ASX ANNOUNCEMENT

6 August 2024

Galan Response to AFR Street Talk Article

Galan Lithium Limited (ASX:GLN) (**Galan** or **the Company**) refers to a recent media report that it has received a takeover bid.

Galan advises that it has not received a takeover bid but that it has received an unsolicited, confidential, conditional, non-binding indicative proposal from Energy Exploration Technologies, Inc. (**EnergyX**) in relation to a potential acquisition of Galan's Argentinian lithium assets (**Proposal**).

The Proposal is to acquire assets and real property held by Galan related to its holdings in Salar del Hombre Muerto and Candelas (**Project Assets**) for US$50 million in cash, and common shares in EnergyX which EnergyX values at US$50 million. EnergyX is a corporation incorporated under the laws of Puerto Rico and its securities, including its common shares, are not quoted or traded on any stock exchange.

Under the Proposal EnergyX would also provide:

- US$50 million, which it is noted would not be payable to Galan but rather to EnergyX's wholly owned subsidiary which would own the Project Assets, with those funds to be committed and wholly dedicated to completing the first commercial phase of lithium production at Hombre Muerto West and maintaining the Project Assets; and
- a 10% gross revenue royalty to Galan for 10 years starting from commercial production.

Galan has been seeking to negotiate a confidentiality agreement with EnergyX in respect of the Proposal. The confidentiality agreement currently sits with EnergyX.

The Proposal is conditional on, amongst other things, completion of satisfactory due diligence and negotiation and execution of definitive, binding transaction documentation. The Proposal remains subject to consideration by Galan's board, and given the early stage nature of discussions and its conditionality, there is no certainty a transaction will eventuate. Given the Proposal contemplates the disposition of Galan's main undertaking, Galan shareholder approval would be a necessary condition to completion under a binding agreement, if such an agreement were to eventuate.

Galan confirms that it is in compliance with ASX Listing Rules, particularly, Listing Rule 3.1, and will keep shareholders informed in accordance with its continuous disclosure obligations.

The Galan Board has authorised this release.

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