

23 June 2023

Galileo Resources Plc
("Galileo" or "the Company")

Update on Afrimat Option to acquire shares in Glenover

Galileo Resources plc ("**Galileo**" or the "**Company**") is pleased to inform shareholders on progress in relation to JSE Listed Afrimat Limited's ("**Afrimat**") option to buy for ZAR300 million (approx. GBP12.8M) shares in and shareholder loans ("**Sale Claims**") made to Glenover Phosphate Proprietary Limited ("**Glenover**") ("**Afrimat's Option**") in which Galileo has a 30.70% direct and 4.99% indirect investment held via Galagen Proprietary Limited ("**Galagen**") (refer to announcements of 9 December 2021, 11 February 2022, 30 March 2022, 20 October 2022 and 22 March 2023).

The parties on 21 June 2023 have signed an addendum to the conditional sale of shares and shareholders loan agreement between Afrimat, Glenover and the shareholders of Glenover which gave rise to Afrimat's Option (the "**Addendum**") which confirms that the Sale Claims and Share sale consideration will be settled as below.

In summary, the amended terms remove the requirement for the previous suspensive conditions to be met before the first two tranches of consideration are paid and instead sets a revised timetable for the receipt of such amounts, as detailed below, as well as amending the second tranche to be paid in cash.

| Payment Date | Payments due | Conditions |
|-------------------------------------|---|-------------------------------------|
| 15 Business days after 21 June 2023 | First tranche payment of ZAR150 million (approx. GBP6.4M) in respect of Sales Claims to be settled by the issue of Afrimat shares calculated on a 30-day volume weighted average price (" VWAP ") on the payment date. Galileo's estimated portion will be approximately ZAR50 million (approx. GBP2.1M). | None |
| 30 April 2024 | Second tranche payment of ZAR147 million (approx. GBP6.3M) in respect of Sales Claims to be settled in cash. Galileo's estimated portion will be approximately ZAR49 million (approx. GBP2.1M). | None |
| 30 April 2024 | Cash consideration of ZAR3 million (approx. GBP128K) in respect of the Glenover shares <i>subject to the fulfilment of the suspensive conditions (Note 1)</i> Galileo's estimated portion will be approximately ZAR1 million (approx. GBP42K). | Fulfilment of suspensive conditions |

Note 1: The suspensive conditions applicable to the sale of Glenover shares are:

- i) the Approval in terms of section 11 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 ("**MPRDA**"); and
- ii) the completion of the 30 June 2023 audited financial statements and collation of all company documentation on or before 30 April 2024.

Colin Bird Chairman and CEO commented "We are very pleased with the amended agreement regarding

phase 2 of the Glenover/Afrimat transaction. Afrimat is a very proactive and progressive company and we are pleased to become shareholders in that entity, and of course, look forward to the final cash payment in April 2024, which will conclude the transaction in its entirety."

Further information re the Addendum: The Addendum provides that upon payment of the first tranche payment in respect of the Sale Claims, the parties shall enter into a contract mining agreement whereby Afrimat shall become entitled to commence mining of other minerals in addition to vermiculite.

You can also follow Galileo on Twitter: @GalileoResource

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