

GALILEO MINING LTD
(FORMERLY PLATX PTY LTD)

ABN 70 104 114 132

SPECIAL PURPOSE FINANCIAL REPORT

For the Year Ended 30 June 2017

GALILEO MINING LTD

ABN 70 104 114 132

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

The directors present their report on the Company for the financial year ended 30 June 2017.

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

- Mark Creasy (resigned 12 March 2018)
- Simon Jenkins (appointed 13 September 2017)
- Richard(Brad) Underwood (appointed 13 September 2017)
- Noel O'Brien (appointed 6 February 2018)

The net loss of the Company for the financial year ended 30 June 2017 after providing for income tax amounted to \$29,363 (2016: 1,559).

The principal activities of the Company during the financial year were mining prospecting and exploration.

No significant change in the nature of these activities occurred during the year.

No dividends were declared or paid during the financial year.

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

The net assets of the Company have decreased by \$29,363 from 30 June 2016 to (\$1,272,228) in 2017.

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

The Company's operations are regulated by the Mining Act 1978 of Western Australia and they are in compliance with provisions of the aforementioned act.

No remuneration was paid to directors during the year.

Information on Directors and Secretaries

Current Directors

Simon Jenkins – Non-executive Chairman (appointed 13 September 2017)

Simon has been a director of corporate law firm Price Sierakowski Corporate since 2005 and has experience in a broad range of corporate transactions including takeovers, mergers and capital raisings both in Australia and overseas. He has extensive experience in a range of industries including the resource, energy and telecommunications sectors. He has acted for Australian and internationally listed companies as well as for a number of large private enterprises. Simon has held directorships in both ASX listed and client owned private companies. He is a member of AMPLA and the Petroleum Club of WA.

Simon has a Bachelor of Laws from the University of Western Australia and is a recommended Mergers and Acquisitions Lawyer by Doyle's Guide 2011.

Brad Underwood – Managing Director (appointed 13 September 2017)

Brad is a geologist with over 15 years' experience in exploration, prospecting and mining. He has been involved in copper, gold, nickel and cobalt discoveries and the development of numerous prospects over a variety of commodities. Since 2010 Brad has been working directly for Mark Creasy, initially as a Project Manager and more recently as General Manager of private companies Galileo Mining Ltd and Great Southern Nickel Pty Ltd. During this time Brad's responsibilities included the exploration and prospect development of the Fraser Range tenements surrounding the Nova mine site as well as the development of Galileo Mining's projects near Norseman.

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Brad 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.

Noel O'Brien – Technical Director (appointed 6 February 2018)

Noel is a metallurgist and processing expert who is currently a technical adviser to Tawana Resources Limited, Kidman Resources Limited and other ASX listed companies. He was formerly Managing Director in South Africa for SNC-Lavalin Inc, a leading global engineering and construction group, and was responsible for delivering base metal smelters and refinery projects across Africa. Noel has a deep understanding of metallurgy and possesses processing expertise in smelting, gravity separation, flotation, leaching and solvent extraction.

Noel holds a Metallurgical Engineering degree from the University of Melbourne, an MBA from Witwatersrand University and is a Fellow of the AusIMM.

Directors during the reporting period

Mark Creasy (resigned 12 March 2018)

Mr Creasy has over 40 years' experience in the exploration and mining industry within Australia. He has been associated with several high profile mineral discoveries and has extensive experience dealing with publicly listed companies.

Current Company Secretary

Mr Mathew Whyte

Mr Whyte is a CPA and a Chartered Secretary (FCIS) . He has over 25 years' commercial experience in the financial management, direction and corporate governance of ASX listed companies. He has held senior executive roles on a broad range of Australian listed entities with operations in Australia and overseas in the mining exploration, mining services, power infrastructure and technology development industries. Mr Whyte is currently a Non-executive director and Company Secretary of Aurora Labs Ltd (ASX: A3D) and Company Secretary for Novo Lito Ltd (ASX: NLI).

Directors shareholdings of ordinary shares as at the date of this report are:

	In Own Name	In Other Names & Associated Companies
Mark Creasy	-	10,000

Directors options as at the date of this report are:

	In Own Name	In Other Names & Associated Companies
Simon Jenkins	2,500,000	-
Brad Underwood	10,000,000	-
Noel O'Brien	2,500,000	-

Meetings of the Directors

During the financial year one meeting of directors (including committees of directors) as held. The number of meetings attended by each director during the year is stated in this report.

	Number Eligible to Attend	Number Attended
Mark Creasy	1	1

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party to for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

The Company was not a party to any such proceedings during the year.

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Significant events after the balance date

On 13 September 2017 Simon Jenkins and Brad Underwood were appointed as Directors.

On 13 September 2017 the Company approved a subdivision of capital on a 4,850 for 1 basis resulting in 48,504,850 ordinary shares on issue.

On 26 October 2017 the Company changed from a proprietary company limited by shares to a public company limited by shares.

On 24 November 2017 the Company changed its name to Galileo Mining Ltd.

On 23 December 2017 the Company approved a consolidation of capital on a 1 for 0.42 basis resulting in 20,372,037 ordinary shares remaining on issue.

On 24 January 2018 Mathew Whyte was appointed Company Secretary of the Company to replace Mark Creasy who resigned.

On 6 February 2018 Noel O'Brien was appointed Technical Director of the Company.

On 6 February 2018 10,000,000 options were issued to Brad Underwood and 2,500,000 options issued to Simon Jenkins. A further 2,500,000 options were issued to Noel O'Brien on 14 February 2018. The options are exercisable at \$0.20 and expire on 31 January 2023. Provided that the Company is admitted to the official list of the ASX on or before 31 December 2018, each Option will only vest and become exercisable when the 60-day volume weighted average market price (as defined in the Listing Rules) of the Company's quoted Shares first exceeds \$0.60 per Share.

On 23 February 2018 the Company raised \$800,000 under a Seed Capital Raising through the offer of 80 Convertible Notes at a face value of \$10,000 per note to sophisticated or professional investors. Each Note will automatically convert into Shares on the date upon which the Company obtains conditional approval to be admitted to the official list of ASX. Each Note will automatically convert into 100,000 fully paid ordinary shares issued in the Company at a deemed issue price of \$0.10 per Share.

On 12 March 2018 Mark Creasy retired as a director of the board.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set on page 6 and forms part of this report.

The amounts in the financial statements and directors' report have been rounded to the nearest dollar.

Signed in accordance with a resolution of Directors:



Brad Underwood - Director

Dated: 26 March 2018

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Galileo Mining Limited (formerly PlatX Pty Limited) for the year ended 30 June 2017, 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
26 March 2018

N G Neill
Partner

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

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	30 June 2017 \$	30 June 2016 \$
Revenue	1	-
Exploration and evaluation expenses written-off	(25,195)	-
Other expenses	(4,169)	(1,559)
Loss before income tax expense	(29,363)	(1,559)
Income tax expense	-	-
Net loss after income tax	(29,363)	(1,559)
Other comprehensive income	-	-
Total comprehensive loss for the year	(29,363)	(1,559)

The accompanying notes form part of these financial statements.

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**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Notes	30 June 2017 \$	30 June 2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents		14,803	1,213
Trade and other receivables	2(a)	23,485	2,496
Total Current Assets		38,288	3,709
Non-current Assets			
Receivables	2(b)	1,000	1,000
Exploration and evaluation expenditure	4	2,943,081	2,346,931
Total Non-current Assets		2,944,081	2,347,931
TOTAL ASSETS		2,982,369	2,351,640
LIABILITIES			
Current Liabilities			
Borrowings	5	4,254,597	3,594,505
Total current liabilities		4,254,597	3,594,505
TOTAL LIABILITIES		4,254,597	3,594,505
NET LIABILITIES		(1,272,228)	(1,242,865)
ACCUMULATED EQUITY			
Issued Capital	6	2,200	2,200
Accumulated loss	7	(1,274,428)	(1,245,065)
TOTAL DEFICIENCY		(1,272,228)	(1,242,865)

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2017**

	Issued Capital	Accumulated surplus/(loss)	Total
Balance at 30 June 2016	2,200	(1,245,065)	(1,242,865)
Loss for the year	-	(29,363)	(29,363)
Total comprehensive loss	-	(29,363)	(29,363)
Balance at 30 June 2017	2,200	(1,274,428)	(1,272,228)
Balance at 30 June 2015	2,200	(1,243,506)	(1,241,306)
Loss for the year	-	(1,559)	(1,559)
Total comprehensive loss	-	(1,559)	(1,559)
Balance at 30 June 2016	2,200	(1,245,065)	(1,242,865)

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	30 June 2017 \$	30 June 2016 \$
Cash Flow From Operating Activities			
Payments to Suppliers and employees		(1,590)	(1,559)
Payments for exploration and evaluation expenditure		(642,334)	(347,477)
Interest received		1	-
Net cash (used in) operating activities	8	(643,923)	(349,036)
Cash Flow From Investing Activities			
Payment for property, plant & equipment		(2,579)	-
Net cash (used in) investing activities		(2,579)	-
Cash Flow From Financing Activities			
Borrowings from related party		660,092	349,188
Net cash provided by financing activities		660,092	349,188
Net increase in cash held		13,590	152
Cash at the beginning of the year		1,213	1,061
Cash at the end of the year		14,803	1,213

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. Summary of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Corporations Act 2001. The directors have determined that the Company is not a reporting entity.

The financial report covers Galileo Mining Ltd as an individual company. Galileo Mining Ltd is a company, limited by shares, incorporated and domiciled in Australia. On 24 November 2017 the Company changed from a proprietary company limited by shares to a public company limited by shares and changed its name to Galileo Mining Ltd.

The report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following applicable Australian Accounting Standards and Australian Accounting Interpretations:

- AASB 101: Presentation of Financial Statements,
- AASB 107: Statement of Cash Flows,
- AASB 108: Accounting Policies, Changes In Accounting Estimates and Errors,
- AASB 1031: Materiality,
- AASB 1048: Interpretation of Standards,
- AASB 1054: Australian Additional Disclosures, and
- AASB 6: Exploration for and evaluation of Mineral Resources.

No other applicable Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

The report is prepared on an accruals basis and is based on historic costs. It does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Going Concern

Notwithstanding the Company's deficient assets, the financial statements have been prepared on a going concern basis as the directors have received a limited indemnity that the lender (see note 5) will not call upon the loan for a specific period. The directors believe that this support will continue to be made available. On this basis in the opinion of the Directors there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Whilst the Directors believe that the Company will continue to be supported by the related party, if these circumstances change there is a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and therefore may be unable to release its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

(b) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(d) Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment - Plant and equipment are measured on the cost basis.

Depreciation - All assets, excluding freehold land, are depreciated on a diminishing value basis over their useful life to the Company.

(e) Impairment of assets

The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or s of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

(f) Trade payables

These amounts represent liabilities for goods or services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(g) 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

(h) Issued capital

Ordinary share capital is recognised as the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(i) Share-based payment transactions

The cost of equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted.

Where the identifiable consideration received (if any) is less than the fair value of the equity instruments granted or liability incurred, the unidentifiable goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received (or to be received) measured at the grant date.

(j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the assets and liabilities statement are shown inclusive of GST.

(l) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(m) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of assets

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates.

(n) Exploration and evaluation

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 amortised 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 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(o) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

	2017 \$	2016 \$
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2. Trade and other receivables

(a) Current

Net GST Receivable	23,485	2,496
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2017 \$	2016 \$
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(b) Non-current

Other Receivable	1,000	1,000
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3. Plant and equipment

Plant and Equipment	2,579	-
Accumulated Depreciation	(2,579)	-
Net carrying amount	-	-

Reconciliation

Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current financial year.

At 1 July net of accumulated depreciation	-	-
Acquisitions	2,579	-
Depreciation	(2,579)	-
At 30 June net of accumulated depreciation	-	-

4. Exploration and evaluation expenditure

Costs carried forward in respect of: Exploration and evaluation phase – at cost	2,943,081	2,346,931
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Reconciliation

Reconciliation of carrying amount.

Opening balance	2,346,931	1,993,443
Incurred during the year	621,345	353,488
Written off during the year	(25,195)	-
Total exploration and evaluation expenditure	2,943,081	2,346,931

The ultimate recoupment of the Company'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.

	2017 \$	2016 \$
5. Borrowings		
Borrowings from related party	4,254,597	3,594,505

The loan facilities are floating facilities with a related party. These are currently on interest free terms.

2017 \$	2016 \$
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

6. Issued Capital

Paid up capital:		
10,001 (2016: 10,001) fully paid ordinary shares	<u>2,200</u>	<u>2,200</u>
<i>Movement of Issued Capital:</i>		
Opening balance	2,200	2,200
Shares issued during the year	<u>-</u>	<u>-</u>
End of financial year	<u>2,200</u>	<u>2,200</u>

7. Accumulated Loss

Accumulated Loss	<u>(1,274,428)</u>	<u>(1,245,065)</u>
<i>Movement of Accumulated Loss:</i>		
Opening balance	(1,245,065)	(1,243,506)
Loss for the year	<u>(29,363)</u>	<u>(1,559)</u>
End of financial year	<u>(1,274,428)</u>	<u>(1,245,065)</u>

8. Cash flow reconciliation

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cheque account	<u>14,803</u>	<u>1,213</u>
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Reconciliation of (loss) to net cash flow from operating activities

Net loss	(29,363)	(1,559)
Non-cash items		
Depreciation	2,579	-
Exploration costs written-off	25,195	-
Reclassification of exploration costs to operating activities	(642,334)	(347,477)
Net cash flows from operating activities	<u>(643,923)</u>	<u>(349,036)</u>

9. Directors and executives Remuneration

The Company does not currently remunerate any directors. The remuneration structure for executive officers, including executive directors, will be based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company.

The contract for service between the Company and specified directors and executives are on a continuing basis the terms of which are not expected to change in the immediate future.

10. Segment Information

Galileo operates predominantly in one business and geographic segment, being exploration of mineral deposits.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

11. Events Subsequent to Reporting Date

On 13 September 2017 Simon Jenkins and Brad Underwood were appointed as Directors.

On 13 September 2017 the Company approved a subdivision of capital on a 4,850 for 1 basis resulting in 48,504,850 ordinary shares on issue.

On 24 November 2017 the Company changed from a proprietary company limited by shares to a public company limited by shares and changed its name to Galileo Mining Ltd.

On 23 December 2017 the Company approved a consolidation of capital on a 1 for 0.42 basis resulting in 20,372,037 ordinary shares remaining on issue.

On 6 February 2018 10,000,000 options were issued to Brad Underwood and 2,500,000 options issued to Simon Jenkins. A further 2,500,000 options were issued to Noel O'Brien on 14 February 2018 (Options). The Options are exercisable at \$0.20 and expire on 31 January 2023. Provided that the Company is admitted to the official list of the ASX on or before 31 December 2018, each Option will only vest and become exercisable when the 60-day volume weighted average market price (as defined in the Listing Rules) of the Company's quoted Shares first exceeds \$0.60 per Share.

On 23 February 2018 the Company raised \$800,000 under a Seed Capital Raising through the offer of 80 Convertible Notes at a face value of \$10,000 per note to sophisticated or professional investors. Each Note will automatically convert into Shares on the date upon which the Company obtains conditional approval to be admitted to the official list of ASX. Each Note will automatically convert into 100,000 fully paid ordinary shares issued in the Company at a deemed issue price of \$0.10 per Share.

12. Contingent assets and liabilities

There are no contingent liabilities or contingent assets.

12. Financial assets and liabilities

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period. The carrying amounts of the financial assets and financial liabilities are considered to be a reasonable approximation of their value.

13. Company Details

The registered office of the Company is:

Galileo Mining Ltd
Level 11, 216 St Georges Terrace
Perth WA 6000

The principal place of business is:

Galileo Mining Ltd
8 Kings Park Road
West Perth WA 6005

GALILEO MINING LTD

ABN 70 104 114 132

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2017

The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the financial position as at 30 June 2017 and performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.



Brad Underwood

Dated: 26 March 2018

INDEPENDENT AUDITOR'S REPORT

To the members of Galileo Mining Limited (formerly PlatX Pty Ltd)

Report on the Audit of the Financial Report*Opinion*

We have audited the financial report of Galileo Mining Limited (formerly PlatX Pty Ltd) ("the Company") which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 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 Company 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* ("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.

Emphasis of matter – basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the director's financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information, comprising the directors' report on pages 3 to 5.

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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The director's responsibility also includes 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 Company 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 Company 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 Company'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 Company'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 Company 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, related safeguards.



HLB Mann Judd
Chartered Accountants



N G Neill
Partner

Perth, Western Australia
26 March 2018