing it had a relevant interest in the Company's securities of 9.97%. This was heavily covered in the media, and we suspect this, in conjunction with the existing media coverage, may also have had a material effect on the price and value of the Company's securities on 10 January 2024.
4. Not applicable.
5. From 22 December 2023 to 9 January 2024, Peterson Geological Consulting Pty Ltd was in the process of analysing the results and outcomes of the rock chip sampling program. As soon the Rock Chip Sampling Program data was sufficiently analysed, compiled and reviewed, the Announcement was finalised, approved for release by the Company's Board and released on the ASX Market Announcements Platform ("**MAP**").
6. No, the Company was not aware of the information prior to the relevant dates.
7. The Rock Chip Sampling Program commenced in late June 2023 and completed on 9 January 2024, immediately following which the Announcement was finalised, approved and released on MAP.
8. No, the Company was not aware of the information prior to the relevant dates.

9. Whilst the commencement date of the Rock Chip Sampling Program itself was not disclosed in the Prospectus, ongoing and further rock chip sampling (which would include the Rock Chip Sampling Program) was disclosed in the Prospectus (specifically, in Sections 2.2 and 2.8 of the Prospectus and the ITAR) as part of the Company's proposed exploration strategy, however the Rock Chip Sampling Program was only completed on 9 January 2024, after the offer under the Prospectus had closed and the securities under the Prospectus had been issued to investors. The Announcement was later released on 10 January 2024.
10. The Company engaged contractors from AES to conduct the Soil Sampling Programs with guidance and instructions from the Company's exploration team. The Company fully funded the Soil Sampling Programs.
11. The Soil Sampling Programs commenced on 11 December 2023 and completed on 22 December 2023.
12. The commencement date of the Soil Sampling Programs was not disclosed in the Prospectus or in any supplementary disclosure, as this occurred after the Prospectus was published. Nevertheless, the Company's exploration strategy, including the implementation of ongoing soil sampling programs, was disclosed in the Prospectus (specifically, in Sections 2.2 and 2.8 of the Prospectus and the ITAR) and hence did not consider the timing of the Soil Sampling Programs to require supplementary disclosure. Further, the Company does not consider the conclusion of the Soil Sampling Programs, where results are still outstanding, in of itself to be a material new circumstance to an investor given the broader exploration strategy and proposed exploration activities disclosed in the Prospectus and ITAR, which include soil sampling. The results from the Soil Sampling Programs are expected to be received during the second half of the first quarter of 2024.
13. The Company confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1.
14. The Company confirms that its responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

Yours faithfully



**Nick Madders**  
Company Secretary



11 January 2024

Reference: 86750

Mr Nicholas Madders  
General Counsel and Company Secretary  
Kali Metals Limited  
16 Douro Place, West Perth  
Western Australia, 6005

By email

Dear Mr Madders

**Kali Metals Limited ('KM1'): General – Aware Query**

ASX refers to the following:

- A. The Prospectus for KM1's initial public offering dated 3 November 2023 ("Prospectus") and lodged with ASIC on that date which disclosed:
  - (i) On page 100 that KM1 had entered into an agreement with Avoca Mining Pty Ltd to acquire all the shares in Karora (Lithium) Pty Ltd ("LithiumCo") ("Higginsville Share Sale Agreement")
  - (ii) On pages 102 – 103 that LithiumCo had entered into an agreement to be granted rights to lithium on certain tenements known as the Higginsville Project tenements ("Mineral Rights Agreement") in the Higginsville Lithium District.
- B. KM1's announcement titled "Spodumene identified at Higginsville Lithium District" lodged on the ASX Market Announcements Platform at 9:00 AM (AEDT) on 10 January 2024 (the 'Announcement') which disclosed that as a result of rock chip sampling program ("Rock Chip Sampling Program") spodumene had been identified in multiple areas at the Spargoville Project within the Higginsville Lithium District which included the following rock chip assay results:
  - (i) Parker-Grubb Prospect KCSA049 3.69% Li<sub>2</sub>O, 349 ppm Ta
  - (ii) Flynn-Giles Prospect KCSA037 1.63% Li<sub>2</sub>O, 258 ppm Ta
  - (iii) Flynn-Giles Prospect KCSA030 1.24% Li<sub>2</sub>O, 136 ppm Ta
  - (iv) Green Flame Prospect KCSA043 1.27% Li<sub>2</sub>O, 41 ppm Ta(the "Information")
- C. The Announcement also disclosed that ongoing (and first pass) soil sampling programs ("Soil Sampling Programs") had been completed.
- D. The increase in the price of KM1's securities on 10 January 2024 from an opening price of \$0.59 to an intra-day high of \$0.89.
- E. Section 710 of the Corporations Act (Cth) (2001) which prescribes the disclosure required in a prospectus.
- F. 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.
- G. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

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*“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” and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information.”*

- H. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*“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 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*
- 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.”*

- I. ASX’s policy position on the concept of “confidentiality”, which is 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 listed 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 ceases to be confidential information for the purposes of this rule.”*

### **Request for information**

Having regard to the above, ASX asks KM1 to respond separately to each of the following questions and requests for information:

1. On what date did completion of the Higginsville Share Sale Agreement and each of the Mineral Rights Agreements occur?

#### *Rock Chip Sampling Program*

2. Who was the operator and entity (or person) responsible for the Rock Chip Sampling Program? In answering this question please detail KM1’s participation in the Rock Chip Sampling Program including whether KM1 provided any financial, staffing, technical or other contribution.
3. Does KM1 consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
4. If the answer to question 3 is “no”, please advise the basis for that view.
5. When did KM1 become aware of the Information?

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6. If KM1 first became aware of the Information before the relevant date, did KM1 make any announcement prior to the relevant date which disclosed the Information? If so, please provide details.
  7. When did KM1 become aware of the commencement and conclusion of the Rock Chip Sampling Program? In answering this question, please specify the dates and times that the Rock Chip Sampling Program commenced and concluded and any other date relevant to KM1 becoming aware of the Rock Chip Sampling Program.
  8. If KM1 became aware of the Information before the relevant date, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe KM1 was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps KM1 took to ensure that the Information was released promptly and without delay.
  9. Was the commencement and/or conclusion and the results of the Rock Chip Sampling Program disclosed in either the Prospectus or in any supplementary disclosure?

#### *Soil Sampling Programs*

10. Who was the operator and entity (or person) responsible for the Soil Sampling Programs? In answering this question please detail KM1's participation in the Soil Sampling Programs including whether KM1 provided any financial, staffing, technical or other contribution.
11. When did KM1 become aware of the commencement of and the conclusion of the Soil Sampling Programs? In answering this question, please specify the dates and times that the Soil Sampling Programs commenced and concluded and any other date relevant to KM1 becoming aware of the Soil Sampling Programs.
12. Was the commencement and/or conclusion of the Soil Sampling Programs disclosed in either the Prospectus or in any supplementary disclosure?
13. When does KM1 expect to receive the results of the Soil Sampling Programs?
14. Please confirm that KM1 is complying with the Listing Rules and, in particular, Listing Rule 3.1.
15. Please confirm that KM1'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 KM1 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 **9:00 AM AWST Tuesday, 16 January 2024**. 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, KM1's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require KM1 to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me 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.

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### Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in KM1's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in KM1's securities under Listing Rule 17.3.

### Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to KM1'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 KM1'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

ASX reserves 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.

Kind regards

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ASX Compliance