



**GALILEO MINING LTD**

**ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2023

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**CHAIRMAN'S LETTER**

Dear Shareholder,

Galileo Mining witnessed significant exploration success over the course of FY2023 as we sought to define the size of the Callisto palladium-platinum-gold-rhodium-copper-nickel discovery at our wholly-owned Norseman project in Western Australia.

Since May 2022, when we first reported significant palladium-platinum gold-copper-nickel-rhodium mineralisation over 33m at the Callisto target, the Company has been very busy systematically drilling out the mineralisation at a close spacing and more recently using step-out drilling to confirm the prospectivity of the ground at Norseman.

Our dedication to exploration at Norseman is evident from the significant volume of reverse circulation (RC) and diamond drilling we have carried out with close to 25,000m of RC drilling and 13,000m of diamond drilling conducted over the course of the year.

Importantly, the drilling has been successful, delivering high-grade results with assays received showing palladium, nickel, and copper grades over wide intervals of mineralisation.

A highlight during the year was in March 2023 when we revealed a new sulphide zone completely open to the north and east with the widest drill intersection to date of 72 metres of disseminated nickel-copper sulphide mineralisation on the northernmost drill line.

These results support our working theory that the five-kilometres of untested strike length to the north of Callisto is highly prospective for further discoveries.

Meanwhile, the recent drill result of a new mineralised zone of platinum group elements (PGE) 600m north of Callisto, within an ultramafic rock unit that is separate and unique from the rock which hosts Callisto, highlights the potential for new types of discoveries in this fundamentally underexplored province.

In addition, we delivered encouraging metallurgical test work from Callisto, showing the disseminated sulphide mineralisation responds very well to sulphide flotation at industry standard conditions.

At the time of writing our focus is on a 4,000m follow-up RC drilling program at two other priority targets at Norseman, the Jimberlana and Mission Sill prospects. The RC drilling is designed to develop these targets further and initial assays from this program have been highly encouraging.

With assay results from the recent RC campaign, ongoing drilling at Callisto, and drilling aimed at making new discoveries at adjacent regional targets, it is certainly going to another busy year ahead on the exploration front and I would like to thank our loyal shareholders for their continuing support.

Yours faithfully,



**Brad Underwood**

Chairman & Managing Director

**GALILEO MINING LTD**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

The directors present their report on the Company and the Group (consisting of the Company and the entities it controlled during the period) for the financial year ended 30 June 2023.

**DIRECTORS**

The following directors have been in office since the start of the financial year to the date of this report unless otherwise stated:

- Brad Underwood (Managing Director and Chairman)
- Noel O'Brien (Non-executive Director)
- Cecilia Camarri (Non-executive Director)
- Mathew Whyte (Non-executive Director)

**PRINCIPAL ACTIVITIES**

The principal activity of the Group during the financial year was mineral exploration.

**FINANCIAL RESULTS AND FINANCIAL POSITION**

The net loss of the Group for the financial year ended 30 June 2023 after providing for income tax amounted to \$1,533,057 (2022: \$1,190,216).

The Group has not reached a stage in its development where it is generating an operating profit. All the Group's efforts go into project exploration and evaluation.

Total acquisition costs and deferred expenditure on tenements capitalised during the year amounted to \$11,697,730 (2022: \$3,785,225)

At the end of the financial period the Group had cash on hand, including deposits of \$14,456,650 (2022: \$7,019,993) and Net Assets of \$43,276,571 (2022: \$24,349,620).

**DIVIDENDS**

No dividends have been declared since the end of the previous financial year and no dividends have been recommended by the directors.

**REVIEW OF OPERATIONS**

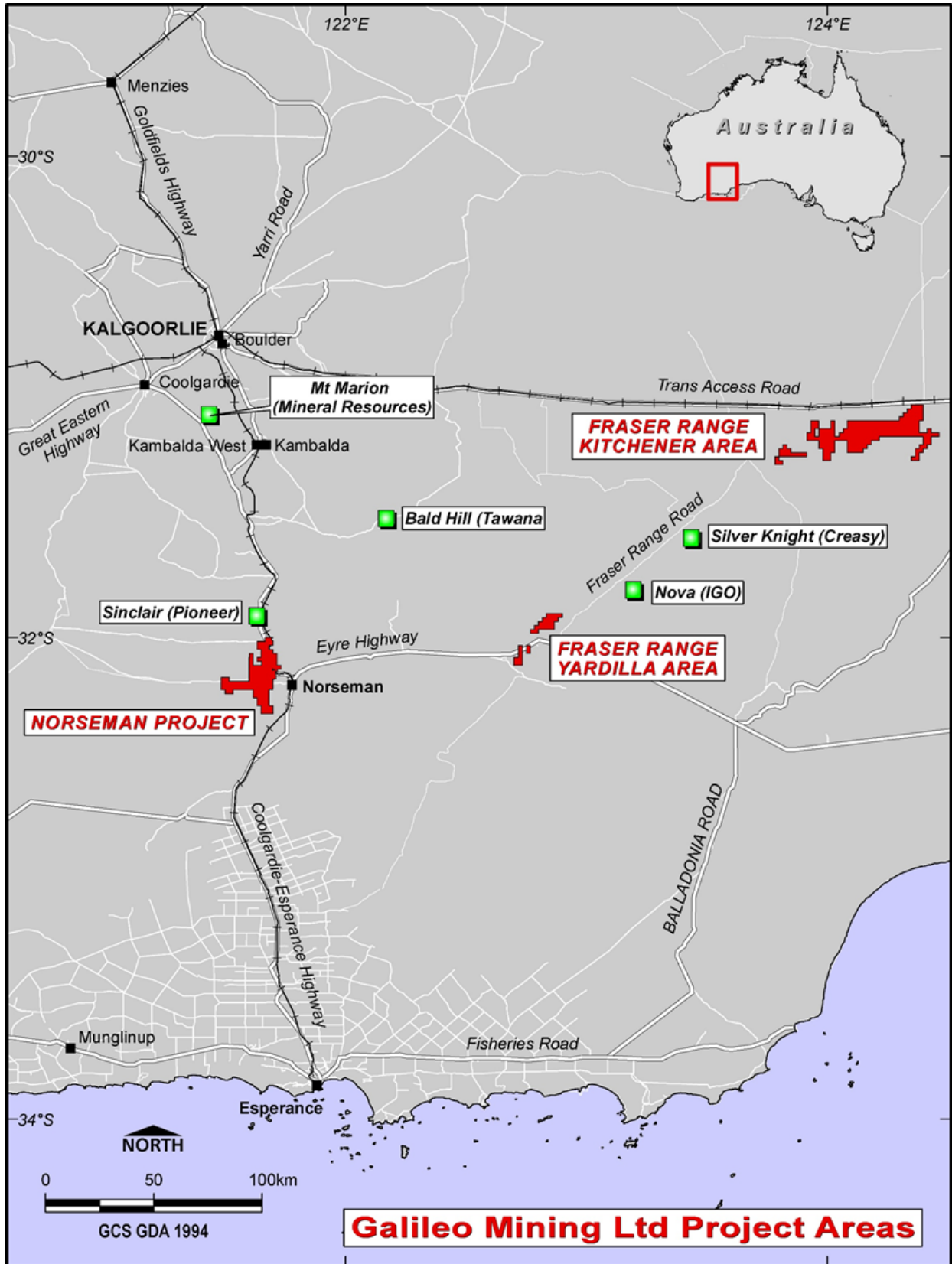
Galileo has two highly prospective West Australian resource and exploration projects being:

- 1) The Norseman Project with exploration tenements prospective for nickel-palladium-cobalt deposits and an existing JORC compliant cobalt-nickel resource, and
- 2) The Fraser Range Project with exploration tenements prospective for nickel-copper-cobalt deposits.

During the financial year, the Group's exploration activities were focused primarily on the Norseman Project through a series of drilling campaigns at the Callisto discovery. At the Fraser Range, electromagnetic (EM) surveying was completed at the northern Fraser Range project area with the aim of defining new undercover nickel targets for drill testing.

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Highlights of the Group's activities during the year include:

## **Norseman Project (100% owned)**

- Primary focus during the FY2023 was extensive RC and diamond drilling campaigns at the Callisto multi-element palladium-platinum-gold-rhodium-copper-nickel discovery
- During FY2023, RC and diamond drilling produced a combined total of 37,571 meters over 135 drill holes
- Commenced step out drilling with the intention of rapidly defining the overall footprint of mineralisation
- Wide zones of disseminated nickel sulphide discovered in a new geological setting north of Callisto in first regional exploration program since Callisto discovery
- Drill assays showed disseminated sulphide mineralisation continuing north of Callisto along the prospective five-kilometre target horizon
- Drilling 600 meters north of Callisto revealed a new zone of platinum group element (PGE) enrichment with a drill intersection containing a 184 metre PGE anomalous zone starting from surface
- Step out drilling discovered a thick sulphide zone completely open to the north and east with a wide drill intersection of 72 meters of mineralisation
- First pass metallurgical sighter test work on a diamond core composite sample of disseminated sulphide mineralisation demonstrated very high recoveries for key metals
- Diamond drill assays show highest grades of nickel and copper from disseminated sulphides to date with 1.58% nickel, 0.93% copper, and 3.32 g/t 3E over one metre
- Rhodium assays continued to show enrichment of this precious metal
- Massive sulphide assays from Callisto revealed a new style of magmatic nickel-copper-cobalt with potential for yet another style of discovery within the growing mineralised system

## **Subsequent Events**

- Jimberlana and Mission Sill exploration drilling commenced in early July with an initial 4,000 metre RC drill program
- Initial assay results are highly encouraging with shallow sulphide lenses detected at both the Jimberlana North and Jimberlana South prospects
- Follow up RC drill program is scheduled to begin in late August 2023 with the program to include the first systematic exploration of the five kilometre prospective area north of the Callisto discovery

## **Fraser Range Project (JV with Creasy Group)**

- EM surveying completed over highly prospective virgin Fraser Range greenfields tenement along strike of known sulphide occurrences at Galileo's Lantern Prospects
- Infill EM surveying of prospective zones on E28/2064 is planned to refine targets prior to drill testing

## **Corporate**

- Galileo is fully funded to implement all planned drilling programs with approximately \$14.46 million in cash as at 30th June 2023
- Cash backing puts Galileo in a secure position with no requirement to raise short term capital



## **Norseman Project**

### **Callisto Discovery**

During the financial year, Galileo was primarily focused on extensive RC and diamond drilling campaigns at the Callisto palladium-platinum-gold-rhodium-copper-nickel discovery (Figure 1).

Since May 2022, when Galileo first reported significant palladium-platinum gold-copper-nickel-rhodium mineralisation over 33m at the Callisto target<sup>1</sup>, the Company has been systematically drilling out the existing Callisto mineralisation and more recently has been undertaking step-out drilling to confirm the prospectivity of the ground at Norseman.

Galileo's dedication to exploration at Callisto is evident from the significant volume of reverse circulation (RC) and diamond drilling Galileo has carried out with 24,625m of RC drilling and 12,946m of diamond drilling conducted over the course of the financial year.

The drilling has consistently delivered results with assays received showing palladium, nickel, and copper grades over wide intervals of mineralisation at the Callisto discovery.

***Figure 1 — Drilling on site at Galileo's 100% owned Callisto discovery near Norseman.***



In July 2022<sup>2</sup>, Galileo reported mineralisation on the northern sections of Callisto was continuing with mineralisation open in all directions and extending over 300 metres across strike on the southern and central lines and over 200 metres across strike on the northern line.

Holes were also analysed for rhodium with the first four holes (see Table 1) returning consistent rhodium grades<sup>3</sup>. Rhodium assaying of sulphide zones was undertaken using a separate analytical technique to quantify rhodium after the initial Pd-Pt-Au-Cu-Ni results.

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<sup>1</sup> Refer to ASX announcement dated 11<sup>th</sup> May 2022

<sup>2</sup> Refer to ASX announcement dated 11<sup>th</sup> and 13<sup>th</sup> July and 3<sup>rd</sup> August 2022

<sup>3</sup> Refer to ASX announcement dated 4<sup>th</sup> August 2022

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**Table 1: 2<sup>nd</sup> round of RC drilling - Significant intersections for drill holes NRC274, NRC275, NRC276, NRC277 with a 1.0 g/t 4E cut off, maximum of 1m internal dilution. Rounding may have slight effect on the calculation of 4E.**

Hole ID	From (m)	To (m)	Interval (m)	4E (Pd+ Pt+ Au; g/t)	Palladium (g/t)	Platinum (g/t)	Gold (g/t)	Rhodium (g/t)	Copper (%)	Nickel (%)
NRC274	144	167	23	2.19	1.74	0.30	0.09	0.06	0.35	0.35
and	172	174	2	1.84	1.43	0.26	0.10	0.05	0.29	0.28
NRC275	143	172	29	2.28	1.80	0.33	0.09	0.05	0.32	0.31
<b>including</b>	<b>170</b>	<b>171</b>	<b>1</b>	<b>10.48</b>	<b>8.25</b>	<b>1.94</b>	<b>0.26</b>	<b>0.03</b>	<b>0.36</b>	<b>0.22</b>
NRC276	150	170	20	1.83	1.47	0.25	0.07	0.04	0.27	0.30
and	174	176	2	1.32	1.07	0.18	0.03	0.04	0.92	0.20
and	180	181	1	1.03	0.83	0.13	0.04	0.03	0.23	0.17
NRC277	147	159	12	1.86	1.48	0.25	0.08	0.05	0.31	0.30
and	172	173	1	1.20	0.94	0.17	0.05	0.04	0.17	0.22
and	177	199	22	1.72	1.33	0.23	0.11	0.05	0.27	0.27

**Table 2: 2<sup>nd</sup> round of RC drilling - Significant intersections for drill holes NRC278, NRC281, NRC282, NRC285, NRC286, NRC287, NRC288 and NRC291 with a 0.5 g/t 3E cut off, maximum of 2m internal dilution, minimum width of 3m. Rounding may have slight effect on the calculation of 3E**

Hole ID	From (m)	To (m)	Interval (m)	3E (Pd+ Pt+ Au; g/t)	Palladium (g/t)	Platinum (g/t)	Gold (g/t)	Copper (%)	Nickel (%)
NRC278	214	232	18	1.02	0.83	0.15	0.05	0.20	0.24
and	255	258	3	1.62	1.33	0.23	0.06	0.20	0.21
NRC281	127	156	29	1.41	1.13	0.20	0.07	0.24	0.24
and	160	164	4	0.67	0.55	0.11	0.02	0.09	0.14
NRC282	125	152	27	1.44	1.18	0.20	0.06	0.23	0.25
NRC285	118	146	28	1.20	0.97	0.17	0.06	0.25	0.26
NRC286	139	142	3	0.59	0.43	0.11	0.05	0.09	0.17
and	151	166	15	0.72	0.59	0.11	0.03	0.11	0.17
NRC287	132	157	25	1.18	0.94	0.18	0.06	0.20	0.25
NRC288	127	153	26	0.83	0.67	0.12	0.04	0.16	0.20
NRC291	166	174	8	0.90	0.75	0.13	0.03	0.15	0.20



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**Table 3: 2<sup>nd</sup> round of RC drilling - Significant intersections for drill holes NRC283, NRC284, NRC289, and NRC290 with a 0.5 g/t 3E cut off, maximum of 2m internal dilution, minimum width of 3m. Rounding may have a slight effect on the calculation of 3E**

Hole ID	From (m)	To (m)	Interval (m)	3E (Pd+ Pt+ Au; g/t)	Palladium (g/t)	Platinum (g/t)	Gold (g/t)	Copper (%)	Nickel (%)
NRC283	196	210	14	0.78	0.65	0.12	0.01	0.09	0.19
NRC284	192	225	33	1.03	0.84	0.15	0.04	0.16	0.22
NRC289	124	150	26	0.68	0.52	0.10	0.05	0.10	0.16
NRC290	124	133	9	0.51	0.41	0.07	0.02	0.09	0.14

In August 2022<sup>4</sup>, Galileo commenced its third round of RC drilling at Callisto with a planned 10,000m campaign of 50 drill holes to follow up on the widespread and consistent palladium-platinum-gold-copper-nickel sulphide intersections reported to the ASX in May, June, and July 2022. The drill campaign consisted of 50-metre spaced drill holes to target both the known mineralisation and along strike potential up to one kilometre to the north.

Assays from the RC drilling program confirmed consistent high grade palladium mineralisation at the Callisto discovery.

**Table 4: New Drill Intersections (>0.5 g/t 3E cut-off, no internal dilution, minimum 3m drill width. Rounding may have slight effect on the calculation of 3E)**

Hole ID	From (m)	To (m)	Interval (m)	3E (Pd+ Pt+ Au; g/t)	Palladium (g/t)	Platinum (g/t)	Gold (g/t)	Copper (%)	Nickel (%)
NRC298	138	159	21	1.41	1.15	0.20	0.06	0.22	0.26
NRC299	131	136	5	0.77	0.63	0.11	0.03	0.14	0.18
and	149	179	30	2.08	1.69	0.30	0.09	0.37	0.34
<b>including</b>	<b>171</b>	<b>177</b>	<b>6</b>	<b>3.13</b>	<b>2.54</b>	<b>0.44</b>	<b>0.14</b>	<b>0.63</b>	<b>0.51</b>
NRC300	152	182	30	1.88	1.55	0.25	0.08	0.32	0.32
NRC301	152	155	3	0.53	0.43	0.07	0.02	0.08	0.15
NRC302	157	161	4	0.60	0.48	0.10	0.03	0.10	0.17
NRC303	154	162	8	1.39	1.15	0.20	0.03	0.09	0.23
and	191	218	27	1.21	1.01	0.16	0.04	0.18	0.23

Mineralisation continued to remain open along strike and down dip to the east.

<sup>4</sup> Refer to ASX announcement dated 2<sup>nd</sup> August 2022

Galileo commenced its maiden diamond drilling campaign in August at the Callisto discovery consisting of an initial 2,000 metres of drilling with an option to extend the drilling contract.<sup>5</sup> This program ultimately became close to 13,000 metres of core drilling as the mineralisation footprint expanded. The first diamond drill tail to be undertaken was on NRC278 which ended in mineralisation:

- 18 metres @ 1.02 g/t 3E (0.83 g/t Pd, 0.15 g/t Pt, 0.05 g/t Au), 0.20% Cu & 0.24% Ni from 214m (NRC278) and
  - 3 metres @ 1.62 g/t 3E (1.33 g/t Pd, 0.23 g/t Pt, 0.06 g/t Au), 0.20% Cu & 0.21% Ni from 255m (drill hole ended in mineralisation)

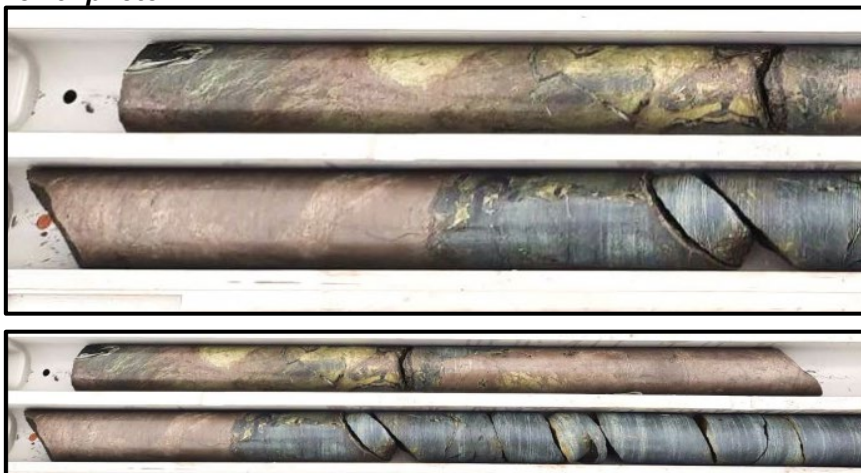
The diamond drilling was designed to target down dip extensions at depth where the mineralisation continued to be open.

The Company reported that massive sulphide mineralisation had been intersected over narrow widths demonstrating the potential for high-grade zones within the mineralised system.<sup>6</sup> Callisto is almost exclusively a disseminated sulphide system and the massive sulphide is believed to represent a different magmatic process.

**Figure 2 Detail of massive sulphide mineralisation at 190.8m downhole in NRCD293 (field of view approximately 25cm across, NQ2 core)**



**Figure 3 Detail of massive sulphide mineralisation at 190.6m downhole in NRCD293 in top photo with larger interval in lower photo.**



The significant massive sulphide drill intersection in NRCD293 included:

- 2.2 metres @ 0.50% nickel, 1.92% copper, 0.12% cobalt, 0.10g/t palladium from 189.8m (NRCD293) including 1.2 metres @ 0.77% nickel, 2.48% copper, 0.18% cobalt, 0.14 g/t palladium from 190.6m

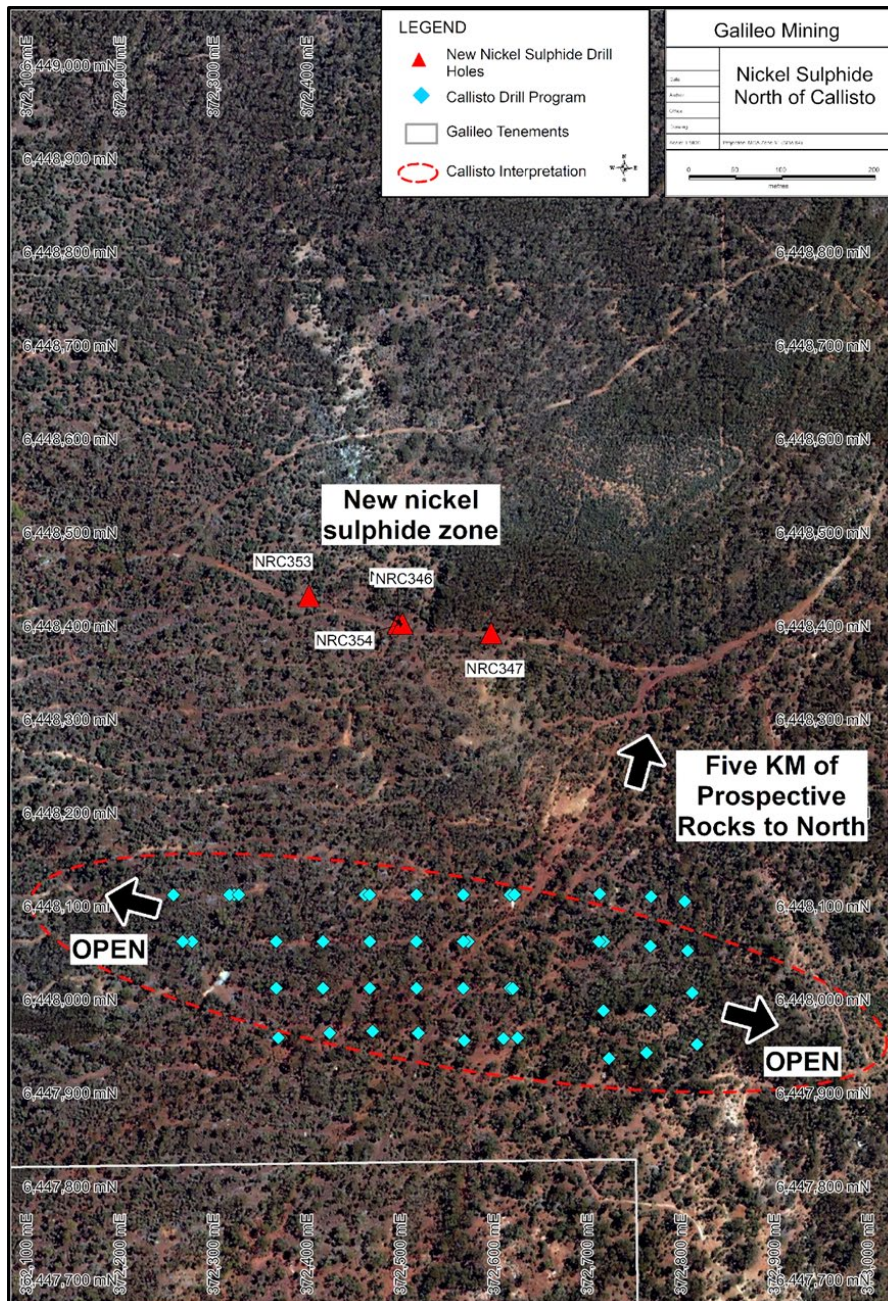
<sup>5</sup> Refer to ASX announcement dated 18<sup>th</sup> August 2022

<sup>6</sup> Refer to ASX announcement dated 29<sup>th</sup> August 2022



The presence of cobalt in the massive sulphide unit, with high grades up to 0.18%, was new for Callisto where cobalt grades in the palladium rich sulphide zone were often around 0.01%. The massive sulphide texture, the high grades of cobalt recorded, and the physical separation between the two zones of metal enrichment, all point towards the discovery of a new style of mineralisation at Callisto.

**Figure 4 — October 2022 plan map of RC drilling at the newly identified nickel sulphide zone north of the Callisto discovery. Map includes the October 2022 geological interpretation of the metal enrichment footprint at Callisto with five kilometres of prospective ground to the north.**



In October 2022<sup>7</sup>, scout RC drilling undertaken on an existing track 400 metres north of Callisto discovery drill hole NRC266 intersected disseminated nickel sulphide mineralisation with total sulphide content estimated at 5% over the logged interval in NRC346. An adjacent drill hole 100m to the east (NRC347) also intersected disseminated sulphides with a lower overall abundance of logged sulphides.

<sup>7</sup> Refer to ASX announcement dated 10<sup>th</sup> October 2022

**Figure 5 — RC chips with disseminated sulphides (5%) in NRC346**



Two further drill holes were then completed with an 85-degree dip to establish the geometry and extent of mineralisation on the drill line (NRC353 and NRC354). Portable XRF analyses confirmed the presence of nickel sulphides which were logged in drill chips.

Assays returned from the first of these four scout RC drill holes highlighted an extensive 50 metre drill intersection from NRC346 containing a higher-grade nickel interval.

Table 5 shows the assays for the disseminated sulphide zone intercepted in NRC346. A maximum nickel grade of 0.74% was recorded between 123 and 124 metres downhole. Follow up drilling of this zone showed that although the disseminated sulphides are widespread the grades were similar to the average grades reported in NRC346. These results again emphasise the fertility of the Company's Norseman Project and the possibility of further nickel and precious metal discoveries.

**Table 5: Significant intersections for drill hole NRC346. Sulphide mineralisation is strongest in gabbroic section of layered intrusive rock unit. Results reported at 5% < MgO < 10% for broad intersection of interest, and at a 0.4% nickel cut off (2m minimum width, no dilution). Interval between 123 and 124m is listed to show the maximum nickel grade within the reported interval. Palladium and platinum grades were all less than 20ppb.**

Hole ID	From (m)	To (m)	Interval (m)	Nickel (%)	Copper (%)	Cobalt (%)	MgO (%)	S (%)
NRC346	95	145	50	0.32	0.02	0.02	6.9	2.4
<i>including</i>	111	113	2	0.50	0.01	0.02	6.9	2.5
	123	125	2	0.59	0.01	0.01	5.1	0.9
	123	124	1	0.74	0.01	0.01	5.2	1.0
	136	138	2	0.56	0.01	0.02	7.7	2.2
	142	145	3	0.46	0.03	0.03	8.2	2.6

All of these newly discovered zones of mineralisation demonstrate the opportunity for growth, through a combination of drilling out the known metal rich sulphide zones, and the potential for new discoveries in the five kilometres of prospective ground to the north.

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In January<sup>8</sup>, Galileo reported palladium grades up to 7.06g/t over one metre (NRCD320) within a 33-metre high-grade intersection from section line on 6,447,900N as shown in Figure 15. The intersection included:

- 33 metres @ 2.05 g/t 3E (1.71 g/t Pd, 0.24 g/t Pt, 0.10 g/t Au), 0.24% Cu & 0.29% Ni from 271m (NRCD320) including:
  - 18 metres @ 3.05 g/t 3E (2.59 g/t Pd, 0.33 g/t Pt, 0.13 g/t Au), 0.37% Cu & 0.39% Ni from 283m with 1 metre @ 7.65 g/t 3E (7.06 g/t Pd, 0.37 g/t Pt, 0.22 g/t Au), 0.40% Cu & 0.44% Ni from 295m.

In February<sup>9</sup>, Galileo reported assays for 13 exploration drill holes and two metallurgical twin drill holes as well as the highest-grade palladium and platinum assays recorded to date from drilling at Callisto;

- 1 metre @ 11.23 g/t 3E1 (8.42 g/t Pd, 2.74 g/t Pt, 0.07 g/t Au), 0.10% Cu & 0.80% Ni from 264m (NRCD317) within wide high-grade interval of
- 34 metres @ 1.87 g/t 3E (1.51 g/t Pd, 0.30 g/t Pt, 0.06 g/t Au), 0.25% Cu & 0.28% Ni from 235m

Consistent mineralisation was reported between drill holes on all sections with significant results including:

- 14 metres @ 3.08 g/t 3E (2.55 g/t Pd, 0.40 g/t Pt, 0.13 g/t Au), 0.42% Cu & 0.41% Ni from 271m (NRCD325) including
  - 1 metre @ 7.42 g/t 3E (6.24 g/t Pd, 0.81 g/t Pt, 0.37 g/t Au), 0.91% Cu & 0.63% Ni from 275m
- 36 metres @ 1.91 g/t 3E (1.57 g/t Pd, 0.26 g/t Pt, 0.08 g/t Au), 0.31% Cu & 0.31% Ni from 239m (NRCD323) including
  - 6 metres @ 3.48 g/t 3E (2.89 g/t Pd, 0.44 g/t Pt, 0.14 g/t Au), 0.47% Cu & 0.47% Ni from 251m

Metallurgical twin drill holes NRCD336 and NRCD338 confirmed high-grade shallow mineralisation:

- 35 metres @ 2.00 g/t 3E (1.64 g/t Pd, 0.27 g/t Pt, 0.09 g/t Au), 0.36% Cu & 0.33% Ni from 139m (NRCD336)
- 42 metres @ 1.60 g/t 3E (1.30 g/t Pd, 0.23 g/t Pt, 0.07 g/t Au), 0.24% Cu & 0.28% Ni from 136m (NRCD338)

In March<sup>10</sup>, Galileo announced drill hole NRCD394 had intersected a 72-metre zone of disseminated sulphide mineralisation on the northern most drill line (6,448,050N in Figure 18). This is the widest drill intersection recorded to date and included:

- 72 metres @ 1.16 g/t 3E (0.95 g/t Pd, 0.16 g/t Pt, 0.05 g/t Au), 0.20% Cu & 0.24% Ni from 498m (NRCD394) including higher grade interval of
- 39 metres @ 1.46 g/t 3E (1.19 g/t Pd, 0.20 g/t Pt, 0.06 g/t Au), 0.26% Cu & 0.28% Ni from 503m.

Results of all drilling have strengthened Galileo's geological interpretation that the source of the Callisto mineralisation, originally discovered to the west, is related to the much larger mafic-ultramafic sill complex that dominates the geology of the area. The priority target zone to the north of Callisto matches the interpreted core of the host intrusive sill complex which can be traced in the magnetic data for five kilometres to the north. Multiple exploration drill programs are planned for this area in the coming year.

Figures 6 through 9 show the interpreted geology across 6,448,050, discovery section 6,448,000 and 6,447,900N.

<sup>8</sup> Refer to ASX announcement dated 4 January 2023

<sup>9</sup> Refer to ASX announcement dated 27 February 2023

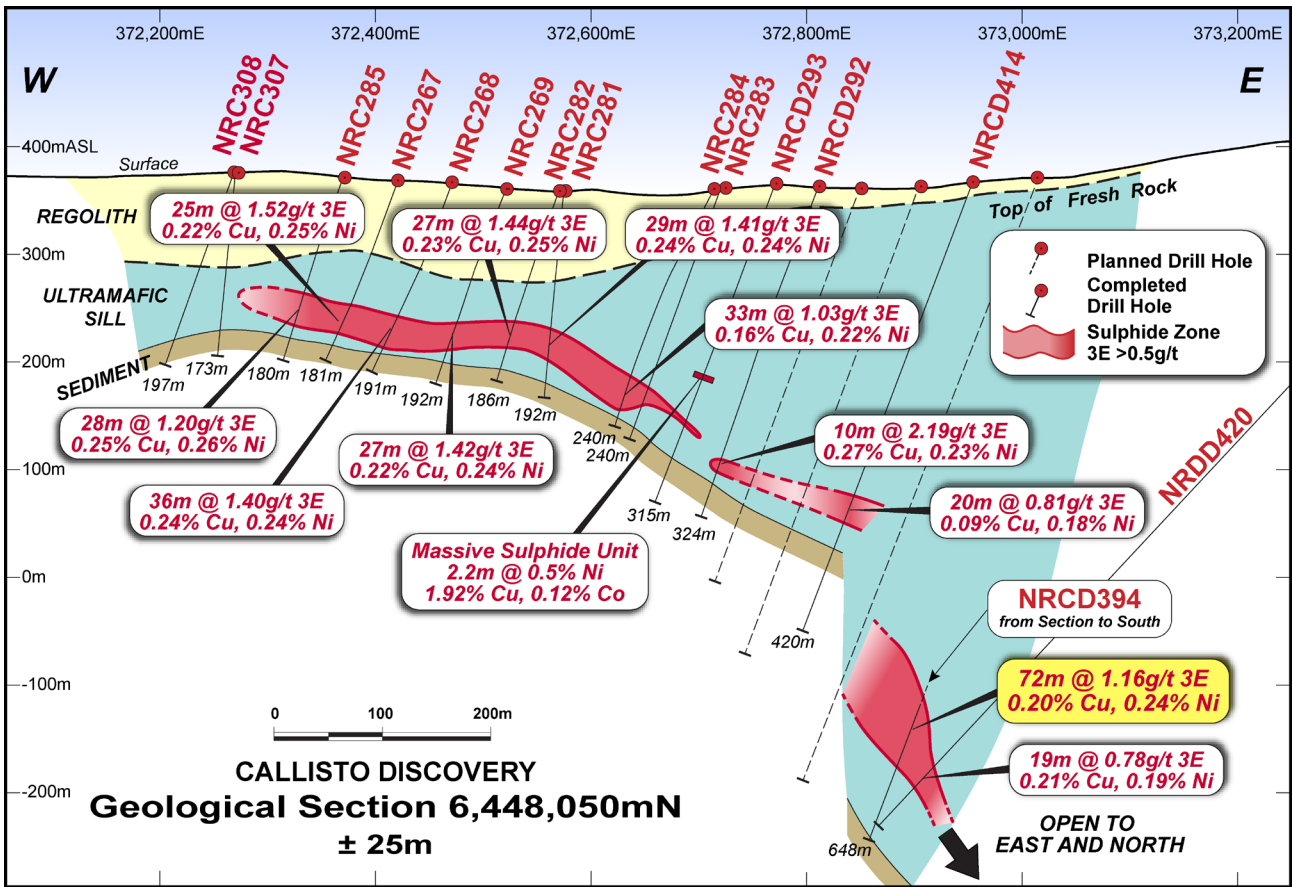
<sup>10</sup> Refer to ASX announcement dated 21 March 2023.



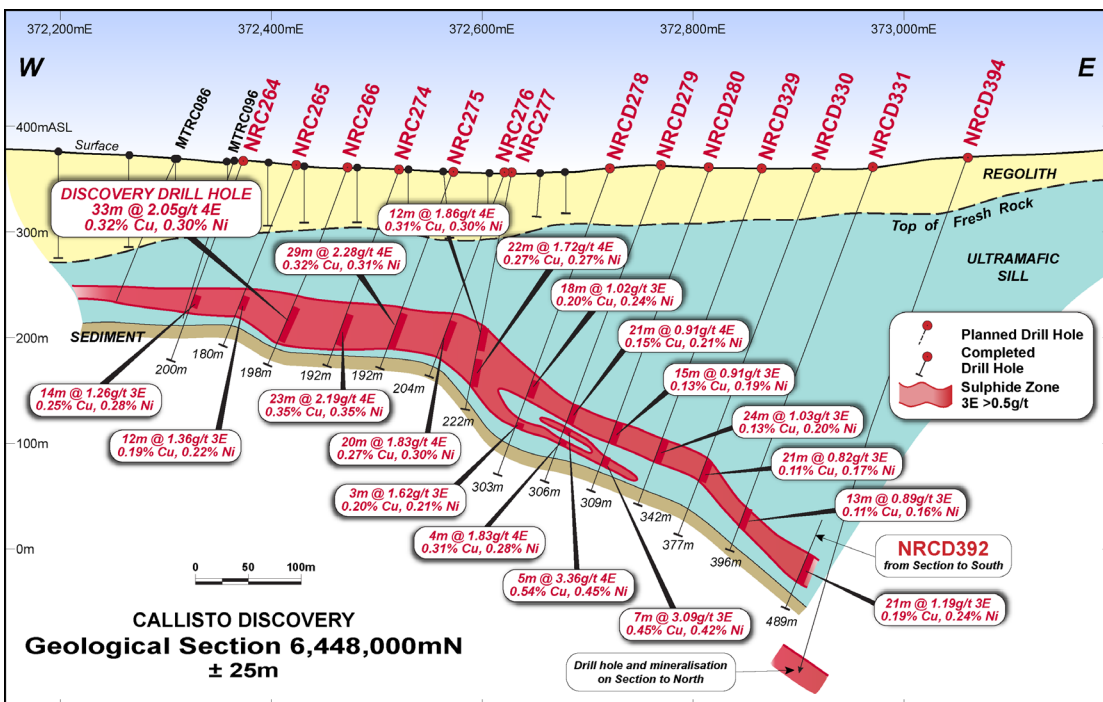
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**Figure 6 — Callisto geological interpretation section 6,448,050N showing multiple zones of mineralization, including a massive sulphide unit in NRCD293. The region is considered to be highly prospective for further nickel and palladium discoveries.**

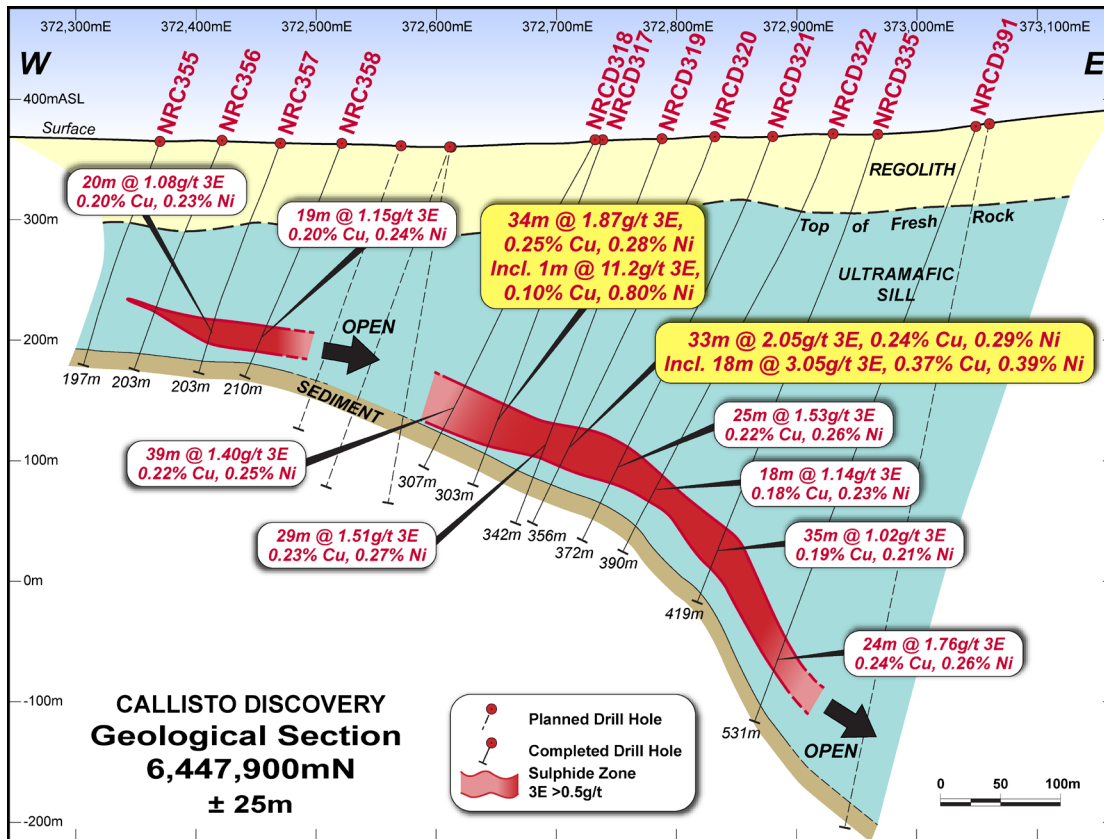


**Figure 7 — Callisto geological interpretation section 6,448,000N with discovery drill hole NRC266 drilled in May 2022.**





**Figure 8 — Callisto geological interpretation section 6,447,900N with high grade zones in NRCD317 and NRCD321.**



**New PGE Prospectivity**

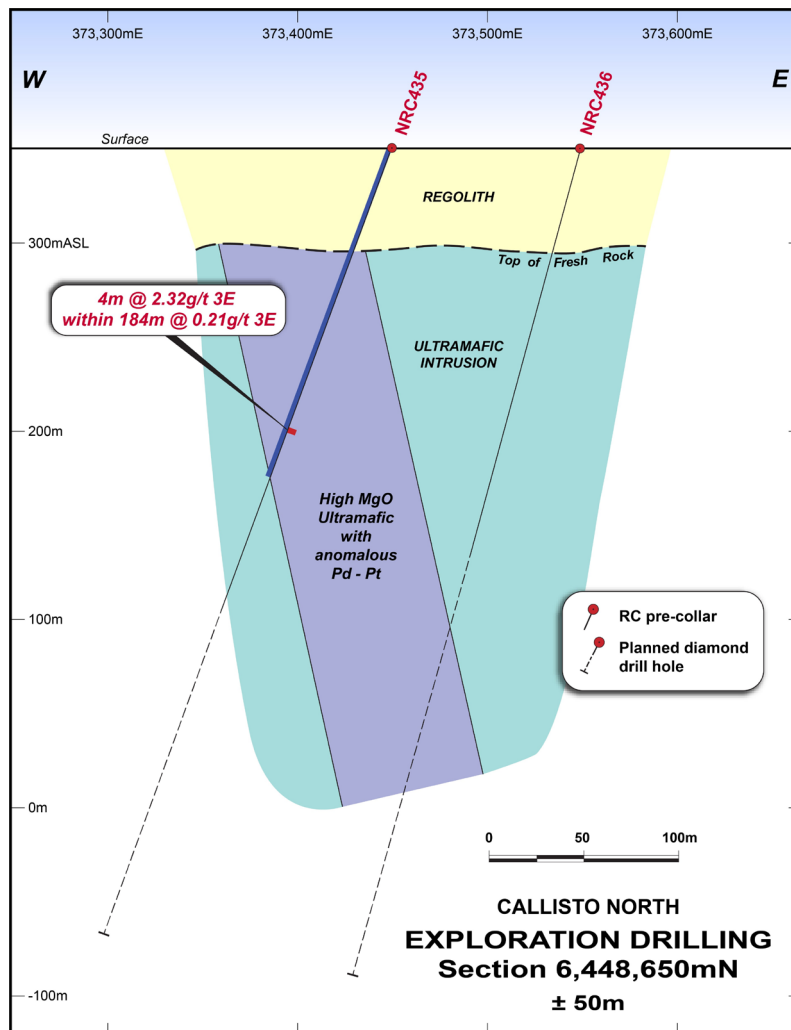
In June<sup>11</sup>, Galileo reported exploration results from drilling 600 metres north of the Callisto discovery which revealed a new zone of platinum group element (PGE) enrichment. The new type of rock contained palladium and platinum that was separate and unique from the rock which hosts the Callisto discovery.

The drill intersection (NRC435 – see Figure 9) contained a 184 metre PGE anomalous zone starting from surface;

- 184 metres (92m ETW) @ 0.21 g/t 3E (0.12 g/t Pd, 0.08 g/t Pt, 0.01 g/t Au) from surface (NRCD435) including higher grade interval of
- 4 metres (2m ETW) @ 2.32 g/t 3E (1.30 g/t Pd, 0.94 g/t Pt, 0.08 g/t Au) from 156m

<sup>11</sup> Refer to ASX announcement dated 21<sup>st</sup> June 2023

**Figure 9 — Geological interpretation section 6,447,650N with new PGE enriched ultramafic rock unit.**

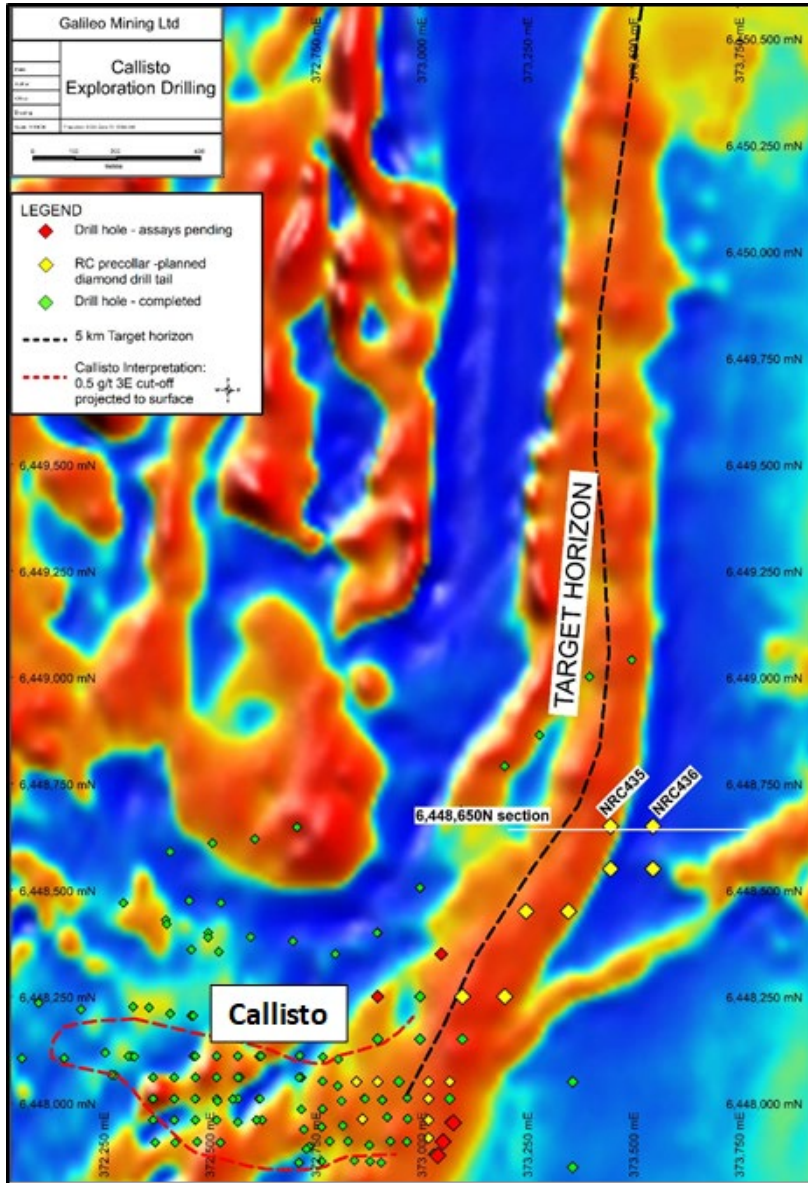


NRC435 and NRC436 were drilled as pre-collars for diamond tails with the intention of intersecting the lower zones of the ultramafic sill complex where Ni-Pd sulphide mineralisation within a host pyroxenite had been encountered at the Callisto discovery 600 metres to the south. A PGE enriched high-magnesium unit was discovered while drilling the upper portion of the layered intrusion.

This unit can also be differentiated from surrounding layers through chromium, titanium, and vanadium geochemistry. Copper levels are low and nickel levels are in line with background levels for ultramafic rocks.

The ultramafic unit is interpreted to have potential for “reef style” PGE mineralisation where high grades of PGEs are found within thin layers of ultramafic sill complexes. Examples of PGE reef style mineralisation include the Stillwater Complex in the United States and the Bushveld Complex in South Africa. Diamond tails on NRC435 and NRC436 have been completed with further exploration work to the north of Callisto planned for later in the year.

**Figure 10 — Plan map of drilling at Callisto with the five-kilometre target horizon extending to the north. 6,448,650N section line is shown in Figure 9.**



### Callisto Metallurgical Testwork

In February<sup>12</sup> initial metallurgical test work results from the Callisto discovery showed the disseminated sulphide mineralisation responded very well to sulphide flotation at industry standard conditions.

ALS Metallurgy Pty Ltd was engaged by Galileo to undertake preliminary metallurgical testing and mineralogical studies on NQ half core diamond drill samples selected from NRC4337.

A single bulk composite was obtained by sampling a nine-metre interval from 154 to 163 metres within the disseminated sulphide mineralised zone. Results of the flotation test are summarised in Table 6 with head assay grades and rougher recoveries presented. No significant levels of deleterious elements were measured in the rougher concentrate.

<sup>12</sup> Refer to ASX announcement dated 20 February 2023

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**Table 6—Summary of flotation test (NRCD337: 154 – 163m composite diamond core sample);**

	Copper (Cu)	Nickel (Ni)	Palladium (Pd)	Platinum (Pt)	Gold (Au)	Rhodium (Rh)
Units	%	%	g/t	g/t	g/t	g/t
Assayed Head Grade	0.44	0.41	2.20	0.39	0.12	0.07
Calculated Head Grade	0.44	0.43	2.28	0.39	0.12	0.07
<b>Recovery (%)</b>	<b>94.0</b>	<b>77.0</b>	<b>82.1</b>	<b>78.4</b>	<b>78.9</b>	<b>63.4</b>

Sighter flotation tests were conducted at a conventional grind of p80 = 75 microns in Perth tap water using a standard sulphide flotation reagent suite of copper sulphate activator (75 g/t), A3894 frother (55 g/t), and SIBX collector (19 g/t). The tests were done using pulps of 35% solids at pH 8.7 for 12 minutes.

This sighter test produced excellent recoveries of the base metals and the PGE (Platinum Group Elements). The correlation of assayed head values and the calculated head values was very high which provides further confidence that the mineralisation responded well to conventional beneficiation by flotation.

**Figure 11 — Diamond drill core from metallurgical hole NRCD337 at 158m down hole showing bands of disseminated sulphides. Typical disseminated sulphide abundance over one metre mineralised intervals is 5% or less. Field of view is approximately 40cm across. Sulphide interval shown is within the 34-metre significant interval.**



Metallurgical test work also included the measurement of physical properties - ultimate compressive stress (UCS), Bond crushing index (CWi), and Bond ball milling index (BBMi) at ALS, and the SMC A\*b milling parameters at JK Tech in Brisbane. The physical property testing results are shown in Table 7.

**Table 7 — Physical property test results;**

<i>Test</i>	<i>UCS*</i>	<i>CWi</i>	<i>BBMi</i>	<i>A*b</i>
<i>Units</i>	<i>MPa</i>	<i>kWh/t</i>	<i>kWh/t@106u</i>	
<i>Measurement</i>	<i>94.7,94.2,74.7</i>	<i>11.6</i>	<i>17.8</i>	<i>22</i>

Both the UCS and CWi results indicate a soft to moderately hard material for crushing whereas the BBMi and SMC A\*b values are at the upper end of moderately hard for milling to finer sizes. All results are well within normally acceptable metallurgical parameter ranges and do not present any anomalies in terms of equipment design or performance.

**Geological & Resource modelling**

In May<sup>13</sup>, geological modelling of intercepted mineralisation was completed and will be used to support resource modelling. Resource modelling is designed to investigate the potential of economic extraction for this style of mineralisation and will provide parameters for additional exploration targeting to the north of Callisto. Typical exploration parameters include depth of mineralisation and potentially economic grades for different types of mining methods.

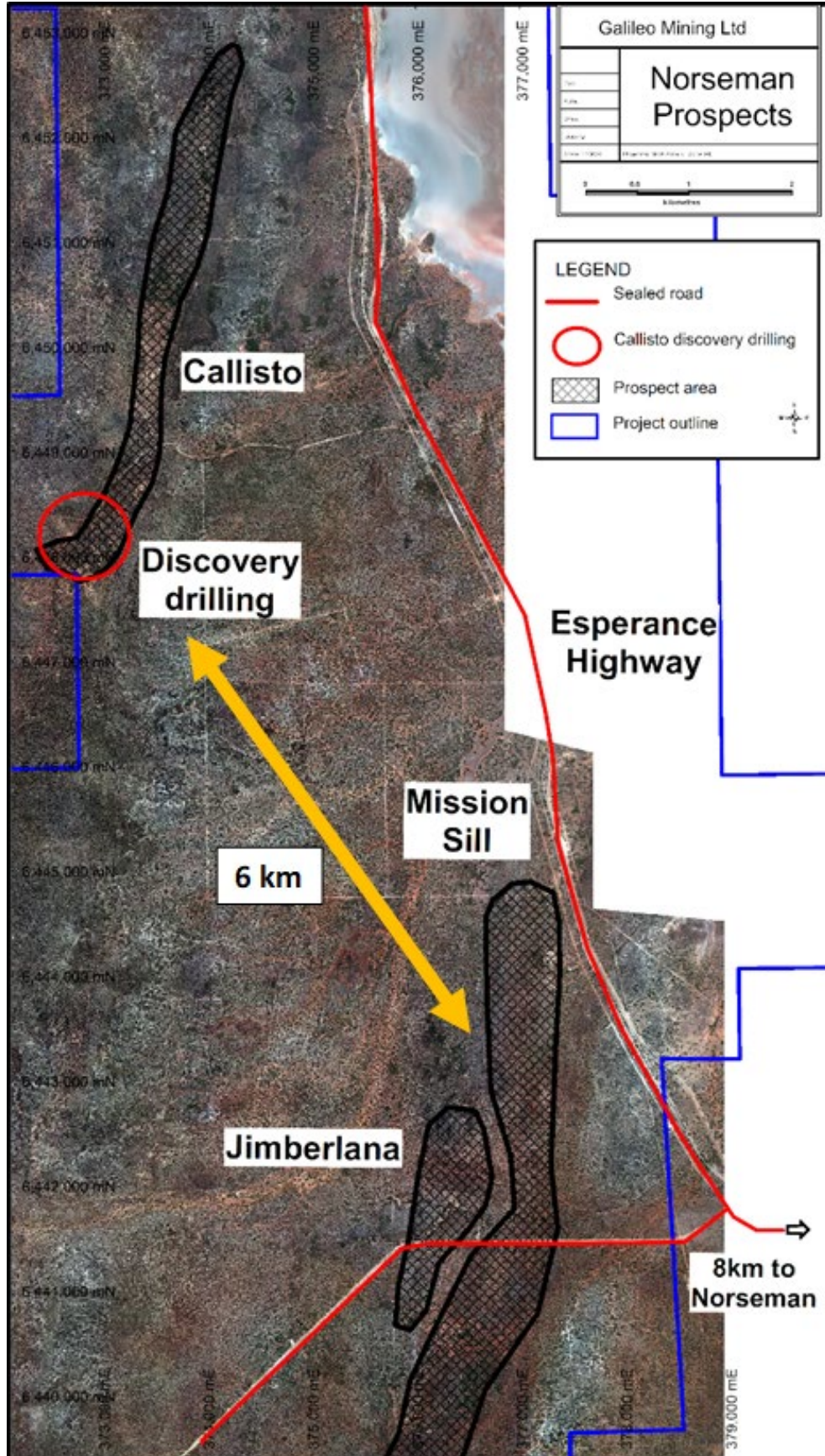
Logging and interpretation of drill core indicates Callisto is a separate mineralised sill, with disseminated sulphide mineralised zones, that has intruded a pre-existing mafic-ultramafic sill complex. The host sill complex has a strong magnetic signature which trends north-northeast and outcrops over a five-kilometre strike to the north. Callisto is a blind undercover discovery with strong potential for additional mineralised intrusions occurring within the five-kilometre prospective horizon to the north.

<sup>13</sup> Refer to ASX announcement dated 30<sup>th</sup> May 2023



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**Figure 12 – Map of key prospect locations at the Norseman Project – Callisto, Jimberlana and Mission Sill adjacent to the main highway and eight kilometres from the town of Norseman.**





**Subsequent Events**

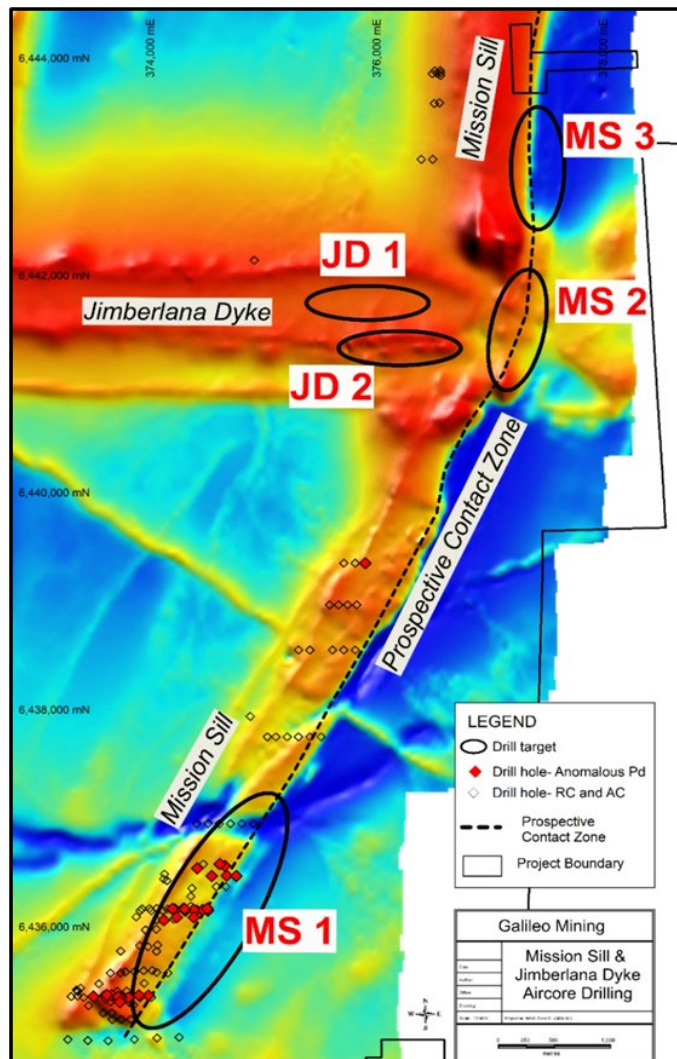
**Jimberlana and Mission Sill Prospects**

Post year-end, a 4,000 metre RC drill campaign commenced at the Jimberlana and Mission Sill prospects.<sup>14</sup> The Mission Sill is a mafic-ultramafic intrusion with similar geology to the host rock at the Callisto discovery. The Mission Sill lies ~6km to the southeast of Callisto and has multiple anomalous drilling results over a 10-kilometre strike length.

The Jimberlana Dyke is an extensive east-west trending mafic-ultramafic dyke with anomalous drill results on both the northern and southern margins. Of note is an intersection on the northern margin at the bottom of an aircore drill hole where geochemically anomalous sulphides were intersected<sup>15</sup>. Strong EM conductors proximal to the anomalous drill intercept make this prospect a compelling target (see Figure 25 and Table 8).

Initial assay results announced post year end from the Jimberlana North prospect were positive and showed anomalous sulphides which require follow up drill testing.

**Figure 13 – TMI magnetic map of Mission Sill and Jimberlana prospects.**



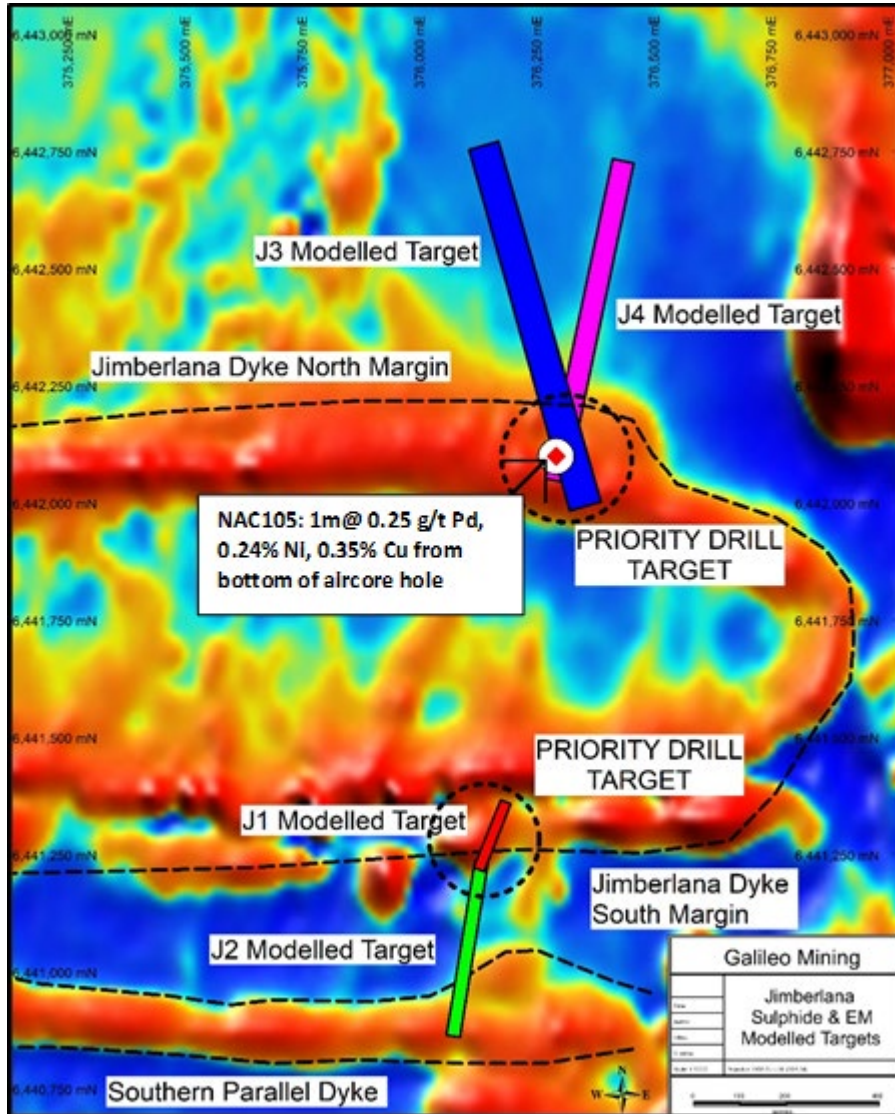
<sup>14</sup> Refer to ASX announcement dated 3<sup>rd</sup> July 2023

<sup>15</sup> Refer to ASX announcement dated 1<sup>st</sup> December 2021

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**Figure 14 – Jimberlana Prospect EM conductors with priority drill targets. The target generation model suggests that the east-west trending Jimberlana Dyke has interacted with existing sulphide bearing stratigraphy (oriented north-south), and that this could result in the precipitation of economic sulphides on the margins of the dyke.**



**Table 8 – Modelled EM conductors at the Jimberlana prospect (see ASX announcement dated 9<sup>th</sup> February 2022 for further details)**

Prospect	Conductivity	Length	Height	Depth to Top
Jimberlana 1 (J1)	48,700S	155m	189m	-21m
Jimberlana 2 (J2)	20,580S	379m	243m	-40m
Jimberlana 3 (J3)	14,000S	800m	120m	-67m
Jimberlana 4 (J4)	24,780S	700m	241m	-80m

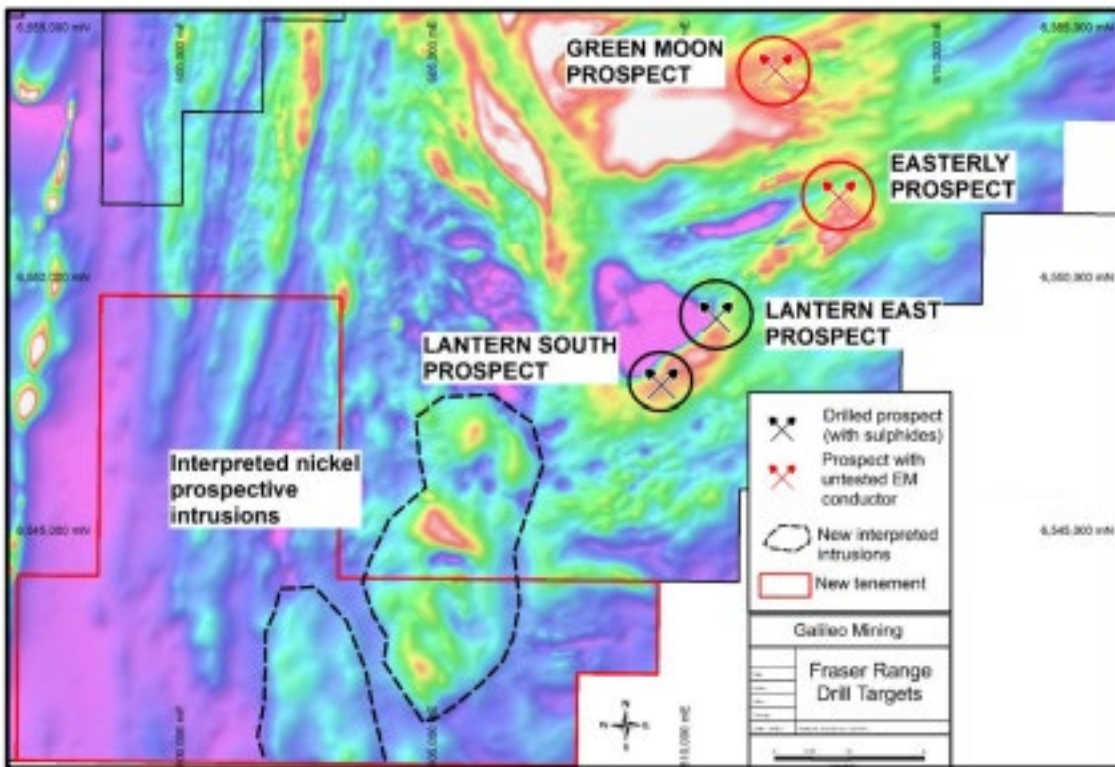
**Fraser Range Project**

While the priority for Galileo during the quarter was exploration at Norseman, the Company continued to progress exploration work at its Fraser Range project.

Regional EM surveying has been completed at Galileo’s northern Fraser Range project area with the aim of defining new undercover nickel targets for drill testing. Previous drilling at the Lantern South and Lantern East prospects has established the area as highly prospective for sulphides. The conductive anomaly at the Easterly prospect is northeast along strike and ready for drill testing.

Conductive responses from first pass EM surveying require infill surveying to refine and prioritise targets prior to drill testing. The current parameters of existing EM models at untested prospects are shown in Table 3. The location of the prospects is shown in Figure 15 with the target intrusions on the new tenement along strike to the south.

**Figure 15 – Location of untested EM targets at the Easterly and Green Moon prospects and the interpreted intrusive targets on new tenement to the south (TMI magnetic background imagery)**



**Table 9: Modelled parameters of Green Moon and Easterly conductors**

Prospect	Conductance	Length	Height	Depth to Top
Green Moon	4,000S	300m	400m	545m
Easterly	1,140S	750m	134m	165m

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## CORPORATE

Galileo is well funded to continue exploration with approximately \$14.46 million in cash as of 30 June 2023. This puts the Company in a secure position to undertake all planned drilling and exploration programs.

In July 2022, Galileo successfully completed a placement of 17,000,000 shares at an issue price of \$1.20 per share to raise gross proceeds of \$20.4 million (Refer to ASX Announcement 14 July 2022). The Placement received strong backing, with \$8.7 million of the funds coming from major shareholders, Mark Creasy and IGO, and ensures the Company is well positioned for future exploration activities.

### Baseline ESG Report

In June 2023 Galileo published its inaugural Baseline Environment Social and Governance (ESG) Report. The report is available on Galileo website at [www.galileomining.com.au/wp-content/uploads/2023/06/Galileo-Mining-Ltd-Baseline-ESG-Report-30-June-2023.pdf](http://www.galileomining.com.au/wp-content/uploads/2023/06/Galileo-Mining-Ltd-Baseline-ESG-Report-30-June-2023.pdf)

Galileo is committed to delivering effective, sustainable, and responsible ESG practices across all exploration activities to drive corporate success for the benefit of its stakeholders.

## JORC Mineral Resource Estimates

**Table 10 - JORC Mineral Resource Estimates for the Norseman Cobalt Project (“Estimates”)** (refer to ASX “Prospectus” announcement dated May 25th 2018 and ASX announcement dated 11th December 2018, accessible at <http://www.galileomining.com.au/investors/asx-announcements/>). Galileo confirms that all material assumptions and technical parameters underpinning the Estimates continue to apply and have not materially changed).

Rounding of contained metal tonnages has a non-material effect on the calculations in the Table below.

Cut-off Cobalt %	Class	Tonnes Mt	Co		Ni	
			%	Tonnes	%	Tonnes
<b>MT THIRSTY SILL</b>						
0.06 %	Indicated	10.5	0.12	12,100	0.58	60,800
	Inferred	2.0	0.11	2,200	0.51	10,200
	<b>Total</b>	<b>12.5</b>	<b>0.11</b>	<b>14,300</b>	<b>0.57</b>	<b>71,100</b>
<b>MISSION SILL</b>						
0.06 %	Inferred	7.7	0.11	8,200	0.45	35,000
<b>GOBLIN</b>						
0.06 %	Inferred	4.9	0.08	4,100	0.36	16,400
<b>TOTAL JORC COMPLIANT RESOURCES</b>						
0.06 %	<b>Total</b>	<b>25.1</b>	<b>0.11</b>	<b>26,600</b>	<b>0.49</b>	<b>122,500</b>



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## Competent Person Statements

The information in this Table that relates to the Mt Thirsty Sill and Mission Sill Mineral Resource Estimates is based on, and fairly represents, information and supporting documentation prepared by Michael Elias, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr. Elias is employed by CSA Global Pty Ltd. Mr. Elias has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves". Mr. Elias consents to the inclusion in this Table of the matters based on his information in the form and context in which it appears.

The information in this Table that relates to the Goblin Mineral Resource Estimate, and the Exploration Information in the Review of Operations and the information in this report that relates to exploration results, is based on, and fairly represents, information and supporting documentation prepared by Mr Brad Underwood, a Member of the Australasian Institute of Mining and Metallurgy, and a full time employee of Galileo Mining Ltd. Mr Underwood has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Underwood consents to the inclusion in the Table of the matters based on his information in the form and context in which it appears.

With regard to the Company's ASX Announcements referenced in this report, the Company is not aware of any new information or data that materially affects the information included in the Announcements.

## CAPITAL STRUCTURE

As at the date of this Directors' report the Company's Capital structure is as follows:

### Quoted Securities:

Number	Class
197,624,927	Ordinary Fully Paid Shares

### Un-quoted Securities:

Number	Class
2,283,333	Unquoted Options exercisable at \$0.52 expiring 15 September 2023
974,615	Unquoted Options exercisable at \$2.40 expiring 14 July 2024
2,500,000	Unquoted Performance Rights expiring 22 September 2025

## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Other than the above, no other matters or circumstances have occurred subsequent to balance date that have or may significantly affect the operations or state of affairs of the Group in subsequent financial years.

## LIKELY DEVELOPMENTS, EXPECTED RESULTS, AND MATERIAL BUSINESS RISKS

The Group will continue its evaluation of its mineral projects and undertake generative work to identify and acquire new resource projects and opportunities.

The Groups future financial performance and financial outcomes are dependent upon a range of risk factors typically encountered by exploration mining companies. Material business risks include, but are not limited to:

- Identify and successfully explore tenements suitable for economic resource development.
- Access to additional equity financing as and when required.
- Reliance and retention of key personnel
- Land access including changes in Government regulation.

The Group has implemented a range of safeguards and appropriate risk mitigation strategies and controls however some risks are outside of its control and cannot be mitigated.

Due to the nature of the Groups business, the expected results are not predictable.

## **DIVIDENDS**

There were no dividends paid or declared during the financial year ended 30 June 2023 (2022: Nil).

## **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

Other than reported above in the Review of Operations, there were no significant changes in the state of affairs of the Group during the reporting period.

## **ENVIRONMENTAL REGULATIONS AND PERFORMANCE**

The Group's operations are subject to various environmental regulations under both Commonwealth and State legislation in Australia. The Group conducts its exploration activities in an environmentally sensitive manner and is not aware of any material breaches of the regulations or legislation during the reporting period.

## **INFORMATION ON DIRECTORS AND SECRETARIES**

### **Current Directors**

#### ***Brad Underwood – Managing Director (appointed 13 September 2017) and Chairman (effective from 26 December 2019)***

Mr Underwood is a geologist with over 20 years' experience in exploration, prospecting and mining. He has been involved in nickel, gold, copper and cobalt discoveries and the development of numerous prospects over a variety of commodities.

Between 2010 and 2018 Mr Underwood worked for prospector and mining entrepreneur Mark Creasy as General Manager of several private companies. He has a wide range of skills including the strategic growth and commercialisation of mineral assets at different stages of development.

Mr Underwood played a key role in the discovery of the Silver Knight nickel-copper-cobalt deposit in the Fraser Range and the discovery of Galileo's Mission Sill cobalt resources.

Mr Underwood has a Bachelor of Science in Geology and a Post Graduate Diploma in Geology from the University of Auckland, and a Master of Science (Distinction) in Mineral Economics from Curtin University. Brad has not held any other directorships of listed entities in the last 3 years.

#### ***Noel O'Brien – Independent Non-Executive Director (appointed 6 February 2018) and member of Audit and Risk Committee.***

Noel O'Brien is a metallurgist with wide international and corporate experience. After a career spanning 40 years in Australia and Africa he established Trinol Pty Ltd, a Perth based consultancy, to provide process and project development services over a broad range of commodities.

Mr O'Brien has been actively involved with projects containing manganese, iron ore, gold, base metals, and the battery metals including lithium, graphite and cobalt.



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He has served on the board of a number of ASX listed companies over the past 9 years and is currently a technical advisor to several listed companies with early to advanced stage projects.

Mr O'Brien has a Bachelor's degree in Metallurgical Engineering from the University of Melbourne, an MBA from the University of the Witwatersrand and is a Fellow of the AusIMM. Noel was appointed as a Non-executive Director of Resource Mining Corporation Ltd (ASX:RMI) on 20 June 2022 and was previously a Non-executive Director of: Mali Lithium (ASX: MLL) from 1 December 2017 to 6 April 2020; and Metals Tech Limited (ASX: MTC) from 17 June 2019 to 6 July 2020.

## ***Ms Cecilia Camarri – Independent Non-Executive Director (Appointed 7 June 2022) and Chairperson of Audit and Risk Committee***

Cecilia Camarri is Special Counsel at a WA law firm and has extensive experience specialising in the mining industry. Ms Camarri acts as a legal adviser to private and listed mining companies and has both operational and management experience.

Ms Camarri began her mining career in 1996 at the historic Great Fingall Gold Mine at Day Dawn near Cue in WA. Following this she undertook community and public relations management roles at the Super Pit / Mt Charlotte underground mine and Alcoa's Wagerup Refinery before becoming a lawyer.

Ms Camarri has acted for many WA based exploration and mining companies and was the In-House Counsel for the Creasy Group between 2012 and 2016.

Ms Camarri has a Bachelor of Laws, a Graduate Diploma in Journalism, a Bachelor of Arts, and is a member of the Australian Institute of Company Directors. Ms Camarri has not held any other directorships of listed entities in the last 3 years.

## ***Mr Mathew Whyte – Non-Executive Director (Appointed 26 December 2019), CFO and Company Secretary and member of Audit and Risk Committee***

Mr Whyte is a CPA and a Chartered Secretary (FGIA FCG). He has over 27 years' commercial experience in the financial management, direction, and corporate governance of ASX listed companies.

Mr Whyte has held senior executive, company secretarial and directorship roles on a broad range of Australian ASX listed entities with operations in Australia and overseas in the mining exploration, mining services, power infrastructure and technology development industries. Mr Whyte was a Non-Executive director and Company Secretary of Aurora Labs Ltd (ASX: A3D) from 26 July 2017 to 26 February 2020.

## **DIRECTORS' INTERESTS IN SHARES AND PERFORMANCE RIGHTS OF THE COMPANY**

As at the date of this report, the interest of the directors in securities of Galileo Mining Ltd were:

	<b>Number of Ordinary Shares</b>	<b>Number of Performance Rights</b>
Brad Underwood	8,619,244	1,162,076
Noel O'Brien	2,429,811	138,342
Cecilia Camarri	9,739	138,342
Mathew Whyte	350,000	536,768

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## DIRECTORS' MEETINGS

The following table sets out the number of meetings of directors held during the year ended 30 June 2023 and the number of meetings attended by each director.

	Number Eligible to Attend	Number Attended
Brad Underwood	12	12
Noel O'Brien	12	11
Cecilia Camarri	12	12
Mathew Whyte	12	12

## AUDIT AND RISK COMMITTEE MEETINGS

The following table sets out the number of meetings of Audit and Risk Committee held during the year ended 30 June 2023 and the number of meetings attended by each director who is a member of the Committee.

	Number Eligible to Attend*	Number Attended
Cecilia Camarri	1	1
Noel O'Brien	1	1
Mathew Whyte	1	1

\*The Audit and Risk committee was established on 9 March 2023

## REMUNERATION REPORT (Audited)

The Directors of Galileo Mining Ltd present the Remuneration Report ("the Report") for the Group for the year ended 30 June 2023 ("FY23"). This Report forms part of the Directors' Report and has been audited as required by section 300A of the Corporations Act 2001.

### Key management personnel disclosed in this report

For the purposes of this Report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including a director (whether executive or otherwise) of the Company, and its subsidiaries.

Details of key management personnel:

Brad Underwood (Managing Director/Chairman)

Noel O'Brien (Non-Executive Director)

Cecilia Camarri (Non-Executive Director)

Mathew Whyte (Non-Executive Director and Company Secretary)

### Remuneration Philosophy

The performance of the Group depends upon the quality of its Directors and Executives. To prosper the Group must attract, motivate and retain highly skilled directors and KMP.

To this end Galileo aims to reward executives with a level and mix of remuneration commensurate with their position and responsibility so as to align the interests of executives with those of shareholders and to ensure total remuneration is competitive by market standards.

Remuneration and nomination issues are handled at the full Board level. Due to the small number of directors and KMP no separate committee has been established for this purpose.

Board members, as per groupings detailed below, are responsible for determining and reviewing compensation arrangements.

In order to maintain good corporate governance, the Non-executive Directors assume responsibility for determining and reviewing compensation arrangements for the Executive Directors of the Group. The Executive Directors in turn are responsible for determining and reviewing the compensation arrangements for the Non-executive Directors.

The assessment considers the appropriateness of the nature and amount of remuneration of KMPs on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

Independent external advice is sought from remuneration consultants when required, however no advice has been sought during the year ended 30 June 2023. The Corporate Governance Statement provides further information on the Company's remuneration governance.

### **Remuneration structure**

In accordance with best practice corporate governance, the structure of Non-executive Director and Executive Director's remuneration is separate and distinct.

#### **A. Non-executive Directors' remuneration**

##### **Objective**

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

##### **Structure**

The Board policy is to remunerate non-executive directors at commercial market rates for comparable companies for their time, commitment, and responsibilities.

On appointment to the Board, all non-executive directors sign a letter of appointment. The letter summarises the Board policies and terms including remuneration, relevant to the office of director.

The constitution and the ASX Listing rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by shareholders at general meeting.

Non-executive directors receive a fixed fee inclusive of superannuation contributions. Fees for non-executive directors are not linked to the performance of the Group. Subject to approval by shareholders, Non-executive directors' remuneration may also include an incentive portion consisting of Options and Performance Rights, which are granted for the same reasons and objectives and on the same terms as Options granted to Executive Directors as outlined in Section B below. To this end Non-executive Directors are also entitled to participate in Galileo's Long Term Incentive Plan (LTI Plan).

The remuneration of Non-executive Directors for the year ended 30 June 2023 is detailed in the table in Section C of this Report.

#### **B. Executive Directors' remuneration**

##### **Objective**

The Group aims to reward Executive Directors with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- Align the interests of Executive Directors with those of shareholders.
- Link rewards with the strategic goals and performance of the Group
- Ensure total remuneration is competitive by market standards.

##### **Structure**

In determining the level of remuneration paid to Executive Directors, the Board considers the activities of the Group and available benchmarks.

An employment contract has been entered into with the Executive Director of Galileo. Details of this contract are provided in Section D of this Report.

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Remuneration consists of the following key elements:

- Fixed remuneration
- Variable Remuneration – Long Term Incentive (LTI).

The proportion of fixed remuneration and variable remuneration is established for the Executive Director by the Board. The table in Section C of this Report details the fixed and variable components (%) of the Executive Directors of Galileo.

## ***Fixed Remuneration***

The level of fixed remuneration is set as a cash salary plus superannuation contributions so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

## ***Variable remuneration – Long Term Incentives (LTI)***

LTI grants to executives are delivered in the form of Options or Performance Rights

The table in Section C provides details of Options or Performance Rights granted and the value of equity instruments granted, exercised, and lapsed during the year.

## Relationship between remuneration and the Group's performance

As the Group is a listed exploration Group, measuring performance is difficult. The most meaningful measure of internal performance is on goals that have an exploration focus.

In considering the Group's performance and benefits for shareholder wealth, the Board has regard to the following indices in respect of the current financial year and the previous financial years:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Net Loss	1,533,057	1,190,216	688,244
Share price (as at year end)	\$0.56	\$1.30	\$0.275

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## Remuneration Details

Details of the nature and amount of each element of the remuneration of each KMP of the Group are shown in the table below:

	Short-term benefits		Long-term benefits	Post employment	Share-based payments <sup>(1)</sup>		Total	Performance Related
	Salary & fees	Non monetary benefits	Long Service Leave	Super-annuation	Options	Performance Rights		
	\$	\$	\$	\$	\$		\$	%
Brad Underwood (Managing Director) – appointed 13 September 2017								
2023	420,000	15,179	12,719	44,100	-	271,165	763,163	35.5
2022	360,000	18,119	8,867	36,000	-	-	422,986	-
Noel O'Brien (Non-Executive Director) – appointed 6 February 2018								
2023	49,548	-	-	5,202	-	32,281	87,031	37.1
2022	49,773	-	-	4,977	-	-	54,750	-
Cecilia Camarri (Non-Executive Director) – appointed 7 June 2022								
2023	48,722	-	-	5,116	-	32,281	86,119	37.5
2022	-	-	-	-	-	-	-	-
Mathew Whyte <sup>(2)</sup> (Non-Executive Director) – appointed 26 December 2019								
2023	208,248	-	-	5,202	-	125,252	338,702	37.0
2022	154,773	-	-	4,977	-	40,793	200,543	20.3
<b>Total 2023</b>	<b>726,518</b>	<b>15,179</b>	<b>12,719</b>	<b>59,620</b>	<b>-</b>	<b>460,979</b>	<b>1,275,015</b>	<b>36.2</b>
<b>Total 2022</b>	<b>564,546</b>	<b>18,119</b>	<b>8,867</b>	<b>45,954</b>	<b>-</b>	<b>40,793</b>	<b>678,279</b>	<b>6.0</b>

<sup>(1)</sup> Amounts recognised as Share Based Payments represent:

**Performance Rights** – the expensed non-cash fair value of performance rights issued during FY 2023 free of charge (Refer Note 21(b)). Each Performance Right entitles the holder to subscribe for one (1) fully paid ordinary share in the Company based on achieving vesting conditions at a nil exercise price.

The terms and conditions including the service and performance criteria that must be met are as follows: -

- (a) Subject to the below paragraphs (b) and (c), each Performance Right will only vest and become exercisable when the 5-day volume weighted average market price (as defined in the ASX Listing Rules) of the Company's quoted Shares first exceeds \$3.60 per Share (Vesting Condition).
- (b) Each Performance Right will automatically be cancelled and will be redeemed by the Company for nil consideration if employment with the Company is terminated for any reason before the Vesting Condition is met.
- (c) If a Good Leaver\* and the Vesting Condition has been satisfied at the date of termination the Performance Rights may be exercised within 90 Days of termination of employment or contracting (as applicable) with the Company. If a Bad Leaver\* and the Vesting Condition has been satisfied at the date of termination the Performance Rights will terminate.

\*As defined in the Galileo Mining Ltd Employee Incentive Plan

<sup>(2)</sup> Mathew Whyte provided company secretarial services through his controlled entity Whypro Corporate Services ABN 53 844 654 790. Payments for company secretarial services during FY 2023 totaled \$158,700 (excluding GST) (2022: \$105,000). Mr Whyte also received a Non-executive director fee of \$49,548 (plus superannuation of \$5,202) (2022: \$49,773 (plus superannuation \$4,977)).

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## **Unlisted Options Issued to KMP**

No options were issued to KMP during, or since the end of, the current financial year ended 30 June 2023.

### **Option holdings of key management personnel (unlisted options)**

KMP	Balance at beginning of the year	Options Granted	Options expired	Net change other (exercised)*	Balance at end of the year	Vested at end of year	
						Exercisable	Not exercisable
<b>2023</b>							
B Underwood	-	-	-	-	-	-	-
N O'Brien	-	-	-	-	-	-	-
C Camarri	-	-	-	-	-	-	-
M Whyte	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-

KMP	Balance at beginning of the year	Options Granted	Options expired	Net change other (exercised)*	Balance at end of the year	Vested at end of year	
						Exercisable	Not exercisable
<b>2022</b>							
B Underwood	10,000,000	-	-	(10,000,000)	-	-	-
N O'Brien	2,500,000	-	-	(2,500,000)	-	-	-
C Camarri	-	-	-	-	-	-	-
M Whyte	-	-	-	-	-	-	-
<b>Total</b>	<b>12,500,000</b>	-	-	<b>(12,500,000)</b>	-	-	-

\* On 27 May 2022 12,500,000 options were exercised for 10,399,055 shares pursuant to a cashless exercise facility.

## **Performance Rights Issued to KMP**

The following performance rights over unissued ordinary shares were issued to KMP during, or since the end of, the current financial year ended 30 June 2023:

Class	Expiry date	Exercise price	Date granted	Number	Grant date fair value	Expected Vesting date
Performance Rights	22 September 2025	Nil	22 September 2022	1,975,528	\$0.9093	22 September 2025

The value of Performance rights over ordinary shares exercised by Directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

Class	KMP	Value of performance rights exercised during the year	Date granted	Number	Grant date fair value	Exercise date
Performance Rights	M Whyte	\$146,000	29 June 2018	400,000	\$0.365	11 July 2022
Performance Rights	M Whyte	\$10,480	25 November 2021	200,000	\$0.0524	11 July 2022



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## *Performance Rights of key management personnel (unlisted options)*

KMP	Balance at beginning of the year	Performance Rights Granted	Performance Rights expired	Net change other	Balance at end of the year	Vested at end of year	
						Exercisable	Not exercisable
<b>2023</b>							
B Underwood	-	1,162,076	-	-	1,162,076	-	1,162,076
N O'Brien	-	138,342	-	-	138,342	-	138,342
C Camarri	-	138,342	-	-	138,342	-	138,342
M Whyte	600,000	536,768	-	(600,000)	536,768	-	536,768
<b>Total</b>	<b>600,000</b>	<b>1,975,528</b>	<b>-</b>	<b>(600,000)</b>	<b>1,975,528</b>	<b>-</b>	<b>1,975,528</b>

KMP	Balance at beginning of the year	Performance Rights Granted	Performance Rights expired	Net change other	Balance at end of the year	Vested at end of year	
						Exercisable	Not exercisable
<b>2022</b>							
M Whyte	400,000	200,000	-	-	600,000	600,000	-
<b>Total</b>	<b>400,000</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>600,000</b>	<b>600,000</b>	<b>-</b>

## *Shareholdings of key management personnel (ordinary shares)*

KMP	Balance at beginning of the year	Granted as remuneration	Exercised Options/ Performance Rights	Net change other	Balance at end of the year
B Underwood	8,619,244	-	-	-	8,619,244
N O'Brien	2,429,811	-	-	-	2,429,811
C Camarri	-	-	-	9,739	9,739
M Whyte	200,000	-	600,000	(450,000)	350,000
<b>Total</b>	<b>11,249,055</b>	<b>-</b>	<b>600,000</b>	<b>(440,261)</b>	<b>11,408,794</b>

KMP	Balance at beginning of the year	Granted as remuneration	Exercise Options*	Net change other	Balance at end of the year
B Underwood	300,000	-	8,319,244	-	8,619,244
N O'Brien	-	-	2,079,811	350,000	2,429,811
C Camarri	-	-	-	-	-
M Whyte	200,000	-	-	-	200,000
<b>Total</b>	<b>500,000</b>	<b>-</b>	<b>10,399,055</b>	<b>350,000</b>	<b>11,249,055</b>

\* On 27 May 2022 12,500,000 options were exercised for 10,399,055 shares pursuant to a cashless exercise facility.

**C. Service Agreements**

Mr Brad Underwood – Managing Director and Chairman

Terms of Agreement – commenced as Managing Director on 6 February 2018, no fixed term, until terminated by either party.

- Termination – 3 months by Mr Underwood and 6 months by Galileo.
- Salary: Fixed remuneration of \$360,000 per annum plus superannuation for the year ended 30/6/2022. Fixed remuneration of \$420,000 per annum plus superannuation commencing from 1/7/2022 pursuant to a deed of variation dated 21 July 2022.

**D. Loans to key management personnel**

There were no loans to key management personal during the financial year or the previous financial year.

**E. Other KMP transactions**

1. Whypro Corporate Services a business of which Mathew Whyte is principal, provided company secretarial, corporate administration and CFO services to the Company totalling \$158,700 (excluding GST) (30 June 2022: \$105,000). As at 30 June 2023, \$15,180 was payable to Whypro Corporate Services.

End of Remuneration Report

**SHARE OPTIONS**

At the date of this report the unissued ordinary shares of the Company under option are as follows:

<b>Date of Expiry</b>	<b>Exercise Price</b>	<b>Held at 01 Jul 22</b>	<b>Issued</b>	<b>Exercised</b>	<b>Lapsed / Cancelled</b>	<b>Held at 28 Aug 23</b>
15 Sept 23	\$0.52	2,500,000	-	(216,667)	-	2,283,333
14 July 2024	\$2.40	974,615	-	-	-	974,615

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate or in the issue of any other registered scheme.

**PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied to any court pursuant to section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

**INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS**

The Company has entered into a deed of indemnity with all existing directors and officers. Under the deed the Company has undertaken, subject to the restrictions in the Corporations Act, to indemnify all existing directors in certain circumstances whilst a director or officer and for 7 years after they have ceased to be a director or officer.

During the year, the Company paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all directors and the company secretary.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

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Details of the amount of the premium paid in respect of the insurance policies is not disclosed as such disclosure is prohibited under the terms of the contract.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer.

## **AUDIT COMMITTEE**

The Group established a combined Audit and Risk Committee in March 2023.

## **AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES**

The Auditor's Independence Declaration immediately follows this Report and forms part of this Report. The Directors are satisfied as to the independence of the auditors.

During the financial year the entity's auditor, HLB Mann Judd, did not provide other non-audit services (2022: \$500) (refer to note 22).

Signed in accordance with a resolution of directors.

For and on Behalf of the Board of Directors



**Mr Brad Underwood**  
**Managing Director**  
**Perth, 28 August 2023**

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the consolidated financial report of Galileo Mining Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia  
28 August 2023



**D I Buckley**  
Partner

**h**l**b.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	30 June 2023 \$	30 June 2022 \$
Other income	3	562,285	21,689
Employee benefits and director fees expense		(346,526)	(218,022)
Consulting fees		(378,540)	(246,944)
Share-based payment expense		(598,463)	(74,170)
Depreciation expense		(68,210)	(70,208)
Exploration & evaluation expense		(11,513)	(2,450)
Legal and audit expenses		(67,621)	(62,628)
Other expenses		(624,469)	(537,483)
<b>Loss before income tax expense</b>		<b>(1,533,057)</b>	<b>(1,190,216)</b>
Income tax expense	4	-	-
<b>Net loss after income tax</b>		<b>(1,533,057)</b>	<b>(1,190,216)</b>
Items that will not be reclassified to profit or loss			
Gain on revaluation of equity instruments to fair value		120,000	-
<b>Total comprehensive loss for the year</b>		<b>(1,413,057)</b>	<b>(1,190,216)</b>
		<b>2023</b>	<b>2022</b>
<b>Loss per share (cents per share)</b>		<b>¢</b>	<b>¢</b>
Basic loss per share for the year	5	(0.78)	(0.73)
Diluted loss per share for the year	5	(0.78)	(0.73)

The above Consolidated Statement of Comprehensive Income is to be read in conjunction with the Notes to the Consolidated Financial Statements.

**GALILEO MINING LTD**  
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	Notes	30 June 2023 \$	30 June 2022 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	18a	14,456,650	7,019,993
Trade and other receivables	6a	339,561	99,809
Other	7a	42,198	27,845
<b>Total Current Assets</b>		<u>14,838,409</u>	<u>7,147,647</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	59,690	1,052
Right-of-use assets	9	53,318	111,483
Exploration and evaluation expenditure	10	29,416,521	17,718,791
Financial assets at fair value through other comprehensive income	11	320,000	-
Other assets	7b	26,071	26,136
<b>Total Non-Current Assets</b>		<u>29,875,600</u>	<u>17,857,462</u>
<b>TOTAL ASSETS</b>		<u>44,714,009</u>	<u>25,005,109</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	12	1,193,583	411,847
Lease liabilities	13a	55,049	56,707
Other liabilities	14a	119,306	85,804
<b>Total Current Liabilities</b>		<u>1,367,938</u>	<u>554,358</u>
<b>Non-Current Liabilities</b>			
Lease liabilities	13b	-	55,049
Other liabilities	14b	69,500	46,082
<b>Total Non-Current Liabilities</b>		<u>69,500</u>	<u>101,131</u>
<b>TOTAL LIABILITIES</b>		<u>1,437,438</u>	<u>655,489</u>
<b>NET ASSETS</b>		<u><b>43,276,571</b></u>	<u><b>24,349,620</b></u>
<b>EQUITY</b>			
Issued capital	15	48,218,600	28,864,590
Reserves	16	1,357,293	936,417
Accumulated losses	17	(6,299,322)	(5,451,387)
<b>TOTAL EQUITY</b>		<u><b>43,276,571</b></u>	<u><b>24,349,620</b></u>

The above Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the Consolidated Financial Statements.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023**

	Issued capital	Share based payment reserve	Financial assets at fair value through OCI Reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
<b>As at 1 July 2022</b>	28,864,590	936,417	-	(5,451,387)	24,349,620
Loss for the year	-	-	-	(1,533,057)	(1,533,057)
Other comprehensive income	-	-	120,000	-	120,000
Total comprehensive loss for the year	-	-	120,000	(1,533,057)	(1,413,057)
Issue of shares	20,512,668	-	-	-	20,512,668
Transaction costs of share issue	(1,158,658)	-	-	-	(1,158,658)
Share based payments	-	985,998	-	-	985,998
Transfer of exercised performance rights from reserve	-	(421,716)	-	421,716	-
Transfer of expired options from reserve	-	(263,406)	-	263,406	-
<b>As at 30 June 2023</b>	48,218,600	1,237,293	120,000	(6,299,322)	43,276,571
<b>As at 1 July 2021</b>	22,929,035	903,076	-	(4,593,671)	19,238,440
Loss for the year	-	-	-	(1,190,216)	(1,190,216)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,190,216)	(1,190,216)
Issue of shares	6,580,080	-	-	-	6,580,080
Transaction costs of share issue	(644,525)	-	-	-	(644,525)
Share based payments	-	393,376	-	-	393,376
Transfer cancelled performance rights from reserve	-	(27,535)	-	-	(27,535)
Transfer of exercised options from reserve	-	(332,500)	-	332,500	-
<b>As at 30 June 2022</b>	28,864,590	936,417	-	(5,451,387)	24,349,620

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Consolidated Financial Statements.



**GALILEO MINING LTD**  
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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	30 June 2023 \$	30 June 2022 \$
<b>Cash Flow from Operating Activities</b>			
Payments to suppliers and employees		(1,377,471)	(999,391)
Exploration and evaluation (expenditure)/refund		(11,513)	(2,450)
Interest received		508,394	17,436
Other income		-	3,172
GST received/(paid)		(185,861)	(52,428)
Interest paid		(5,163)	(2,376)
		<u>                    </u>	<u>                    </u>
<b>Net cash used in operating activities</b>	<b>18b</b>	<b><u>(1,071,614)</u></b>	<b><u>(1,036,037)</u></b>
<b>Cash Flow from Investing Activities</b>			
Payments for exploration and evaluation expenditure		(10,909,448)	(3,327,990)
Payments for property, plant and equipment		(68,684)	-
Payment for purchase of tenements		-	(94,670)
Payment to acquire investments		(200,000)	-
Security deposit paid		1,565	(65)
		<u>                    </u>	<u>                    </u>
<b>Net cash used in investing activities</b>		<b><u>(11,176,567)</u></b>	<b><u>(3,422,725)</u></b>
<b>Cash Flow from Financing Activities</b>			
Proceeds from issue of shares		20,400,010	6,500,025
Proceeds from exercise of options		112,667	-
Share issue costs		(771,132)	(352,879)
Lease payments		(56,707)	(63,894)
		<u>                    </u>	<u>                    </u>
<b>Net cash provided by financing activities</b>		<b><u>19,684,838</u></b>	<b><u>6,083,252</u></b>
Net increase in cash held		7,436,657	1,624,490
Cash at the beginning of the year		7,019,993	5,395,503
		<u>                    </u>	<u>                    </u>
<b>Cash at the end of the year</b>	<b>18a</b>	<b><u>14,456,650</u></b>	<b><u>7,019,993</u></b>

The above Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Consolidated Financial Statements.

# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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### 1. CORPORATE INFORMATION

The financial report of Galileo Mining Ltd for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of directors on 28 August 2023.

Galileo Mining Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The address of the registered office is 13 Colin Street, West Perth WA 6005.

The Group's principal activity during the year was mineral exploration. Major exploration activities during the period are outlined in the Review of Operations as contained in the Directors' Report.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except as otherwise disclosed.

For the purpose of preparing the consolidated financial statements, the Group is a for-profit entity.

The financial report is presented in Australian dollars and the accounting policies below have been consistently applied to all of the years presented unless otherwise stated. The financial report is for the Group consisting of Galileo Mining Ltd and its subsidiaries.

#### (b) Basis of consolidation

The consolidated financial statements comprise the financial statements of Galileo Mining Ltd (Galileo) and its subsidiaries as at 30 June 2023 (the Group).

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

# GALILEO MINING LTD

ABN 70 104 114 132

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Business combinations are accounted for using the acquisition method.

### (c) Compliance with IFRS

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards.

### (d) New Accounting Standards and Interpretations

#### *Standards and Interpretations applicable to 30 June 2023*

In the period ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review the Directors have determined that there is no material impact on the Group's accounting policies.

#### *Standards and Interpretations in issue not yet adopted*

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted as at 30 June 2023. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group.

### (e) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  - exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has

# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

### **(f) Plant and equipment**

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – 2 to 6 years

#### ***Impairment***

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

#### ***Disposal***

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected to arise from the continued use or disposal of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period the item is derecognised.

### **(g) Right-of-use asset**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### **(h) Financial instruments**

#### ***Initial recognition and measurement***

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

### ***Classification of financial assets***

Financial assets recognised by the Company are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Company irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVTOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVTOCI are classified as subsequently measured at amortised cost, FVTOCI or fair value through profit or loss (FVTPL) on the basis of both:

- (i) the Company's business model for managing the financial assets; and
- (ii) the contractual cash flow characteristics of the financial asset.

### ***Classification of financial liabilities***

Financial liabilities classified as held-for-trading, contingent consideration payable by the Company for the acquisition of a business, and financial liabilities designated at FVTPL, are subsequently measured at fair value.

All other financial liabilities recognised by the Company are subsequently measured at amortised cost.

### ***Trade and other receivables***

Trade and other receivables arise from the Company's transactions with its customers and are normally settled within 30 days.

Consistent with both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

#### **(i) Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

#### **(j) Trade and other receivables**

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 0 days to 30 days.



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The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

### **(k) Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### **(l) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the balance date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflect the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

### **(m) Other Income**

#### ***Interest income***

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### **(n) Income tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Comprehensive Income.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

### **(o) Other taxes**

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

### **(p) Trade and other payables**

Trade payables and other payables are initially measured at fair value and subsequently carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of the goods and services.

Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid with 30 days of recognition.

### **(q) Employee Entitlements**

#### ***Short-term obligations***

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

#### ***Long Service Leave***

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Based on the Company's experience of employee departures, a long service leave liability is only recognised once an employee has been employed by the Company for a period of 5 years. Expected future payments are discounted using market yields at the reporting date on national Government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

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### (r) Contributed equity

Ordinary share capital is recognised at the fair value of the consideration received by the Group.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

### (s) Earnings/Loss per share (EPS)

Basic EPS is calculated as net profit or loss attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit or loss attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividend and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

### (t) Share-based payment transactions

The Group provides benefits to employees (including directors and executives) of the Group and to third parties in the form of share-based payment transactions, whereby employees and third parties render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using an appropriate option pricing model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Galileo Mining Ltd ('market conditions').

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, other than forfeiture, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings/loss per share.

For equity-settled share-based payment transactions, the entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity, indirectly by reference to the fair value of the equity instruments granted.

### (u) Significant Accounting Judgements, Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities with the next annual reporting period are:

#### (i) Capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure, other than acquisition costs, is expensed as incurred. Acquisition costs in relation to mineral tenements are capitalised and carried forward provided the rights to tenure of the area of the interest are current and such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not, at balance date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves.

#### (ii) Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Trinomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 21 for further information.

	2023	2022
	\$	\$
<b>3. OTHER INCOME</b>		
Interest revenue	562,285	18,517
Other income	-	3,172
Total other income	<u>562,285</u>	<u>21,689</u>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
<b>4. INCOME TAX EXPENSE</b>		
<b>a) Tax Expense</b>		
Current tax expense	-	-
Deferred tax expense	-	-
Total income tax expense	-	-
<b>b) Numerical reconciliation between tax expense and pre-tax net loss</b>		
<b>Net Loss from operations before income tax expense</b>	<b>(1,533,057)</b>	<b>(1,190,216)</b>
Corporate tax rate applicable	30%	30%
<b>Income tax benefit on above at applicable corporate rate</b>	<b>(459,917)</b>	<b>(357,064)</b>
Increase in income tax due to tax effect of:		
Non-deductible expenses	179,539	10,002
Current year tax losses not recognised	402,009	443,279
Decrease in income tax expense due to:		
Deductible capital raising costs	(121,630)	(96,217)
Income tax expense / (benefit)	-	-
<b>Deferred tax assets and liabilities</b>		
<b>c) Recognised deferred tax assets and liabilities</b>	<b>30%</b>	<b>30%</b>
<b>Deferred tax assets</b>		
Other provisions & accruals	10,481	8,864
Employee provisions	56,642	39,566
Tax losses	8,493,701	4,908,554
Other	2,223	170
	8,563,047	4,957,154
Set -off of deferred tax liabilities	(8,563,047)	(4,957,154)
Net deferred tax assets	-	-
<b>Deferred tax liabilities</b>		
Exploration and evaluation assets	(8,546,268)	(4,956,522)
Unearned income	(16,779)	(632)
Prepayments	-	-
Gross deferred tax liabilities	(8,563,047)	(4,957,154)
Set-off of deferred tax assets	8,563,047	4,957,154
Net deferred tax liabilities	-	-



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
<b>d) Unused tax losses and temporary differences for which no deferred tax asset has been recognised</b>		
Deferred tax assets have not been recognised in respect of the following using corporate tax rates of:	30%	30%
Deductible temporary difference	407,221	181,254
Tax Revenue Losses	2,061,549	1,727,514
	<hr/>	<hr/>
Total Unrecognised deferred tax assets	2,468,770	1,908,768

The corporate tax rates on both recognised and unrecognised deferred tax assets and deferred tax liabilities have been calculated with respect to the tax rate that is expected to apply in the year the deferred tax asset is realised or the liability is settled.

### 5. LOSS PER SHARE

	2023	2022
	¢	¢
<b>Loss per share (cents per share)</b>		
Basic loss per share for the year	(0.78)	(0.73)
Diluted loss per share for the year	(0.78)	(0.73)

The following reflects the loss used in the basic and diluted loss per share computations.

	2023	2022
	\$	\$
<b>(a) Loss used in calculating loss per share</b>		
For basic and diluted loss per share: Net loss for the year attributable to ordinary shareholders of the parent	<hr/> <hr/> (1,533,057)	<hr/> <hr/> (1,190,216)

As the Group generated losses for the financial years ended 30 June 2022 and 2023, all potential ordinary shares on issue will not have a dilutionary effect and therefore no calculation of diluted earnings per share performed.

	2023	2022
	Number	Number
<b>(b) Weighted average number of shares</b>		
For basic and diluted loss per share: Weighted average number of ordinary shares	<hr/> <hr/> 196,828,397	<hr/> <hr/> 163,027,221

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
<b>6. TRADE AND OTHER RECEIVABLES</b>		
<b>(a) Current</b>		
Other debtors	69	-
Accrued interest	55,930	2,108
Net GST receivable	283,562	97,701
	<u>339,561</u>	<u>99,809</u>
<b>7. OTHER ASSETS</b>		
<b>(a) Current</b>		
Cash deposited as security bond	840	2,340
Prepayments	41,358	25,505
	<u>42,198</u>	<u>27,845</u>
<b>(b) Non-current</b>		
Cash deposited for rental bond	26,071	26,136
	<u>26,071</u>	<u>26,136</u>
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
At cost	106,699	38,015
Accumulated depreciation	(47,009)	(36,963)
Net carrying amount	<u>59,690</u>	<u>1,052</u>
<b>Reconciliation</b>		
Reconciliation of the carrying amount of office furniture and equipment at the beginning and end of the current financial year.		
<b>Office furniture and equipment</b>		
At 1 July net of accumulated depreciation	931	3,055
Acquisitions	5,810	-
Depreciation charge for the year	(1,987)	(2,124)
At 30 June net of accumulated depreciation	<u>4,754</u>	<u>931</u>
<b>Field equipment</b>		
At 1 July net of accumulated depreciation	121	1,495
Acquisitions	62,873	-
Depreciation charge for the year	(8,058)	(1,374)
At 30 June net of accumulated depreciation	<u>54,936</u>	<u>121</u>
<b>Total</b>	<u>59,690</u>	<u>1,052</u>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
<b>9. RIGHT-OF-USE ASSETS</b>		
At cost	334,104	334,104
Accumulated depreciation	(280,786)	(222,621)
Net carrying amount	<u>53,318</u>	<u>111,483</u>

### Reconciliation

Reconciliation of the carrying amount of right-of-use assets at the beginning and end of the current financial year.

### Right-of-use assets (office lease)

At 1 July net of accumulated depreciation	111,483	61,863
Lease modification	-	116,330
Depreciation charge for the year	(58,165)	(66,710)
At 30 June net of accumulated depreciation	<u>53,318</u>	<u>111,483</u>

## 10. EXPLORATION AND EVALUATION EXPENDITURE

Costs carried forward in respect of:

Exploration and evaluation phase – at cost	<u>29,416,521</u>	<u>17,718,791</u>
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### Reconciliation

Opening balance	17,718,791	13,934,466
Acquisition of tenements	-	174,750
Incurred during the year	11,697,730	3,610,475
Written off during the year	-	(900)
Total exploration and evaluation expenditure	<u>29,416,521</u>	<u>17,718,791</u>

The ultimate recoupment of the Group's deferred mining tenements and exploration expenditure carried forward in respect of areas of interest still in the exploration and/or evaluation phases is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas.

	2023	2022
	\$	\$
<b>11. NON-CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>		
Listed ordinary shares	<u>320,000</u>	-
<i>Movement in financial assets at fair value through OCI</i>		
Balance at the beginning of the financial year	-	-
Additions	200,000	-
Revaluation	<u>120,000</u>	-
Balance at the end of the financial year	<u>320,000</u>	-

Refer to note 23 for further information on fair value measurement.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
<b>12. TRADE AND OTHER PAYABLES</b>		
Current		
Trade creditors	1,083,533	360,870
Other creditors	110,050	50,977
	<u>1,193,583</u>	<u>411,847</u>

Trade and other payables are non-interest bearing and are normally settled on 30-day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

	2023	2022
	\$	\$
<b>13. LEASE LIABILITIES</b>		
<b>(a) Current</b>		
Lease Liabilities	<u>55,049</u>	<u>56,707</u>
<b>(b) Non-current</b>		
Lease Liabilities	<u>-</u>	<u>55,049</u>

### 14. OTHER LIABILITIES

<b>(a) Current</b>		
Annual Leave	<u>119,306</u>	<u>85,804</u>
<b>(b) Non-current</b>		
Long Service Leave provision	<u>69,500</u>	<u>46,082</u>

### 15. ISSUED CAPITAL

<b>(a) Ordinary shares</b>	<u>48,218,600</u>	<u>28,864,590</u>
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Movements of ordinary shares

	2023		2022	
	Number	\$	Number	\$
Shares on issue				
Beginning of financial year	178,808,260	28,864,590	143,101,205	22,929,035
Add shares issued				
- Placement	17,000,000	20,400,000	25,000,000	6,500,000
- Part Payment of tenement purchase	-	-	308,000	80,080
- Options Exercised (net of costs)	216,667	111,212	10,399,055	-
- Performance Rights Exercised	1,600,000	-		
Less options issue costs	-	(387,525)		
Less capital raising costs	-	(769,677)		
		<u>-</u>		<u>(644,525)</u>
As at the end of the financial year	<u>197,624,927</u>	<u>48,218,600</u>	<u>178,808,260</u>	<u>28,864,590</u>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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### (b) Terms & conditions of issued capital

#### **Ordinary shares**

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of the surplus assets in proportion to the number of and amounts paid up on shares held.

### (c) Options

#### **Unlisted options**

The Company has the following unlisted options on issue at balance date:

- 2,283,333 options exercisable at \$0.52 expiring on 15 September 2023
- 974,615 options exercisable at \$2.40 expiring on 14 July 2024

Each option entitles the holder to subscribe (in cash) for one Share in the capital of the Company. Each Share allotted as a result of the exercise of any Option will rank in all respect *pari passu* with the existing Shares in the capital of the Company on issue at the date of allotment. Options not exercised shall automatically expire on the expiry date.

#### **Performance Rights**

The Company has 2,500,000 rights on issue at balance date, expiring on 22 September 2025.

Performance Rights were issued free of charge. Each Performance Right entitles the holder to subscribe for one (1) fully paid ordinary share in the Company based on achieving vesting conditions at a nil exercise price.

The terms and conditions including the service and performance criteria that must be met are as follows: -

- (a) Subject to the below paragraphs (b) and (c), each Performance Right will only vest and become exercisable when the 5-day volume weighted average market price (as defined in the ASX Listing Rules) of the Company's quoted Shares first exceeds \$3.60 per Share (Vesting Condition).
- (b) Each Performance Right will automatically be cancelled and will be redeemed by the Company for nil consideration if employment with the Company is terminated for any reason before the Vesting Condition is met.
- (c) If a Good Leaver\* and the Vesting Condition has been satisfied at the date of termination the Performance Rights may be exercised within 90 Days of termination of employment or contracting (as applicable) with the Company. If a Bad Leaver\* and the Vesting Condition has been satisfied at the date of termination the Performance Rights will terminate.

\*As defined in the Galileo Mining Ltd Employee Incentive Plan refer to:

<http://www.galileomining.com.au/about-us/corporate-governance/>

Each Performance Right, issued for nil consideration, entitles the participant to acquire one (1) fully paid ordinary share, by way of issue of new Shares or transfer of existing Shares.

All Performance Rights that have not vested by the expiry date will automatically lapse and be forfeited.



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
<b>16. RESERVES</b>		
(a) Share-based payment reserve	1,237,293	936,417
<i>Movement in share-based payment reserve</i>		
Balance at the beginning of the financial year	936,417	903,076
Share-based payments during the year	985,998	393,376
Transfer of previously expensed options on exercise to accumulated losses	(25,276)	(332,500)
Transfer of previously expensed performance rights to accumulated losses	(396,440)	-
Reversal of cancelled options	(263,406)	-
Reversal of cancelled performance rights	-	(27,535)
Balance at the end of the financial year	1,237,293	936,417

Share-based payment reserve records the value of shares, share options and performance rights issued to Galileo's employees or others. Refer to Note 21 for further details.

	2023 \$	2022 \$
(b) Financial assets at fair value through other comprehensive income reserve	120,000	-
<i>Movement in financial assets at fair value through OCI</i>		
Balance at the beginning of the financial year	-	-
Revaluation	120,000	-
Balance at the end of the financial year	120,000	-

Financial assets at fair value through other comprehensive income reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

	2023 \$	2022 \$
<b>17. ACCUMULATED LOSSES</b>		
Accumulated losses	(6,299,322)	(5,451,387)
<i>Movement in accumulated losses:</i>		
Balance at the beginning of the financial year	(5,451,387)	(4,593,671)
Transfer from share-based payment reserve	685,122	332,500
Net loss for the year	(1,533,057)	(1,190,216)
Balance at the end of the financial year	(6,299,322)	(5,451,387)

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
<b>18. STATEMENT OF CASH FLOWS</b>		
<b>(a) Reconciliation of cash</b>		
Cash at bank and on hand	133,014	627,570
Short term deposits	14,323,636	6,392,423
	<hr/>	<hr/>
Total cash and cash equivalents	14,456,650	7,019,993
	<hr/>	<hr/>
<b>(b) Reconciliation of net loss after tax to net cash flows from operations:</b>		
Loss from ordinary activities after income tax	(1,533,057)	(1,190,216)
Adjustments for:		
Depreciation	68,210	70,208
Employee share-based payment	598,463	74,170
Changes in assets and liabilities:		
Increase/(Decrease) in payables	(6,547)	5,663
Increase in provisions	56,920	47,946
Increase in receivables	(239,751)	(53,509)
(Increase)/Decrease in prepayments	(15,852)	9,700
	<hr/>	<hr/>
Net cash used in operating activities	(1,071,614)	(1,036,038)
	<hr/>	<hr/>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Changes in liabilities arising from financing activities</b>		
Opening balance	111,756	59,320
Net cash used in financing activities	(56,707)	(63,894)
Lease liability recognised on modification of lease	-	116,330
	<hr/>	<hr/>
Closing balance	55,049	111,756
	<hr/>	<hr/>

### **(d) Non-cash financing & investing activities:**

During the year the Company issued 974,615 unlisted options exercisable at \$2.40 and expiring 14 July 2024 to Inyati Capital as part payment for capital raised at a value of \$387,525.

During the 2022 year the Company issued 2,500,000 unlisted options exercisable at \$0.52 and expiring 15 September 2023 to Inyati Capital as part payment for capital raised at a value of \$291,645. 308,000 ordinary shares in the Company were issued as part payment of a tenement purchase.

## **19. RELATED PARTY TRANSACTIONS**

- 1) Whypro Corporate Services a business of which Mathew Whyte is principal, provided company secretarial, corporate administration and CFO services to the Company totalling \$158,700 (excluding GST) (30 June 2023: \$105,000). As at 30 June 2023, \$15,180 was payable to Whypro Corporate Services.

# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 20. DIRECTORS AND KEY MANAGEMENT PERSONNEL

#### Compensation for Executive Directors and Key Management Personnel

	2023	2022
	\$	\$
Short-term benefits	741,697	582,665
Long-term benefits	12,719	8,867
Post-employment benefits	59,620	45,954
Share-based payments	460,979	40,793
Total compensation	1,275,015	678,279

### 21. SHARE-BASED PAYMENTS

#### (a) Options

During the year the following options were granted to a third party, Inyati Capital, as part payment for capital raised. A total of \$291,645 was recognised as a share-based payment.

Class	Expiry date	Exercise price	Date granted	Number of options	Grant date fair value	Vesting date
Unlisted Options	14 July 2024	\$2.40	14 July 2022	974,615	\$0.3976	14 July 2024

The assessed fair value of the options was determined using Black-Scholes model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The following assumptions were used in the estimation:

- Risk free interest rate of 2.75%
- Company share price at date of grant of \$1.26
- Dividend Yield of 0%
- Expected volatility of 88.42%
- Option exercise price of \$2.40
- Option duration of 24 months
- Discount factor of 0%

The following table illustrates the number and weighted average exercise prices (WAEP) and movements in share options during the year.

	2023	2023	2022	2022
	Number	WAEP	Number	WAEP
		\$		\$
Outstanding at the beginning of the year	2,500,000	0.52	14,772,727	0.24
Granted during the year	974,615	2.40	2,500,000	0.52
Exercised during the year	(216,667)	0.52	(12,500,000)	0.20
Expired or Cancelled during the year	-	-	(2,272,727)	0.44
Outstanding at the end of the year	3,257,948	1.08	2,500,000	0.52
Exercisable at reporting date	3,257,948	1.08	2,500,000	0.52

The weighted average remaining contractual life of option's outstanding at year end was 0.46 years (2022: 1.21 years).

# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### (b) Performance Rights

During the year the following performance rights were granted to employees under the Company's Employee Incentive Plan. A total of \$583,364 was recognised as a share-based payment expense, in relation to rights granted during the period.

Class	Expiry date	Exercise price	Date granted	Number	Grant date fair value	Expected Vesting date
Performance Rights	22 September 2025	Nil	22 September 2022	2,500,000	\$0.9093	22 September 2025

Performance Rights were issued free of charge. Each Performance Right entitles the holder to subscribe for one (1) fully paid ordinary share in the Company based on achieving vesting conditions at a nil exercise price.

The terms and conditions including the service and performance criteria that must be met are as follows: -

- Subject to the below paragraphs (b) and (c), each Performance Right will only vest and become exercisable when the 5-day volume weighted average market price (as defined in the ASX Listing Rules) of the Company's quoted Shares first exceeds \$3.60 per Share (Vesting Condition).
- Each Performance Right will automatically be cancelled and will be redeemed by the Company for nil consideration if employment with the Company is terminated for any reason before the Vesting Condition is met.
- If a Good Leaver\* and the Vesting Condition has been satisfied at the date of termination the Performance Rights may be exercised within 90 Days of termination of employment or contracting (as applicable) with the Company. If a Bad Leaver\* and the Vesting Condition has been satisfied at the date of termination the Performance Rights will terminate.

\*As defined in the Galileo Mining Ltd Employee Incentive Plan

Each Performance Right, issued for nil consideration, entitles the participant to acquire one (1) fully paid ordinary share, by way of issue of new Shares or transfer of existing Shares.

All Performance Rights that have not vested by the expiry date will automatically lapse and be forfeited.

The performance rights have been valued at \$0.9093 per right using the Hoadley trinomial barrier valuation model.

On 14 July 2022 1,600,000 unlisted performance rights were exercised.

The total expense recognised in relation to performance rights was \$598,463.

### Movement of Performance Rights:

	2023 Number	2022 Number
Outstanding at beginning of the year	1,600,000	1,100,000
Exercised during the year	(1,600,000)	-
Granted during the year	2,500,000	600,000
Cancelled during the year	-	(100,000)
Outstanding at the end of the year	2,500,000	1,600,000

# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
<b>22. AUDITOR'S REMUNERATION</b>		
The auditor of Galileo Mining Ltd is HLB Mann Judd		
Amounts received or due and receivable by the auditors for:		
- Auditing or reviewing accounts	34,204	30,403
- Other assurance services	-	500
	<u>34,204</u>	<u>30,903</u>

The auditors received no other benefits.

## 22. EXPENDITURE COMMITMENTS

### (a) Exploration expenditure commitments

The Group has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the financial report. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing of tenure or by new joint venture arrangements. Expenditure may be increased when new tenements are granted or joint venture agreements amended. The minimum expenditure commitment on the tenements is shown below.

	2023 \$	2022 \$
Not later than one year	945,580	941,080
Later than one year and less than five years	3,782,320	3,963,320
	<u>4,727,900</u>	<u>4,904,400</u>

## 23. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise cash and short-term deposits, and listed shares.

The Group has various other financial assets and liabilities such as trade receivables, and trade payables, which arise directly from its operations and other activities.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Notes 2, 6, 11 and 13 to the financial statements.

The Group manages its exposure to a variety of financial risks: market risk (interest rate risk), credit risk, price risk and liquidity risk in accordance with specific approved Group policies.

Primary responsibility for the identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessment of market forecast for interest rate.



# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The Group manages credit risk by only dealing with recognized, creditworthy, third parties and liquidity risk is monitored through the development of future rolling cash flow forecasts.

### **Interest rate risk**

The Group's current exposure to the risk of changes in market interest rates relate primarily to cash assets rates and is managed by the Board approved investment policy. This policy defines maximum exposures and credit ratings limits.

The following table summarises the impact of reasonably possible changes on interest rates for the Group at 30 June 2023. The sensitivity is based on the assumption that interest rate changes by 100 basis points with all other variables held constant. The 100 basis points sensitivity is based on reasonably possible changes over a financial year, using the observed range of actual historical rates for the preceding 3 year period. The analysis is performed on the same basis for the comparative period.

The Group's exposure to interest rate risk arises from higher or lower interest income from cash and cash equivalents. The Parent's main interest rate risk arises from cash and cash equivalents and other assets with variable interest rates.

	<b>30 June 2023</b>	<b>30 June 2022</b>
	\$	\$
Financial assets		
Cash and cash equivalents	14,456,650	7,019,993
Impact on profit/loss and equity		
Post-tax gain/(loss)		
100 bp increase	144,566	70,199
100 bp decrease	(144,566)	(70,199)

### **Credit risk**

Credit risk arises in the event that counterparty will not meet its obligations under a financial instrument leading to financial losses. The Group is exposed to credit risk from its operating activities and financing activities including deposits with banks.

The credit risk control procedures adopted by the Group is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences. Investment limits are set in accordance with limits set by the Board of Directors based on the counterparty credit rating. The limits are assigned to minimise concentration of risks and mitigate financial loss through potential counterparty failure. The compliance with credit limits is regularly monitored as part of day-to-day operations. Any credit concerns are highlighted to senior management.

### **Credit quality of financial assets:**

		<b>S&amp;P Credit rating</b>				
		<b>AAA</b>	<b>A1+</b>	<b>A1</b>	<b>A2</b>	<b>Unrated</b>
<b>30 June 2023</b>						
Cash & cash equivalents	(\$)	-	14,456,650	-	-	-
Other Assets	(\$)	-	26,911	-	-	-
<b>30 June 2022</b>						
Cash & cash equivalents	(\$)	-	7,019,993	-	-	-
Other Assets	(\$)	-	28,476	-	-	-

# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Alternatives for sourcing our future capital needs include the Group's current cash position, future operating cash flow, project debt financings and equity raisings. These alternatives are evaluated to determine the optimal mix of capital resources for the Group's capital needs.

### **Equity price risk**

The Group has no material exposure to equity price risk sensitivity for financial year ended 2023.

### **Liquidity risk**

The responsibility for liquidity risk management rests with the Board of Directors.

The Group manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The Group's liquidity needs can be met through a variety of sources, including: short and long term borrowings and issue of equity instruments.

The following table details the Group's non-derivative financial instruments according to their contractual maturities. The amounts disclosed are based on contractual undiscounted cash flows.

	<b>Less than 6 months</b>	<b>6 months – 12 months</b>	<b>1-2 years</b>	<b>&gt; 2 years</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 30 June 2023</b>				
Trade and other receivables	55,999	-	-	-
Trade and other payables	(1,193,583)	-	-	-
Lease liabilities	(34,681)	(20,368)	-	-
<b>As at 30 June 2022</b>				
Trade and other receivables	2,108	-	-	-
Trade and other payables	(411,847)	-	-	-
Lease liabilities	(30,935)	(30,987)	(62,179)	-

### **Capital risk management**

Capital consists of total equity \$43,276,571 (2022: \$24,349,620).

When managing capital, management's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, enter into joint ventures or sell assets.

The entity does not have a defined share buy-back plan.

No dividends were paid in 2023 and no dividend will be paid in 2024.

There is no current intention to incur debt funding on behalf of the Company as on-going exploration expenditure will be funded via equity or joint ventures with other companies.

The Company is not subject to any externally imposed capital requirements.

### **Fair value measurements**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the group's assets and liabilities measured and recognised at fair value at 30 June 2023:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>As at 30 June 2023</b>				
<b>Assets</b>				
Financial assets at fair value through other comprehensive income				
- Investments	320,000	-	-	320,000

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.

### 24. EVENTS SUBSEQUENT TO BALANCE DATE

Other than the above, no other matters or circumstances have occurred subsequent to balance date that have or may significantly affect the operations or state of affairs of the Group in subsequent financial years.

### 25. EXPLORATION AGREEMENTS

#### Dunstan JV Agreement

On 22 January 2018, Mark Creasy and Dunstan Holdings Pty Ltd (ACN 009 686 691) ("Dunstan") entered into an agreement with the Company's wholly owned subsidiary, FSZ Resources Pty Ltd (ACN 622 898 882) ("FSZ") ("Dunstan JV Agreement"). Mark Creasy was a director of the Company from 18 March 2003 to 12 March 2018.

The Dunstan JV Agreement provides for three phases of collaboration on the exploration and mining of Dunstan's mining tenements E63/1539, E63/1623 and E63/2624 ("Dunstan Tenements"). First, the Dunstan JV Agreement provided for the partial sale of Dunstan's interest in the Dunstan Tenements to FSZ ("Tenement Sale"), which was settled during the financial year ended 30 June 2018 by a payment of \$530,000 to Dunstan

# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(of which \$478,955 (plus GST) was paid in cash and \$51,045 settled by the issue of 510,455 fully paid ordinary shares at a deemed issue price of \$0.10 per share). Second, the Dunstan JV Agreement established an unincorporated joint venture between Dunstan and FSZ for the exploration of the Dunstan Tenements and completion of a bankable feasibility study in respect of all or part of the Dunstan Tenements ("Exploration Joint Venture"). Third, the Dunstan JV Agreement regulates the manner in which the parties may determine their respective involvement in any mining operations to implement a bankable feasibility study on all or part of the Dunstan Tenements ("Mining Joint Venture").

### GSN JV Agreement

On 22 January 2018, Mark Creasy and Great Southern Nickel Pty Ltd (ACN 135 382 142) ("GSN") entered into an agreement with the Company's wholly owned subsidiary, NSZ Resources Pty Ltd (ACN 622 900 396) ("NSZ") ("GSN JV Agreement"). Mark Creasy was a director of the Company from 18 March 2003 to 12 March 2018.

The GSN JV Agreement provides for three phases of collaboration on the exploration and mining on GSN's mining tenement E28/2064 ("GSN Tenement"). First, the GSN JV Agreement provided for the partial sale of GSN's interest in the GSN Tenement to NSZ ("Tenement Sale"), which was settled during the financial year ended 30 June 2018 by a payment of \$870,000 to GSN. Second, the GSN JV Agreement established an unincorporated joint venture between GSN and NSZ for the exploration of the GSN Tenement and completion of a bankable feasibility study in respect of all or part of the GSN Tenement ("Exploration Joint Venture"). Third, the GSN JV Agreement regulates the manner in which the parties may determine their respective involvement in any mining operations to implement a bankable feasibility study on all or part of the GSN Tenement ("Mining Joint Venture").

## 26. SEGMENT INFORMATION

For management purposes, the Group is organised into one main business and geographic segment, which involves exploration of mineral deposits. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from the segment are equivalent to the financial statement of the Group as a whole. The accounting policies used by the Group in reporting segment internally are the same as those contained in Note 2 to the consolidated financial statements.

## 27. CONTROLLED ENTITIES

Name	Country of Incorporation	Principal Activity	Beneficial Percentage Interest Held By Group	
			2023	2022
			%	%
FSZ Resources Pty Ltd	Australia	Mineral exploration	100	100
NSZ Resources Pty Ltd	Australia	Mineral exploration	100	100
Norseman Resources Pty Ltd	Australia	Mineral exploration	100	100
Ganymede Resources Pty Ltd	Australia	Mineral exploration	100	100

# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 28. PARENT ENTITY INFORMATION

#### Information relating to Galileo Mining Ltd

The immediate parent and ultimate controlling party of the Group is Galileo Mining Ltd. Interests in subsidiaries are set out in Note 27.

	2023 \$	2022 \$
Current Assets	14,833,593	7,142,830
Non-Current Assets	30,059,832	17,983,160
TOTAL ASSETS	<u>44,893,425</u>	<u>25,125,990</u>
Current Liabilities	1,367,939	554,357
Non-Current Liabilities	69,500	101,131
TOTAL LIABILITIES	<u>1,437,439</u>	<u>655,488</u>
NET ASSETS	<u>43,455,986</u>	<u>24,470,502</u>
EQUITY		
Issued capital	48,218,600	28,864,590
Reserves	1,357,293	936,417
Accumulated losses	<u>(6,119,907)</u>	<u>(5,330,505)</u>
TOTAL EQUITY	<u>43,455,986</u>	<u>24,470,502</u>
Loss of the parent entity	(1,474,524)	(1,152,848)
Total comprehensive loss of the parent entity	(1,354,524)	(1,152,848)

The parent entity did not have any guarantees or contingent liabilities at balance date.

The accounting policies of the parent entity are consistent with those of the Group as disclosed in Note 2, except for investment in subsidiaries, which are accounted for at cost.

### 29. GUARANTEES AND CONTINGENT LIABILITIES

The Group did not have any guarantees or contingent liabilities at balance date.

### 30. FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities approximates the carrying amount at balance date.

**DIRECTORS' DECLARATION**  
**FOR THE YEAR ENDED 30 JUNE 2023**

In accordance with a resolution of the directors of Galileo Mining Ltd, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2 (c); and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act for the year ended 30 June 2023.

For and on behalf of the Board of Directors.



**Mr Brad Underwood**  
**Managing Director**  
**Perth, 28 August 2023**



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Galileo Mining Limited

### **Report on the Audit of the Financial Report**

#### *Opinion*

We have audited the financial report of Galileo Mining Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

**h**l**b.com.au**

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Key Audit Matter	How our audit addressed the key audit matter
<p><b>Exploration and evaluation expenditure</b> Note 10 to the financial report</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group capitalises exploration and evaluation expenditure.</p> <p>Our audit focussed on the Group’s assessment of the carrying amount of the capitalised exploration and evaluation expenditure asset, due to this asset being the most significant asset of the Group.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>– We obtained an understanding of the key processes associated with management’s review of the carrying amount of the capitalised exploration and evaluation expenditure asset;</li> <li>– We considered the Directors’ assessment of potential indicators of impairment;</li> <li>– We obtained evidence that the Group has current rights to tenure of its areas of interests;</li> <li>– We examined the exploration and evaluation budget for the year ending 30 June 2024 and discussed with management the nature of planned ongoing activities; and</li> <li>– We substantiated a sample of capitalised expenditure to underlying support.</li> </ul>

*Information Other than the Financial Report and Auditor’s Report Thereon*

The directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2023, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON THE REMUNERATION REPORT

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Galileo Mining Limited for the year ended 30 June 2023 complies with Section 300A of the *Corporations Act 2001*.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**HLB Mann Judd**  
Chartered Accountants

**Perth, Western Australia**  
**28 August 2023**



**D I Buckley**  
Partner

## **CORPORATE GOVERNANCE STATEMENT**

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such Galileo Mining Ltd has adopted the fourth edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council and became effective for financial years beginning on or after 1 July 2020.

The Company's Corporate Governance Statement for the financial year ending 30 June 2023 was approved by the Board on 28 August 2023. The Corporate Governance Statement can be located on the Company's website <http://www.galileomining.com.au/about-us/corporate-governance/>

# GALILEO MINING LTD

ABN 70 104 114 132

## ADDITIONAL ASX SHAREHOLDERS' INFORMATION (As at 14 August 2023)

The following additional information is required by the Australian Securities Exchange in respect of listed public companies. As at 14 August 2023 there were 5,245 holders of Ordinary Fully Paid Shares.

### VOTING RIGHTS

The voting rights attached to each class of equity security are as follows:

- **Ordinary shares:** Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- **Unlisted Options and Performance Rights:** Options and performance rights do not entitle the holders to vote in respect of that equity instrument, nor participate in dividends, when declared, until such time as the options are exercised or performance rights convert and subsequently registered as ordinary shares.

### 20 LARGEST SHAREHOLDERS – ORDINARY SHARES AS AT 14 AUGUST 2023

	Holder Name	Holding	%IC
1	Australian Gold Resources Pty Ltd	54,414,794	27.53
2	IGO Newsearch Pty Ltd	16,363,697	8.28
3	Mr Richard Bradley Underwood	8,619,244	4.36
4	HSBC Custody Nominees (Australia) Limited	2,707,387	1.37
5	Mr Noel Mark O'Brien	2,429,811	1.23
6	S3 Consortium Holdings Pty Ltd <NextInvestors Dot Com A/C>	2,161,544	1.09
7	Citicorp Nominees Pty Ltd	2,068,845	1.05
8	Mr Qiu Tu	1,920,000	0.97
9	Blakfyre Investments Pty Ltd	1,370,000	0.69
10	Pindan Investments Pty Ltd <Pindan Investment A/c>	1,300,000	0.66
13	Mr Stephen John Lowe & Mrs Suzanne Lee Lowe <Tahlia Family A/C>	820,000	0.41
14	Mr Clive Thomas	800,000	0.40
15	Mr David James Wall <The Reserve A/C>	800,000	0.40
16	Cospiqua Pty Ltd <The Millennium MacNo1 A/C>	730,000	0.37
17	Northmead Holdings Pty Ltd <The Greenwell Family A/C>	725,000	0.37
18	Mr Bernie Peter Johnson	714,242	0.36
19	Mr John Langley Hancock	691,668	0.35
20	GKMI Pty Ltd	678,333	0.34
	<b>Totals</b>	<b>101,400,149</b>	<b>51.31%</b>

### SUBSTANTIAL ORDINARY SHAREHOLDER AS AT 14 AUGUST 2023

The names of the substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

- Mark Gareth Creasy, Australian Gold Resources Pty Ltd (ACN 006 712 956), Dunstan Holdings Pty Ltd (ACN 008 686 691): and Yandal Investments Pty Ltd (ACN 070 684 810) 54,414,794 Fully Paid Ordinary Shares (27.53%)
- IGO Limited (ACN 092 786 304): 16,363,697 Fully Paid Ordinary Shares (8.28%)



**GALILEO MINING LTD**  
ABN 70 104 114 132

**DISTRIBUTION OF ORDINARY SHAREHOLDER AS AT 14 AUGUST 2023**

Holding Range	Holders	Total Units	% Issued Ordinary Capital
1 - 1,000	912	570,451	0.29%
1,001 - 5,000	1,860	5,404,833	2.73%
5,000 - 10,000	880	7,138,826	3.61%
10,001 – 100,000	1,410	46,882,812	23.72%
100,001 – and over	183	137,628,005	69.64%
<b>TOTALS</b>	<b>5,245</b>	<b>197,624,927</b>	<b>100.00%</b>

Unmarketable Parcels – as at 14 August 2023 there were 938 holders with less than a marketable parcel of shares.

**ON MARKET BUY-BACK**

There is no current on-market buy-back of shares.

**UNQUOTED SECURITIES**

As at 14 August 2023 the following unquoted securities are on issue:

***2,500,000 Broker Options Expiring 15 September 2023 @ \$0.52***

Holding Range	Holders	Total Units	% Issued
1 - 1,000	0	0	0%
1,001 - 5,000	0	0	0%
5,000 - 10,000	0	0	0%
10,001 – 100,000	1	50,000	2.19%
100,001 – and over	3	2,233,333	97.81%
<b>TOTALS</b>	<b>4</b>	<b>2,283,333</b>	<b>100.00%</b>

***974,615 Broker Options Expiring 14 July 2024 @ \$2.40***

Holding Range	Holders	Total Units	% Issued
1 - 1,000	0	0	0%
1,001 - 5,000	0	0	0%
5,000 - 10,000	0	0	0%
10,001 – 100,000	0	0	0%
100,001 – and over	1	974,615	100.0%
<b>TOTALS</b>	<b>1</b>	<b>974,615</b>	<b>100.00%</b>

***2,500,000 Performance Rights Expiring 22 September 2025***

Holding Range	Holders	Total Units	% Issued
1 - 1,000	0	0	0%
1,001 - 5,000	0	0	0%
5,000 - 10,000	0	0	0%
10,001 – 100,000	0	0	0%
100,001 – and over	5	2,500,000	100.0%
<b>TOTALS</b>	<b>1</b>	<b>974,615</b>	<b>100.00%</b>

**OTHER ASX ADDITIONAL INFORMATION**

**1. Corporate Governance**

The Company's Corporate Governance Statement as at 30 June 2023 as approved by the Board can be viewed at <http://www.galileomining.com.au/about-us/corporate-governance/>

**2. Company Secretary**

The name of the Company Secretary is Mathew Whyte

**3. Address and telephone details of the Company's Registered Office**

13 Colin Street, West Perth WA 6005 Telephone: +61 8 9463 0063

**4. Address and telephone details of the office at which a registry of securities is kept**

Automic Group

Level 2, 267 St Georges Terrace

PERTH WA 6000

Telephone: 1300 288 644 (within Australia)

+61 (0) 2 9698 5414 (International)

Web: [www.automicgroup.com.au](http://www.automicgroup.com.au)

**5. Review of Operations**

A review of operations is contained in the Directors Report.

# GALILEO MINING LTD

ABN 70 104 114 132

## 6. Tenement Schedule (As at 14 August 2023)

Project	Tenement reference & Location	Interest at beginning of Year	Interest at 14 August 2023	Nature of Interest at 14 August 2023
<b>NORSEMAN PROJECT</b>	All tenements are in Western Australia			
	E63/1041	100%	100%	Active
	E63/1764	100%	100%	Active
	P63/2053	100%	100%	Active
	P63/2105	100%	100%	Active
	P63/2106	100%	100%	Active
	P63/2107	100%	100%	Active
	P63/2108	100%	100%	Active
	P63/2109	100%	100%	Active
	P63/2110	100%	100%	Active
	P63/2111	100%	100%	Active
	P63/2112	100%	100%	Active
	P63/2113	100%	100%	Active
	P63/2114	100%	100%	Active
	P63/2115	100%	100%	Active
	P63/2116	100%	100%	Active
	P63/2117	100%	100%	Active
	P63/2118	100%	100%	Active
	P63/2123	100%	100%	Active
	P63/2136	100%	100%	Active
	P63/2137	100%	100%	Active
	P63/2259	100%	100%	Active
	E63/2101	0%	100%	Active
	M63/671	100%	100%	Active
	L63/83	100%	100%	Active
	L63/85	100%	100%	Active
	L63/86	100%	100%	Active
	L63/87	100%	100%	Active
	L63/88	100%	100%	Active
<b>FRASER RANGE PROJECT</b>	All tenements are in Western Australia			
	E28/2064	67%	67% NSZ <sup>(1)</sup>	Active
	E28/2912	100%	100%	Active
	E28/2949	100%	100%	Active
	E28/2797	100%	100%	Active
	E63/1539	67%	67% FSZ <sup>(2)</sup>	Active
	E63/1623	67%	67% FSZ <sup>(2)</sup>	Active
	E63/1624	67%	67% FSZ <sup>(2)</sup>	Active

<sup>(1)</sup> 67% owned by NSZ Resources Pty Ltd a wholly owned subsidiary of Galileo Mining, 33% Great Southern Nickel Pty Ltd (a Creasy Group Company).

<sup>(2)</sup> 67% owned by FSZ Resources Pty Ltd a wholly owned subsidiary of Galileo Mining, 33% Dunstan Holdings Pty Ltd (a Creasy Group Company).