

24 October 2018

ASX: GAL

Corporate Directory

Directors

Non-Executive Chairman
Simon Jenkins

Managing Director
Brad Underwood

Technical Director
Noel O'Brien

Fast Facts

Issued Capital	120.4m
Share Price	\$0.18
Market Cap	\$21.7m
Cash (30/09/18)	\$10.1m
Enterprise Value	\$11.6m

Projects

Norseman Cobalt Project
Fraser Range Nickel Project



Contact Details

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QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

For period ending 30 September 2018

Highlights

Norseman Cobalt Project (100% owned)

- 10,751 metres of RC drilling and 376 metres of diamond drilling undertaken at the Norseman Cobalt Project
- New cobalt mineralisation identified at the Goblin and Hobgoblin prospects and additional cobalt intercepted at the Mt Thirsty and Mission Sill resource areas
- Positive concentration results from cobalt samples with metallurgical test work program ongoing

Fraser Range Project (JV with the Creasy Group)

- Gravity and magnetic targets detected in the Fraser Range at the Nightmarch prospect
- 2,075 metres of first pass aircore drilling undertaken at the Empire Rose prospect in the Fraser Range
- Electro-magnetic surveying over interpreted intrusions at the Empire Rose prospect in the Fraser Range

Corporate

- Strong cash position of \$10.1 million at the end of the September Quarter

Galileo Mining Ltd (ASX: GAL, "Galileo" or the "Company") is pleased to provide a summary of activities and Appendix 5B for the Quarter ending 30 September 2018, the second quarter post listing on the ASX.

Commenting on the September Quarter, Galileo Managing Director Brad Underwood said:

"We completed multiple on-ground work programs during the quarter with positive results setting up a solid platform to build from over the coming six months."

"At our wholly owned Norseman Cobalt Project we employed a dual strategy of focussing on the discovery of additional cobalt mineralisation and on the metallurgical understanding of our existing resources."

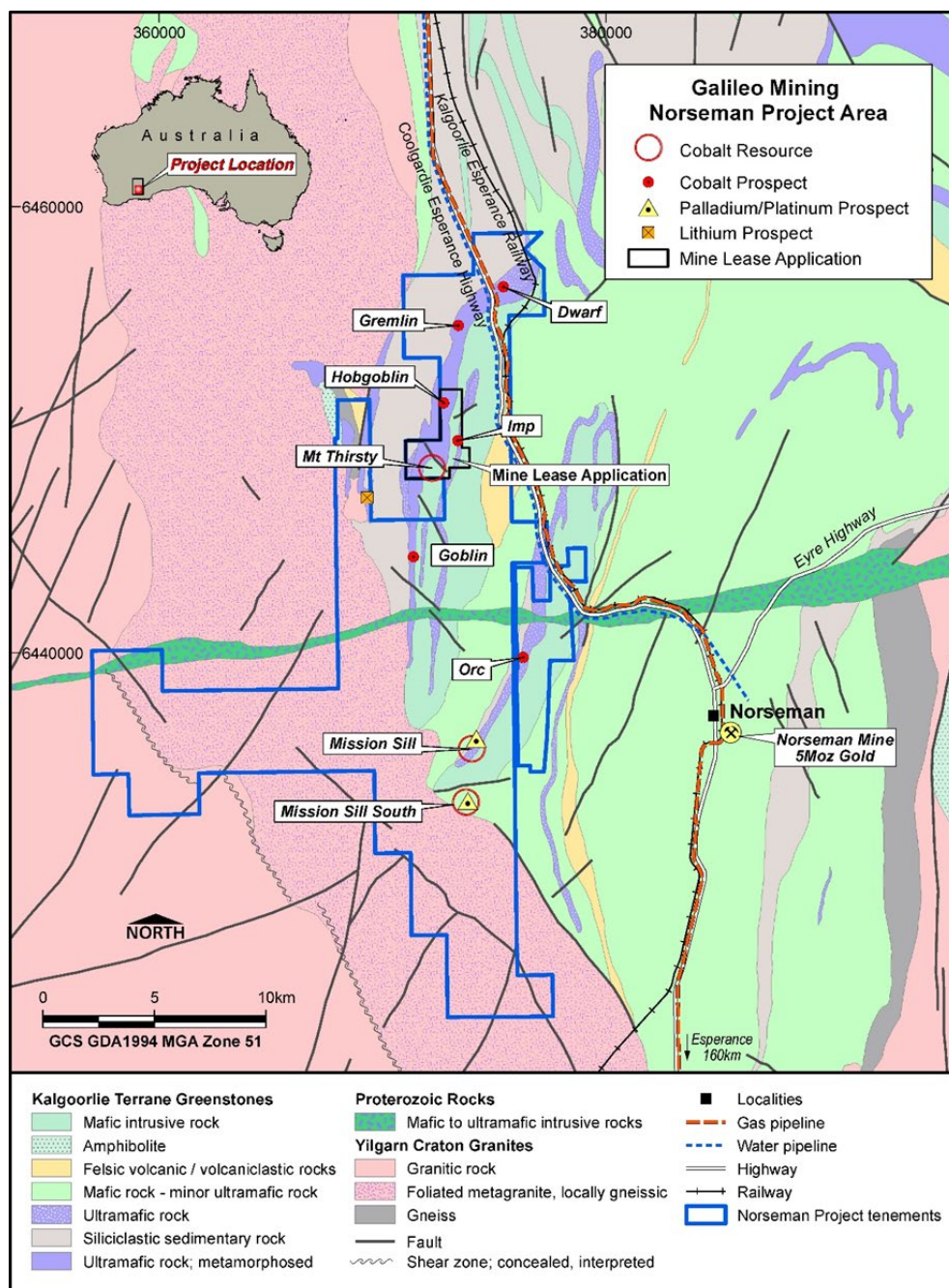
"Identification of new cobalt mineralisation with the intention of building resources was combined with metallurgical test work which demonstrated the ability to produce a cobalt concentrate from the resources."

"At the Fraser Range Project, we completed on-ground geophysical surveying of both tenement areas. A gravity survey was undertaken at the Nightmarch prospect with results indicating a strong gravity response at shallow depth. Electro-magnetic surveying and first pass reconnaissance drilling was completed at the Empire Rose prospect with results currently pending."

"Both prospects in the Fraser Range are highly prospective for magmatic nickel-copper deposits of the type discovered at Nova and Silver Knight. With two confirmed discoveries the Fraser Range appears to be a new mineralised province with potential for further discoveries in the region."

1. Norseman Cobalt Project, Norseman, WA

At the Norseman Cobalt Project Galileo has a portfolio of two granted exploration licenses and three granted prospecting licenses covering a total ground holding of 260 km². The project is centered on the JORC compliant resource of 20Mt @ 0.11 % cobalt and 0.53% nickel which contains 22,500 tonnes of cobalt metal and 106,000 tonnes of nickel ⁽¹⁾. Mine Lease application M63/671 covering 654 hectares was submitted over the quarter with environmental surveying and other permitting work ongoing. The project is also prospective for additional cobalt at multiple prospects where the underlying geology indicates potential for further mineralization.



⁽¹⁾ See the "About Galileo Mining" section on page 10 of this report for details of Galileo's JORC Resources

Diamond drilling for metallurgical samples during the quarter confirmed the high-grade nature of the cobalt mineralisation with cobalt grades up to 1.1% intersected at shallow depths. Figure 2 shows the high-grade cobalt core drilled within the JORC resource boundaries. Full details regarding the diamond drilling are available in Galileo's ASX announcement dated 13th August 2018.



Figure 2 – High Grade Cobalt Mineralisation from Drillhole GDH002 (7m @ 0.42% Co and 1.08% Ni from 13m)

Up to two tonnes of core from the diamond drilling was available for metallurgical test work. Early concentration test work from existing Mission Sill core suggested the cobalt resource was readily amenable to upgrade through conventional and commercially available techniques. Follow up test work released subsequent to the end of the quarter⁽²⁾ indicated that an average concentrate grade of 0.3% cobalt is achievable making Galileo's Norseman Cobalt Project one of the highest grade cobalt projects in Australia. Further concentration and leach test work is ongoing with results to be released to the market as they become available.

⁽²⁾ Refer to the Company's ASX announcement dated 16th of October 2018 accessible at <https://www.asx.com.au/asx/statistics/announcements.do?by=asxCode&asxCode=gal&timeframe=Y&year=2018>

Exploration drilling over the September quarter at the Norseman Project comprised of two campaigns totaling 10,751 metres of RC drilling. Cobalt was discovered over 2 kilometres of strike length at the new Goblin prospect (Figure 3). High grade mineralisation was also identified at the Hobgoblin prospect while additional cobalt mineralization was discovered at the Mission Sill South prospect. Accompanying the cobalt within the central zone of the Mission Sill South cobalt resource were high values of palladium and platinum. Drill intercepts including 12 metres at 2.2 g/t PGE from 12 metres and 15 metres at 1.4 g/t PGE from 45 metres were recorded (drill holes NRC152 and NRC156 respectively). Figure 4 shows the section view of PGE results from within the cobalt resource. Follow up drilling is required to determine the full extent of both the PGE and cobalt mineralisation.

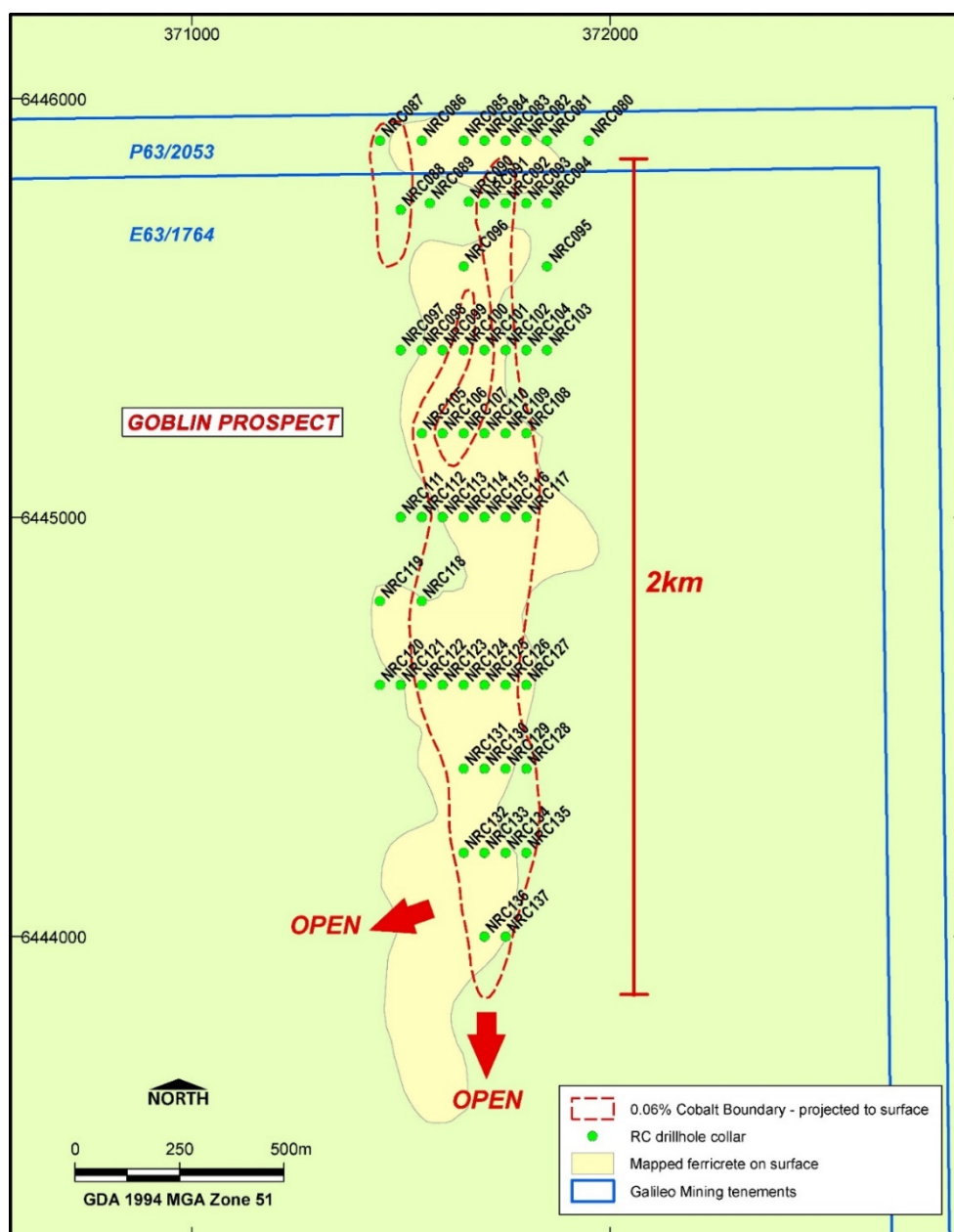


Figure 3 - Goblin Prospect showing RC Drillhole locations and boundary of 0.06% Cobalt mineralisation projected to surface. Cobalt intercepts were recorded at shallow depths between 12 and 60 metres. The prospect extends over 2 kilometres and is open to the south.

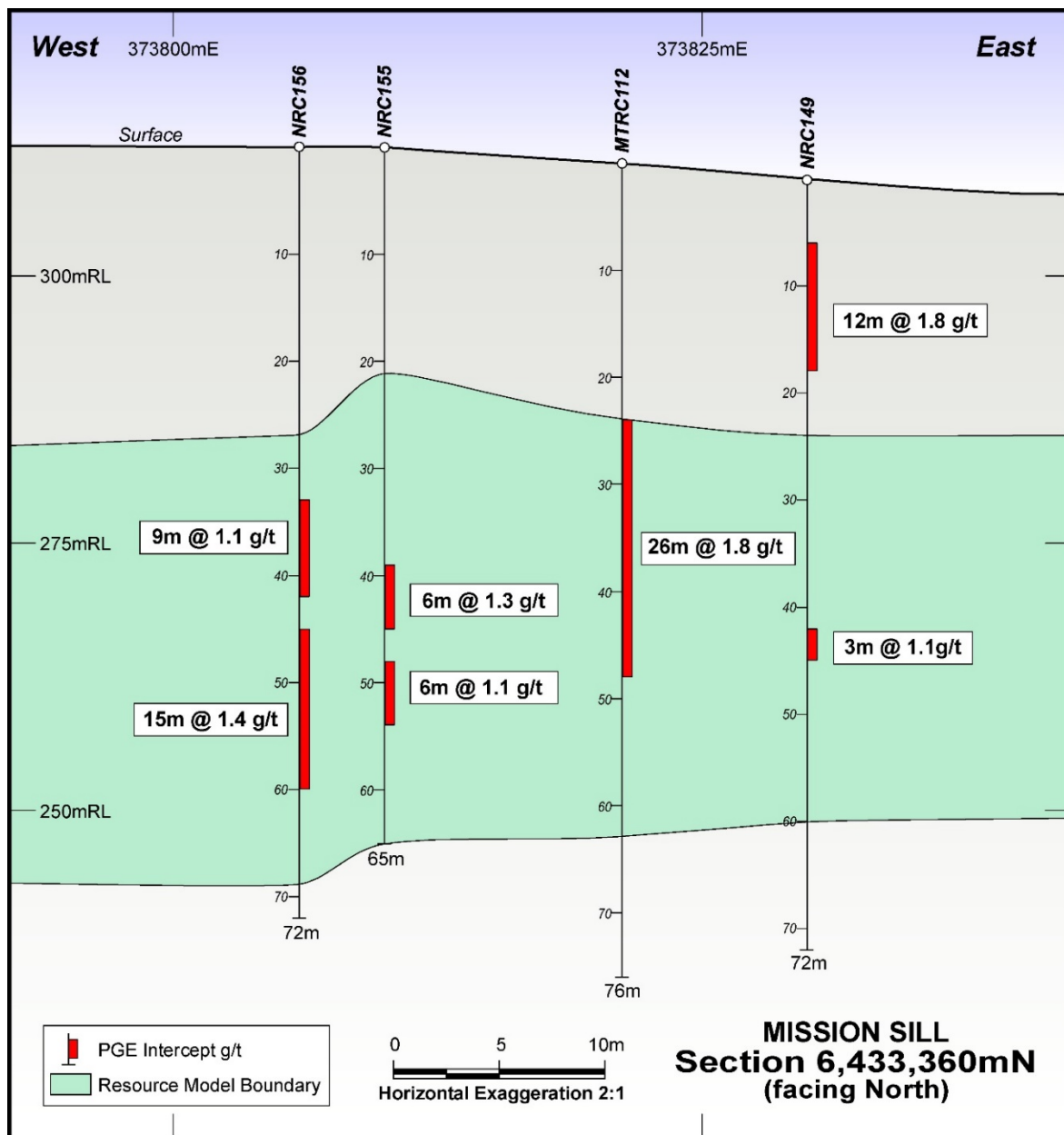


Figure 4 - Mission Sill South Section View Looking North showing PGE Results (Combined Palladium and Platinum) and Resource Model Mineralisation > 0.06% Cobalt

December quarter planned work programs for the Norseman Cobalt Project include:

- Ongoing concentration test work targeting favourable cobalt mineralogy
- Leach test work on cobalt concentrate and resource samples
- Scoping study level estimation of Capex and Opex costs
- Metallurgical domaining of the current JORC compliant resources
- Mineral Resource Estimation of the Goblin prospect (dependent on independent geological review)
- Environmental surveys within the Mine Lease Application area
- Electro-magnetic surveying of stratigraphy prospective for Kambalda style (komatiite) nickel sulfide mineralisation

2. Fraser Range Project, WA

Galileo has two Joint Ventures covering 492 km² of granted exploration licenses in the Fraser Range region of Western Australia. The tenements are prospective for magmatic nickel-copper-cobalt mineralization similar to that discovered at Nova in 2012 and at Silver Knight in 2015. The presence of two significant discoveries in the Fraser Range indicates that the area is a developing mineral province and that new discoveries may be forthcoming in the future. Figure 5 shows the location of Galileo's prospects and tenements in the Fraser Range with respect to the Nova and Silver Knight deposits and other key tenement holders in the Fraser Range.

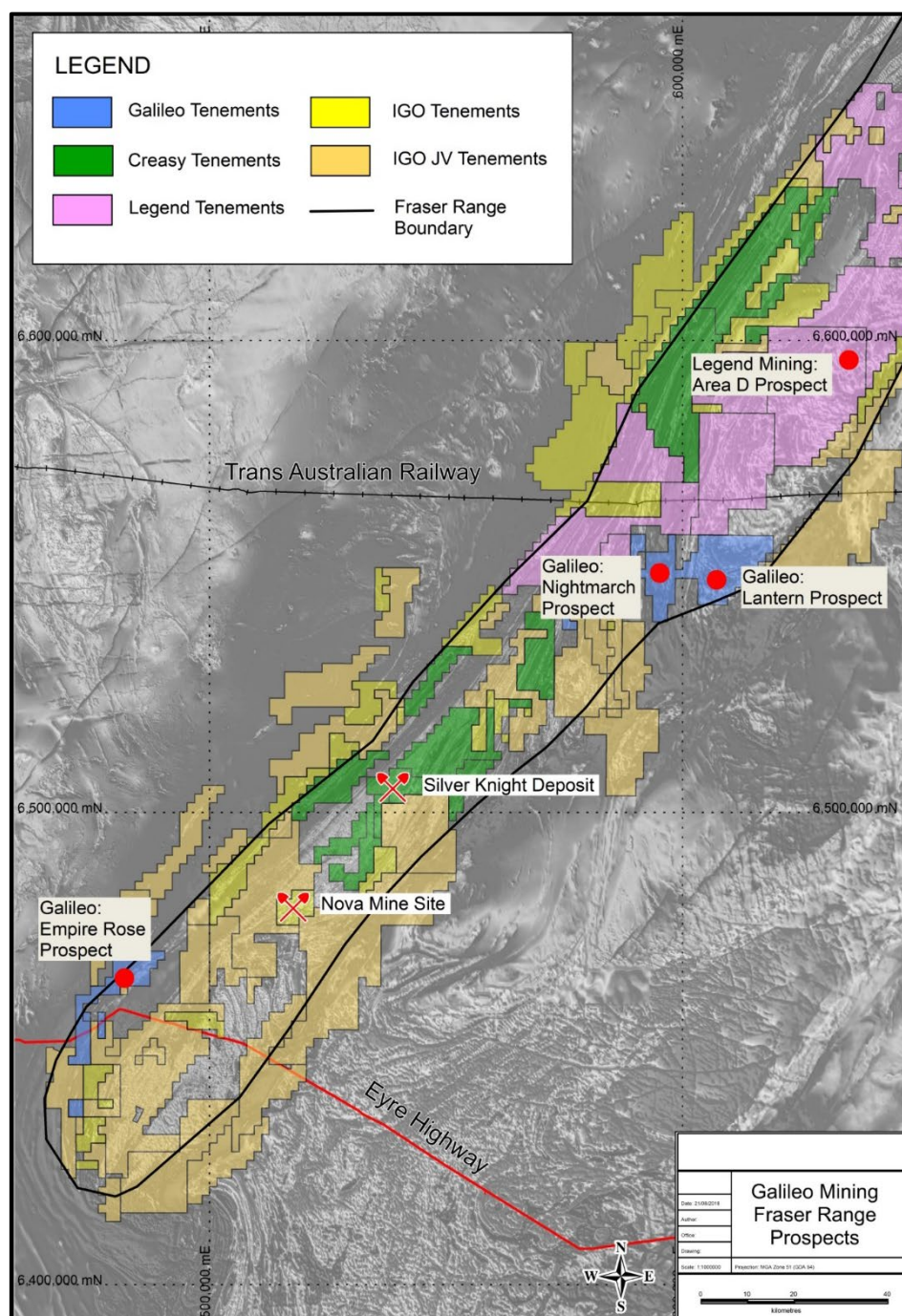
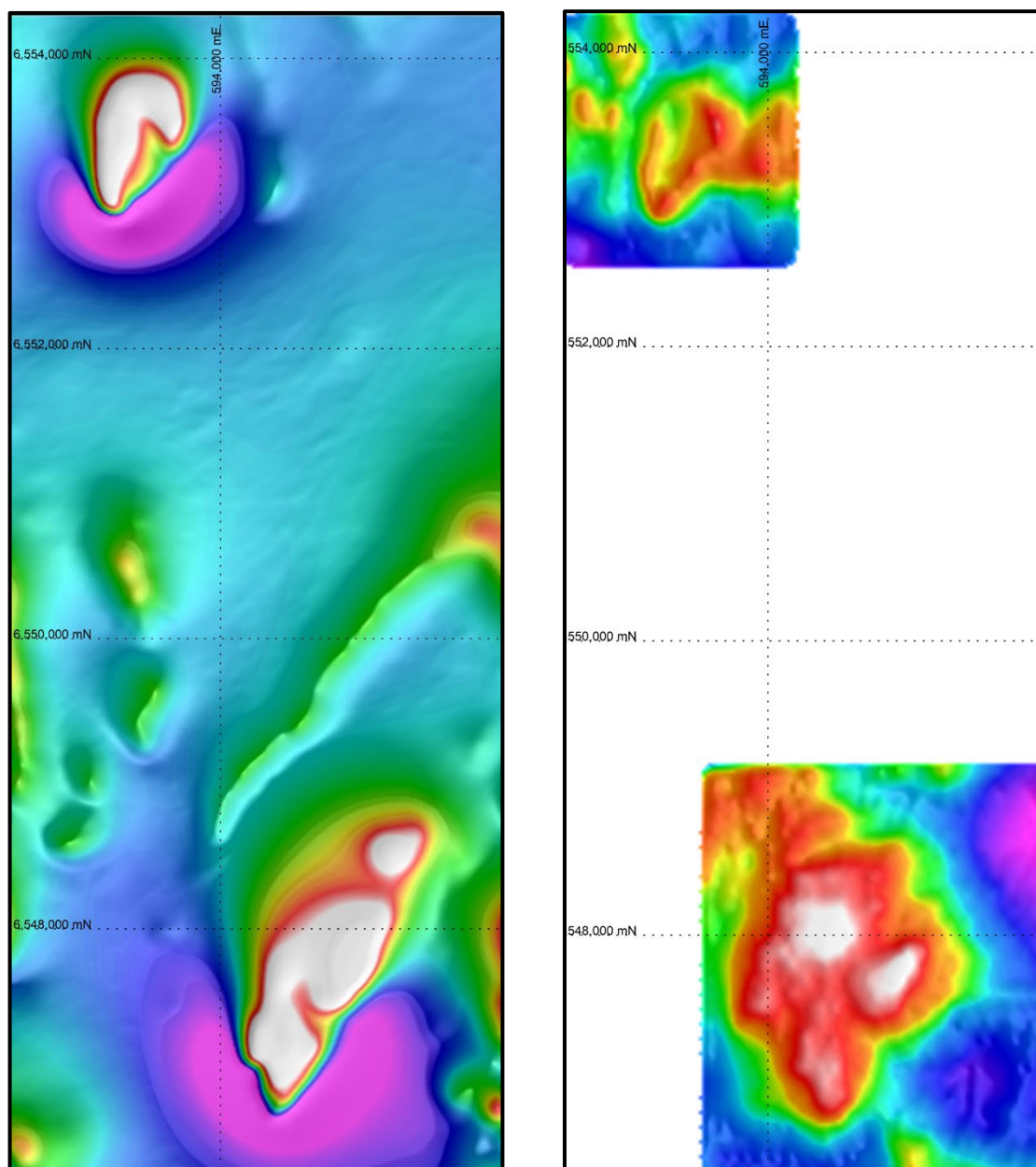


Figure 5 – Galileo's Fraser Range tenement holdings (blue) with Empire Rose, Nightmarch and Lantern prospect locations as marked. Silver Knight and Nova deposits are shown by mine symbols.

Work during the quarter on the Fraser Range project included a detailed gravity survey over an area at the Nightmarch prospect which had been identified as prospective by airborne magnetics. Modelling of the gravity and magnetic data indicated shallow depths to targets of between 40 and 80 metres. Figure 6 displays the magnetic and gravity images at identical scales for ease of comparison. Due to the shallow sand cover over the prospect the area is blind to soil sampling and other surface prospecting techniques. The Nightmarch anomalies represent high quality targets with geophysical signatures indicating intrusive rocks similar to those which contain the Nova and Silver Knight deposits. Permit applications for first pass drilling have been submitted to the Department of Mines with target testing to commence upon receipt of approvals.



Figures 6 and 7 –Nightmarch Total Magnetic Intensity image on left with Residual Gravity image on right, using the same 2 km scale bars. Both intense magnetic anomalies are linked to gravity features, consistent with magmatic intrusions prospective for nickel-copper-cobalt mineralisation.

Work at the Empire Rose prospect in the Fraser Range consisted of 2,075 metres of first pass aircore drilling over the intrusive patterns interpreted from detailed aeromagnetic data (Figure 8). 51 drill holes were completed with an average depth to fresh rock of 41 metres. Drill samples have been sent to the laboratory with assay results expected in late October. A Moving Loop Electro Magnetic (MLEM) geophysical survey commenced during the September quarter and concluded shortly after the end of the quarter. The survey was designed to look for conductive rocks that might represent accumulations of nickel and copper sulphides. The MLEM survey was run over the same area as that targeted by the first pass drilling. By combining both data sets it is anticipated that a comprehensive understanding of the prospect will be developed. Results of the MLEM survey are expected in late October.

December quarter planned work programs for the Fraser Range Project include:

- Interpretation of first pass drilling results from the Empire Rose prospect
- Interpretation of MLEM geophysical survey results from the Empire Rose prospect
- Induced Polarisation (IP) survey at the Empire Rose prospect
- Permit applications for additional drilling within the Fraser Range project area

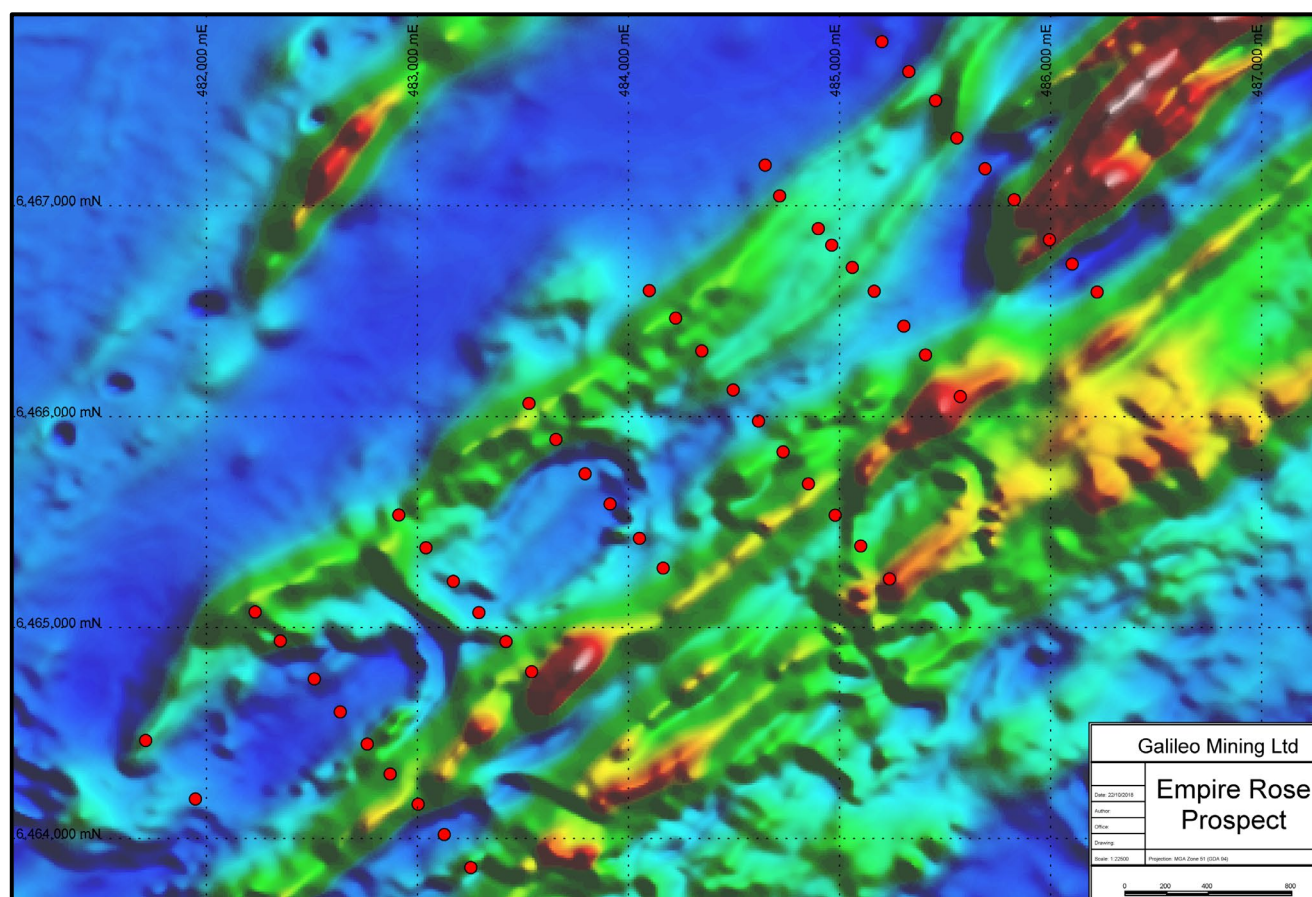


Figure 8 – Empire Rose prospect with reconnaissance aircore drill holes (red dots) over Total Magnetic Intensity image. Holes were drilled on an 800m by 200m grid pattern to gain an understanding of the bedrock geology in an area with no outcrop or surface indicators.

3. Corporate

As at 30th September 2018 the Company had cash of approximately \$10.1 million.

During the quarter the most significant costs incurred were related to Exploration and Evaluation with 85% of expenditure over the quarter falling into this category. Funds received over the quarter included a GST refund of \$117,000 and interest of \$14,000.

Please refer to the attached Appendix 5B report for the period ended 30 September 2018 for further information.

Galileo released its Annual Financial Report to 30 June 2018 to the ASX on the 20th September 2018.

Capital Structure

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

Quoted Securities:

Number	Class
88,696,037	Ordinary Fully Paid Shares (Shares)

Un-Quoted Securities

Number	Class
28,094,895	Shares- held in escrow for 24 months from 29 May 2018
3,600,000	Shares- held in escrow for 12 months from 16 May 2018
15,000,000	Class A Options Ex @\$0.20 Exp 31/1/2023- held in escrow for 24 months from 29/5/2018 Vesting condition 60-day VWAP > \$0.60
2,200,000	Performance Rights Vesting @ \$1.00/ Exp 31/1/2023 Vesting condition 10-day VWAP > \$1.00

Competent Person Statement

The information in this release that relates to Metallurgy and metallurgical test work has been reviewed by Mr Noel O'Brien, FAusIMM, MBA, B. Met Eng. Mr O'Brien is a Director of the company and is employed as a contract consultant. Mr O'Brien is a Fellow of the Australasian Institute of Mining and Metallurgy, he has sufficient experience with the style of processing response and type of deposit under consideration, and to the activities undertaken, to qualify as a competent person as defined in the 2012 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code). Mr O'Brien consents to the inclusion in this report of the contained technical information in the form and context as it appears.

The information in this report that relates to Exploration Results is based on information compiled 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 report of the matters based on his information in the form and context in which it appears.

Investor information: phone Galileo Mining on + 61 8 9463 0063 or email info@galmining.com.au

Media:

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T: +61 433 112 936

About Galileo Mining:

Galileo Mining Ltd (ASX: GAL) is focussed on the exploration and development of cobalt and nickel resources in Western Australia. GAL holds tenements near Norseman with over 22,000 tonnes of contained cobalt, and 106,000 tonnes of contained nickel, in JORC compliant resources (see Figure 3 below). GAL also has Joint Ventures with the Creasy Group over tenements in the Fraser Range which are prospective for nickel-copper-cobalt deposits.

Figure 9: JORC Mineral Resource Estimates for the Norseman Cobalt Project ("Estimates") (refer to ASX "Prospectus" announcement dated May 25th 2018 and 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).

Cut-off Co, ppm	Class	Tonnes Mt	Co		Ni		Mn %
			%	Kt	%	Kt	
MT THIRSTY SILL							
600	Indicated	10.5	0.12	12.1	0.58	60.8	0.71
	Inferred	2.0	0.11	2.2	0.51	10.2	0.71
	Total	12.5	0.11	14.3	0.57	71.1	0.71
1,000	Indicated	5.2	0.15	8.0	0.64	32.9	1.01
	Inferred	0.8	0.15	1.2	0.52	4.1	1.09
	Total	6.0	0.15	9.2	0.62	37.0	1.02
MISSION SILL							
600	Inferred	7.7	0.11	8.2	0.45	35.0	0.80
1,000	Inferred	2.8	0.15	4.4	0.47	13.4	1.20
TOTAL JORC COMPLIANT RESOURCES							
600		20.2	0.11	22.5	0.53	106.1	0.74
1,000		8.8	0.15	13.6	0.57	50.4	1.08

Appendix 1: Galileo Mining Tenement Schedule as at 30 September 2018

Project	Tenement reference & Location	Interest at beginning of Quarter	Interest at end of Quarter	Nature of Interest As at end of Quarter
NORSEMAN COBALT PROJECT	All tenements are in Western Australia			
	E63/1041	100%	100%	Active
	E63/1764	100%	100%	Active
	P63/2053	100%	100%	Active
	P63/2106	100%	100%	Active
	P63/2108	100%	100%	Active
FRASER RANGE PROJECT	All tenements are in Western Australia			
	E28/2064	67%	67% NSZ ⁽¹⁾	Active
	E63/1539	67%	67% FSZ ⁽²⁾	Active
	E63/1623	67%	67% FSZ ⁽²⁾	Active
	E63/1624	67%	67% FSZ ⁽²⁾	Active

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

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

GALILEO MINING LTD

ABN

70 104 114 132

Quarter ended ("current quarter")

30 SEPTEMBER 2018

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(1,102)	(1,102)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(29)	(29)
	(e) administration and corporate costs	(154)	(154)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	14	14
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (Net GST refunded)	117	117
1.9	Net cash from / (used in) operating activities	(1,154)	(1,154)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(19)	(19)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Security Deposit refunded)	4	4
2.6	Net cash from / (used in) investing activities	(15)	(15)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period	(1,169)	(1,169)
4.1	Cash and cash equivalents at beginning of period	11,275	11,275
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,154)	(1,154)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	(15)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	10,106	10,106

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	273	66
5.2	Call deposits	9,833	11,209
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	10,106	11,275

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

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Current quarter \$A'000
109
-

7. Payments to related entities of the entity and their associates

**Current quarter
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

-

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

--

8. Financing facilities available

Add notes as necessary for an understanding of the position

**Total facility amount
at quarter end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

8.1 Loan facilities

-

-

8.2 Credit standby arrangements

-

-

8.3 Other (please specify)

-

-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows for next quarter

\$A'000

9.1 Exploration and evaluation

882

9.2 Development

-

9.3 Production

-

9.4 Staff costs

93

9.5 Administration and corporate costs

163

9.6 Other (provide details if material)

(37)¹

9.7 Total estimated cash outflows

1,101

¹Includes forecast interest income

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	*			
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

*Refer to Quarterly Activities Report for Schedule of Tenements.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



24 October 2018

Sign here:
(Company secretary)

Date:

Print name:
Mathew Whyte

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.