GALILEO MINING LTD

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2019

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CHAIRMAN'S LETTER

Dear Shareholder

I am pleased to present this Annual Financial Report of the Company to you on behalf of the Board.

2019 saw the Company continue to implement its strategic plan after listing in May 2018.

This plan focused on the Company conducting a series of drilling campaigns intended to increase its Norseman cobalt resources and commence exploration of its Fraser Range projects.

The highlights of these drilling and exploration campaigns included a 24% increase in tonnes to the cobalt JORC resource at the Norseman Cobalt Project, the discovery of an out-cropping copper prospect at Subzero, and promising air core and diamond core drilling results at the Lantern and Empire Rose Prospects in the Fraser Range.

Further details of the activities are set out in the Review of Operations section of the Directors Report.

In the upcoming year, work will continue on identifying the copper potential at the Subzero Prospect near Norseman. The Company will also focus on drilling the promising and substantial mafic-ultramafic intrusion at Lantern as well as building the prospectivity of the recently identified sulphide mineralised rock units at Empire Rose.

Additionally, should the cobalt price improve, there will be renewed focus on the exploration and development of the Norseman Cobalt Project.

Whilst difficult market conditions and a low cobalt price present challenges to the Company, Galileo is well placed with a strong cash position and experienced management ready to exploit the mineral potential of the Company's projects.

On behalf of the Board, I thank you for your ongoing support and look forward to the year ahead.

Yours faithfully

Simon Jenkins
Non-Executive Director
GALILEO MINING LTD

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019

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 2019.

DIRECTORS

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

- Simon Jenkins (Chairman)
- Richard (Brad) Underwood (Managing Director)
- Noel O'Brien (Technical 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 2019 after providing for income tax amounted to $1,097,116 (2018: $677,373).

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.

At the end of the financial period the Group had cash on hand, including deposits of $7,070,456 (2018: $11,275,323) and Net Assets of $15,956,047 (2018: $16,665,935).

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 a JORC compliant cobalt-nickel resource; and

2) The Fraser Range Project with exploration tenements prospective for nickel-copper-cobalt deposits.

Work during the year on the Norseman Project focussed on the growth of the Mt Thirsty cobalt-nickel resource with a greater than 20% increase in resource tonnes; metallurgical understanding of the current deposit; progression of the permitting required for mining; and the development of additional prospects within the project area.

At the Fraser Range Project several targets prospective for Nova style magmatic nickel-copper deposits were drill tested. The most advanced of these is the Lantern Prospect which represents a large-scale target with anomalous geochemistry in drilling and a geophysical signature consistent with potentially mineralised intrusive rocks. Diamond drilling at the Empire Rose prospect in the Fraser Range showed an accumulation of sulphides with anomalous levels of gold and silver. The target stratigraphy is open along strike both to the north-west and the south-east.

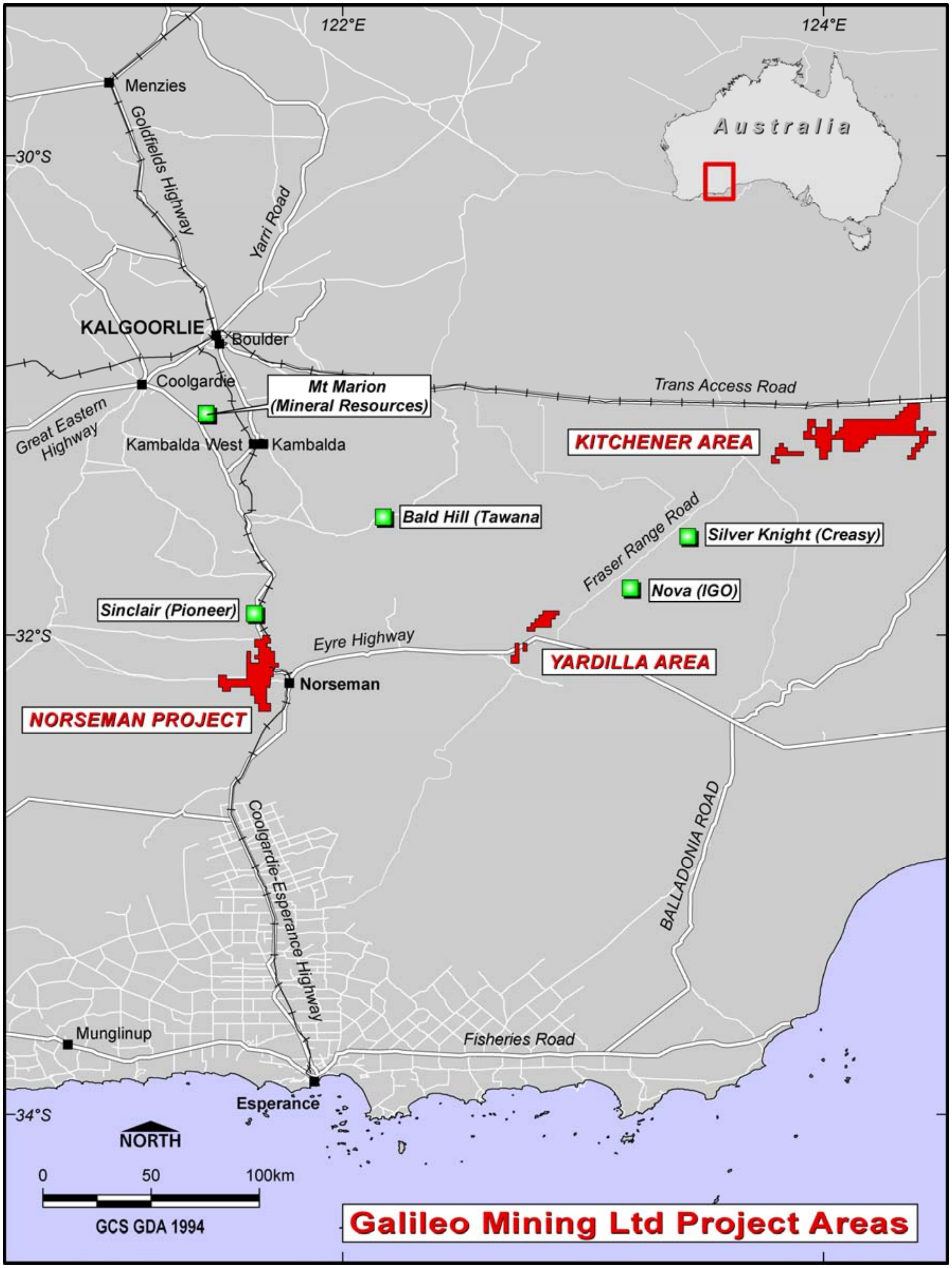

Figure 1: *Galileo Mining Ltd Project Locations with Selected Mines and Deposits.*

Highlights of the Company's Activities during the year included:

Norseman Project (100% owned)

- 24% increase in tonnes to the cobalt-nickel JORC resource taking the total contained cobalt to 26,600 tonnes and the total contained nickel to 122,500 tonnes (1)
- Advanced understanding of the metallurgical characteristics of the resource base
- Application for a Mining Lease and supporting Miscellaneous Licenses over the core JORC resource at Mt Thirsty
- Discovery of outcropping copper prospect at Subzero with subsequent development of targets for drill testing

Fraser Range Project (JV with Creasy Group)

- First pass aircore drilling at the Lantern nickel-copper prospect returned best results of 27m @ 0.18% nickel and 0.17% copper from 47m (drill hole LAAC041) (2)
- Electromagnetic surveying and gravity surveying completed after the end of the period at Lantern showed a geophysical response consistent with that expected from fertile intrusive magmatic systems
- Maiden diamond core drilling at the Empire Rose Prospect intersected anomalous gold within sulphide mineralisation (3)
  - 1m @ 0.25 g/t gold and 0.8 g/t silver from 420m in ER001
  - 1.05m @ 0.18 g/t gold and 0.9 g/t silver from 220m in ER003

Corporate

- Strong cash position of $7.1 million at the end of the June Quarter 2019

During the year the Company's main activities were progressing the Norseman cobalt resource and the exploration of the Fraser Range project through a series of drilling campaigns as well as improving the commodity profile of the Norseman project through the identification of a new copper target at the Subzero Prospect.

Norseman Project, WA

Galileo successfully increased the resource base at the Norseman Project with the delivery of a maiden resource estimate at the Goblin prospect located just three kilometres south of the Company's Mt Thirsty resource. The Goblin Prospect has an inferred resource of 4.9Mt at 0.08% Co for 4,100 tonnes of contained cobalt, contributing a 24% increase in the overall JORC resource tonnes at the Norseman Project (see Figure 2). Further drilling at the Mission Sill South JORC resource defined cobalt anomalous mineralisation outside of the existing resource boundary and additional undrilled cobalt targets exist within the Norseman project area.

Test work on cobalt-nickel diamond drill core from the Norseman Project has progressed the understanding of the metallurgical characteristics of the resource with concentration test work showing the ability of the material to be upgraded using conventional sizing techniques. Metal extraction tests undertaken on concentrate samples at ALS Metallurgy's Perth Laboratory, under the guidance of Galileo consultants SGS-Bateman, demonstrated the ability for cobalt and nickel to be extracted at atmospheric pressure. The use of atmospheric leaching is a key benefit of the Norseman cobalt resource in that it removes the need for expensive high-pressure acid leaching which is a requirement of many laterite cobalt resources within Australia.

(1) See Figure 2 on page 7 for full details of current Norseman resource base
(2) Refer to Galileo's ASX Announcement dated 26th March 2019
(3) Refer to Galileo's ASX Announcement dated 4th July 2019

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

Figure 2: *Galileo Mining Ltd 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. Numbers in the above table have been rounded to two or three significant figures.

Competent Person Statement

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, 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.

A Mining Lease Application (M63/671) was lodged with the Department of Mines, Industry Regulation and Safety (DMIRS) in September 2018. The application covers 654 hectares over the main Mt Thirsty resource within the Norseman Project (see Figure 3 below). Supporting Miscellaneous License applications covering a further 2,500 hectares of ground were also submitted in September 2018. Upon grant the Miscellaneous Licenses will allow for the development of critical mining infrastructure including roads, water bores, power lines and pipelines.

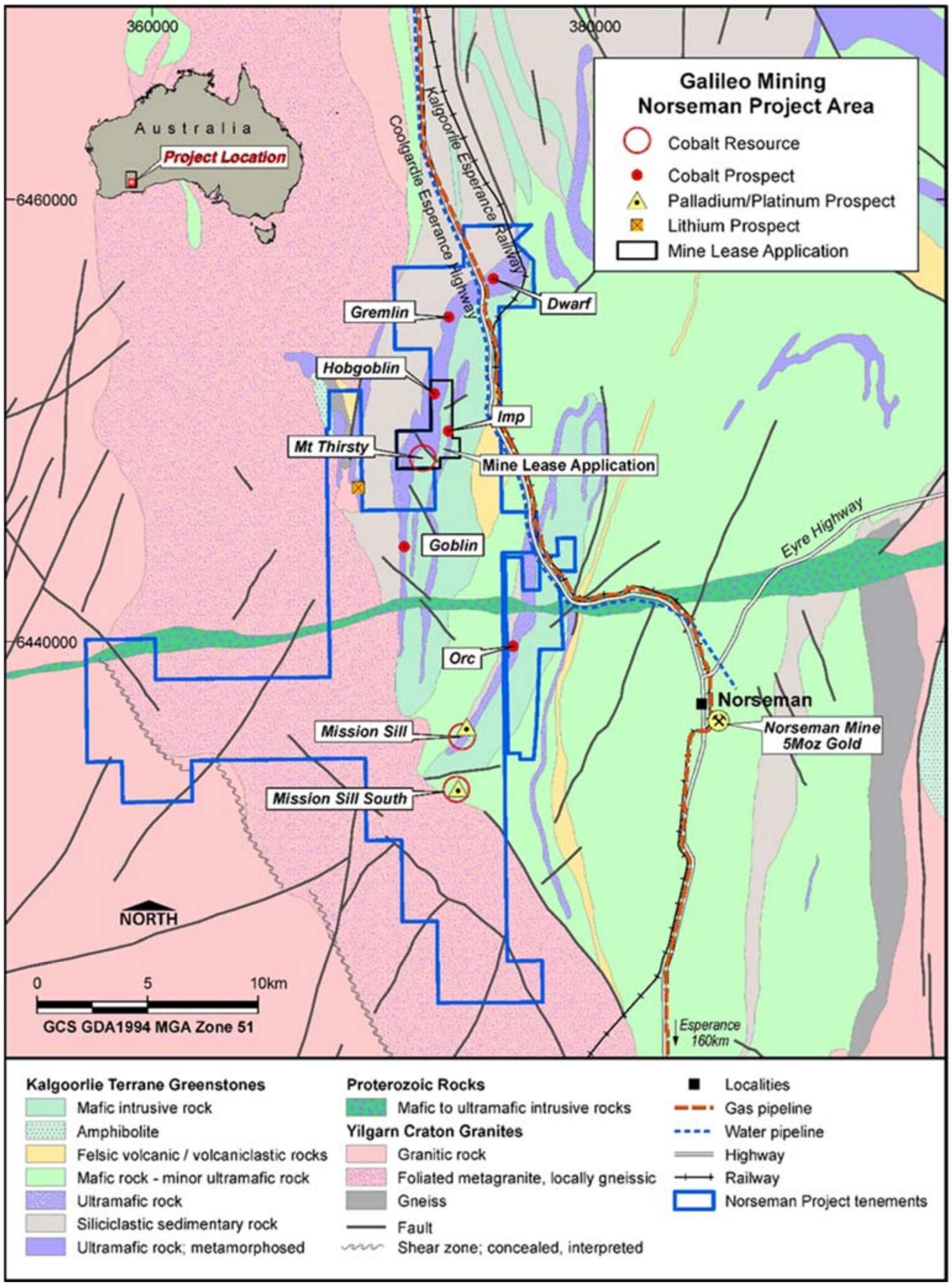

Figure 3: *Mt Thirsty Mining Lease Application Location with Regional Infrastructure and Additional Mission Sill Cobalt Resources*

In anticipation of environmental requirements for the development of a potential mine the Company has undertaken a detailed flora survey over the main resource area at Norseman with the remainder of the Mine Lease application surveyed at a reconnaissance level. A Level 1 terrestrial fauna survey has also been completed over the entirety of the Mine Lease application.

Since the previous Annual Report, the Company has experienced a substantial reduction in the Cobalt price which has impacted on its immediate plans for the Norseman Cobalt Project. It is expected that if cobalt prices improve in the future then the Norseman Cobalt Project may again become a significant focus of the Company's exploration and development programme. Project permit approvals will be a considerable value-add to the asset base at Norseman in the event that cobalt prices recover sufficiently.

Ongoing review of the mineral prospectivity at the Norseman Project, combined with Galileo's detailed magnetic survey completed in February 2019, has resulted in the development of a new copper target at the Subzero Prospect. Surface sampling at this prospect recorded copper values up to 6.5% and 19.9% copper (4) from oxide breccia rocks adjacent to historic prospectors' workings (see Figure 4).

(4) Refer to Galileo's ASX Announcement dated 28th May 2019

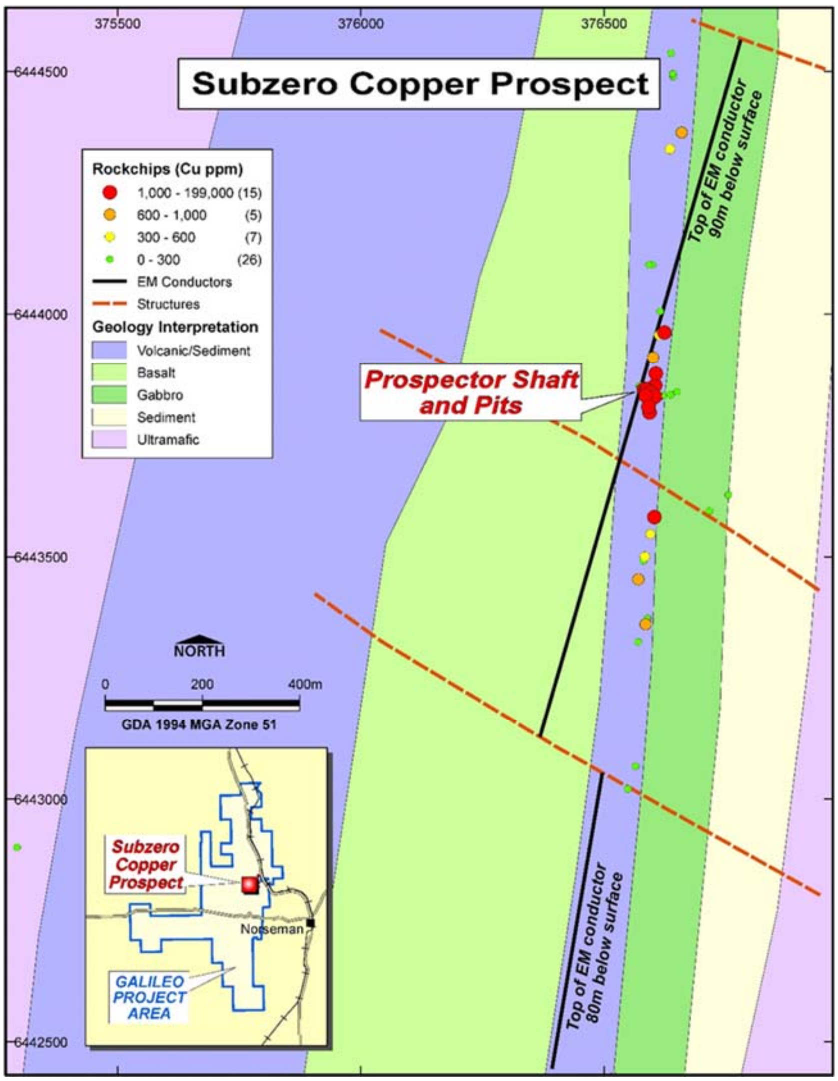

***Figure 4:** Subzero geology map of prospective volcanic rock units, copper sampling, and EM conductors*

The surface samples were taken from a volcanic-sedimentary rock unit where it outcrops. This rock unit can be traced for over two kilometres along strike. Pillow basalts have been mapped to the west of the copper outcrop which is hosted in a silicified volcanic sediment. To the east a gabbro appears to have intruded the volcanic sequence. Cross structures have been interpreted from a recently flown detailed 50m magnetic survey and may represent zones of fluid flow.

An extensive Moving Loop Electro Magnetic (MLEM) survey was completed at Subzero with the results received after the end of the year. Highly conductive targets were recorded over a strike length of 2.1km matching the prospective volcanic rock units mapped in the field. Modelling of EM data shows two strongly conductive zones with depth to top of source estimated to be 80 to 90 metres. An RC drilling program is planned for the August 2019 with initial testing to focus on the potential for copper mineralisation beneath the gossan and on the EM conductor along the prospective contact.

The review of mineral prospectivity at the Norseman Project has also demonstrated the potential for lithium rich pegmatites in the area. Field mapping has delineated zones of pegmatites at a number of prospects (see Figure 5). Soil and rock chip sampling programs have been undertaken and Lithium-Caesium-Tantalum (LCT) pegmatites have been successfully identified however no lithium-spodumene samples have yet been recorded. Work will continue on the lithium potential at Norseman with a small number of scout drill holes planned to test pegmatites for possible lithium rich zones at shallow depths.

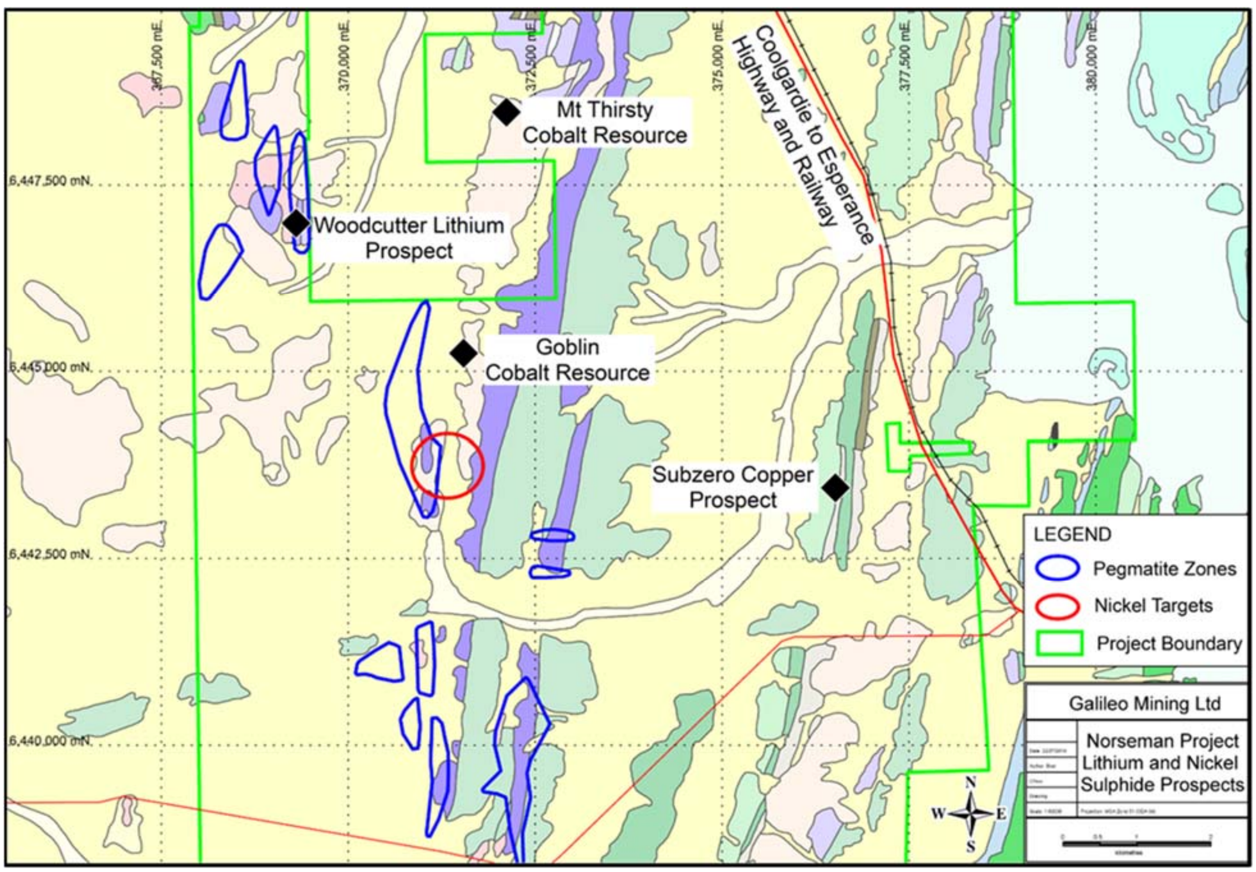

__Figure 5:__ Location of pegmatite outcrop and nickel sulphide targets within the Norseman Project area. Background image is GSWA 100k mapping.

Since flying the detailed 50 metre line spaced aeromagnetic survey the Company has revised the regional stratigraphy of the Norseman Project to better understand mineral potential. As well as defining the basalt units which host the Subzero copper prospect, the magnetic survey has outlined in more detail the mapped komatiite unit southwest of the Goblin cobalt resource (see Figure 5). A possible embayment in the komatiite flow has been recognised and will be the subject of a scout drill hole to test for nickel sulphide mineralisation. An EM survey over the Goblin Prospect showed a conductive unit in the area which will also be drill tested to determine its relationship to sulphide mineralisation.

Fraser Range Project, WA

The Fraser Range project covers exploration licences totalling 492 km^2 in the Albany-Fraser Orogen. The Albany-Fraser Orogen is dominated by the northeast-trending Fraser Zone, a suite of high-grade metamorphic rocks that have a distinct geophysical signature in both aeromagnetic and gravity data. The Fraser Zone comprises mainly metagabbroic rocks interlayered with sheets of granitic gneisses.

Galileo's Fraser Range project is located across two areas – the northern Kitchener zone which hosts the company's Lantern and Nightmarch prospects and the southern Yardilla zone which holds the Empire Rose and Yardilla South prospects.

The project is well positioned within the nickel-copper bearing Fraser Range Zone, with the Nova Bollinger and Silver Knight deposits located between the two Galileo-controlled areas. The location also offers excellent access to infrastructure, with the main Eyre highway immediately south of the Fraser Range project area (see location map in Figure 1).

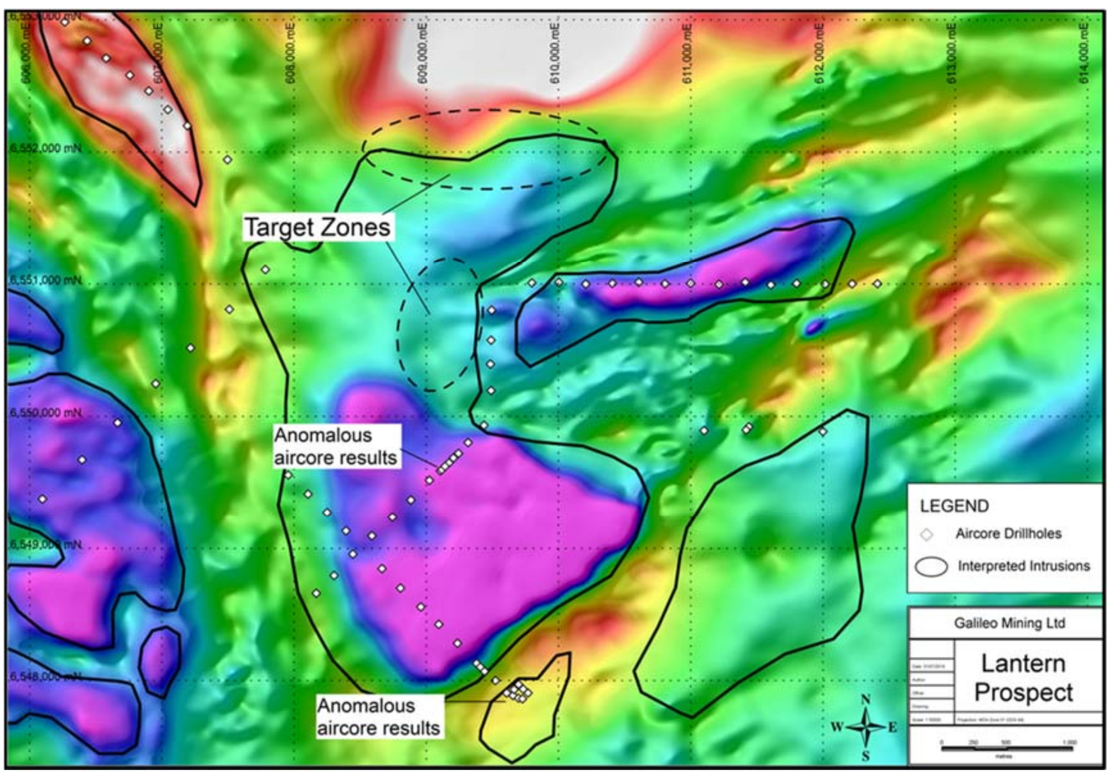

Figure 6: Lantern Prospect Total Magnetic Intensity image with interpreted intrusions, completed aircore drilling collars, and priority follow-up drill targets.

First pass aircore drilling was undertaken at the Lantern and Nightmarch prospects during the year based on magnetic and gravity data which highlighted the potential for intrusions associated with mineralised nickel deposits. Both prospects are covered by approximately 40 metres of recent sediments which effectively masks the target basement rocks from traditional surface prospecting techniques such as soil sampling. Following the completion of drilling the Nightmarch prospect was found to be related to folded banded iron formation however the Lantern prospect was shown to be a substantial mafic-ultramafic intrusion of the type that are host to the known Fraser Range nickel mineralisation at the Nova and Silver Knight deposits.

Analysis of first pass drilling at Lantern provided the Company with promising results with assays which included [(2)]:

- 27m @ 0.18% nickel and 0.17% copper from 47m (drill hole LAAC041)
- 8m @ 0.21% nickel and 0.03% copper from 45m (drill hole LAAC042)
- Maximum copper value 0.36% from LAAC041 (47-48m)
- Maximum nickel value 0.34% from LAAC042 (50-51m)

Encouragingly, the Company has intersected prospective rock units which include gabbro, gabbro-norite, pyroxenite, peridotite, and mafic cumulates. These rock types are frequently found in association with magmatic nickel mineralisation and are a part of the host rock sequence at the Fraser Range Nova and Silver Knight deposits. Prospective rock units occur over a significant distance indicating the area has a suitable scale to potentially host an economic mineralised system.

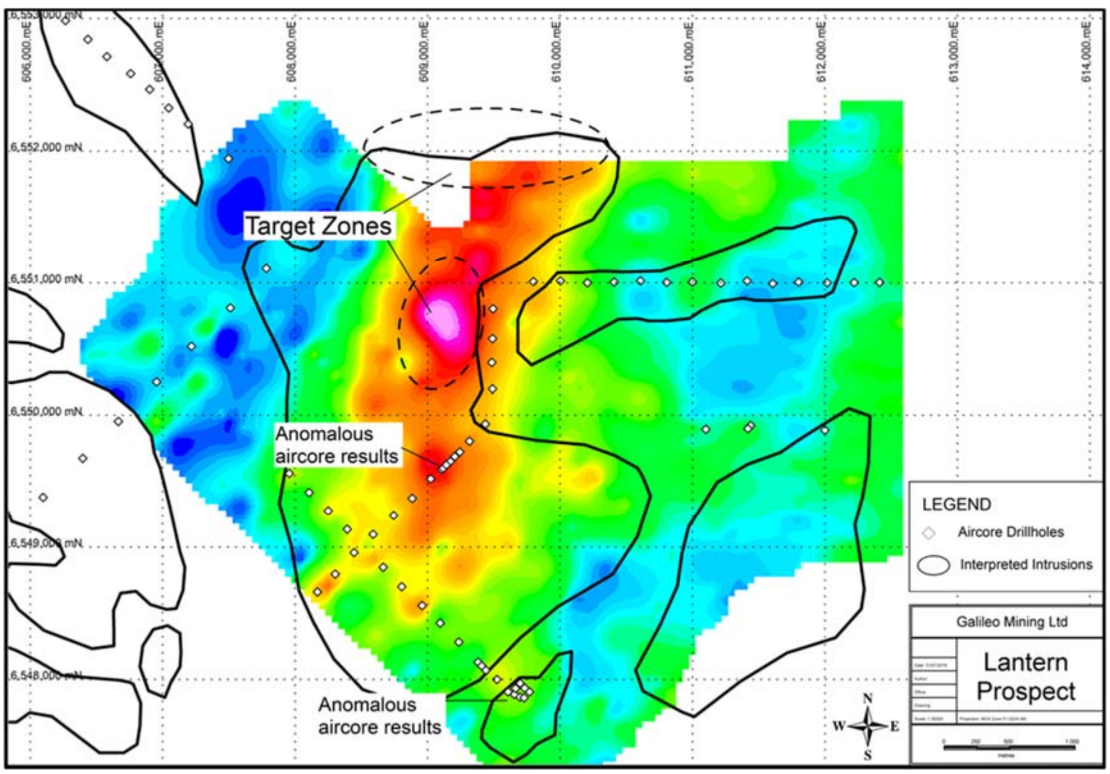

Figure 7: *Lantern Prospect late time MLEM Channel 36 (194ms) data with interpreted intrusions and completed aircore drilling collars. Priority targets are marked by dotted outlines.*

Following up on these strong results, detailed moving loop electro-magnetic (MLEM) and gravity surveys were undertaken. Following the end of the year the Company released the results of these surveys which successfully identified a large-scale conductive target (see Figure 7).

The MLEM survey was conducted over 54 line-km covering approximately 60% of the target area. The peak of the conductor observed in the MLEM data occurs within a broad 1500-metre-long conductive trend with the top of the source estimated to be 340 metres below surface. Further aircore drilling is planned for the upcoming year with deeper RC and diamond drilling also planned. Galileo was successful in its application for co-funded drilling from the Geological Survey of Western Australia's Exploration Incentive Scheme. Up to half of the costs of a diamond drill hole at the Lantern Prospect will be funded through this scheme.

At the Empire Rose Prospect in the southern area of the Fraser Range Project Galileo completed first pass aircore drilling, Moving Loop Electro Magnetic surveying, Induced Polarisation surveying, and diamond core drilling over the year. The initial target was a Nova style nickel sulphide deposit. After the completion of diamond core drilling, which pierced the subsurface conductive geophysical models, it appeared that the sulphides encountered are more closely linked to a hydrothermal alteration system with potential for gold than a magmatic nickel intrusion. Following the end of the year, the Company received assays which confirmed the presence of anomalous gold associated with sulphide mineralisation at Empire Rose. Best gold intercepts included [3]:

- 1m @ 0.25 g/t gold and 0.8 g/t silver from 420m in ER001, and
- 1.05m @ 0.18 g/t gold and 0.9 g/t silver from 220m in ER003

Figure 8*: Sulphide stringers and veins with quartz in ER001 at 407m (field of view approximately 15cm across)*

A diamond drill hole was undertaken at the Yardilla South gold prospect approximately 2km from Empire Rose. Following the end of the year the assays from Yardilla South drilling were received with the banded iron formation geology showing only trace amounts of gold and base metals. The focus for the future will be on the sulphide mineralised rock units at Empire Rose which appear to be more prospective for economic mineralisation.

Sulphide levels in the diamond core at Empire Rose vary between three and fifteen per cent through mineralised zones up to 20 metres thick. Electro-magnetic (EM) surveying has proven to be an effective tool in defining sulphide mineralisation and additional EM surveys are planned to locate new drill targets along strike. Significant potential exists at the Empire Rose prospect for higher grade gold mineralisation associated with sulphides along strike of the recent drilling (see Figure 9).

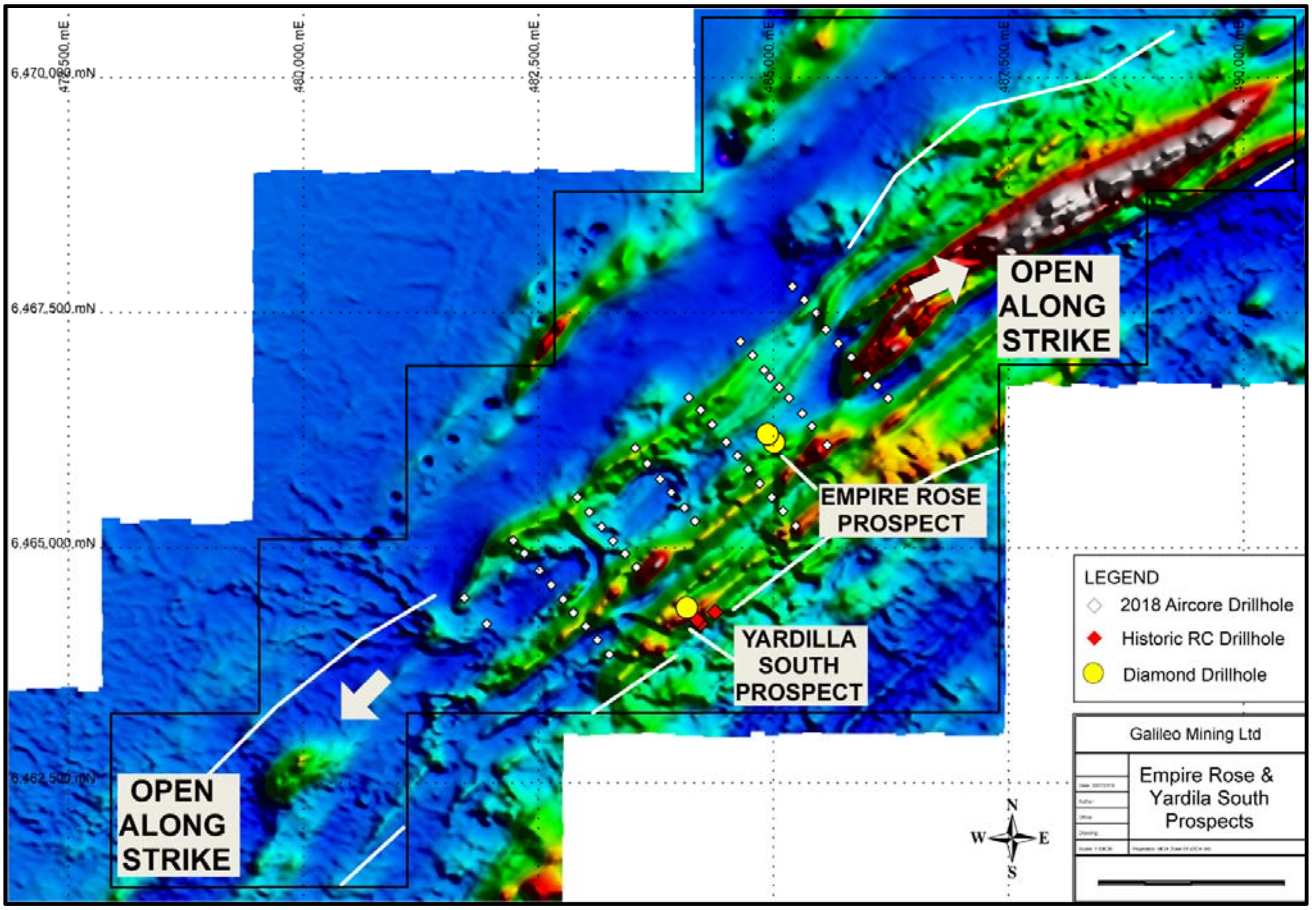

***Figure 9**: Empire Rose and Yardilla South prospects over TMI magnetic image. Untested prospective ground exists over five kilometres along strike to the north east and along four kilometres of strike to the southwest.*

Corporate

Capital structure

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

Quoted Securities:

Number	Class
92,279,037	Ordinary Fully Paid Shares

Un-quoted Securities:

Number	Class
28,094,895	Ordinary Fully Paid Shares (held in escrow for 24 months from 29 May 2018)
15,000,000	Class A Options exercisable at $0.20 expiring 31 January 2023
2,200,000	Performance Rights Vesting @ $1.00 expiring 31 January 2023

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group will continue its evaluation of its mineral projects and undertake generative work to identify and acquire new resource projects and opportunities. Due to the nature of the business, the result is not predictable.

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 is required to carry out the exploration and evaluation of its mining tenements in accordance with various State Government Acts and Regulations.

In regard to environmental considerations, the Group is required to obtain approval from various State regulatory authorities before any exploration requiring ground disturbance, such as line clearing, drilling programs and costeaning is carried out. It is normally a condition of such regulatory approval that any area of ground disturbed during the Group's activities is rehabilitated in accordance with various guidelines. The Group conducts its exploration activities in an environmentally sensitive manner and is not aware of any significant breaches of these guidelines.

Information on Directors and Secretaries

Current Directors

Simon Jenkins – Independent 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 previously 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. Simon has not held any other directorships of listed entities in the last 3 years.

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. Between 2010 and 2018, Brad worked directly for Mark Creasy as General Manager of several private exploration companies. 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.

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. Brad has not held any other directorships of listed entities in the last 3 years.

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

Noel is a metallurgist and processing expert who is currently a technical adviser to Core Lithium Ltd (ASX: CXO), Savannah Lithium Ltd (AIM: SAV) 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. Noel is currently a Non-executive Director of Mali Lithium Limited (ASX: MLL), (since 1 December 2017).

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).

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:

	Number of Ordinary Shares	Options
Simon Jenkins	500,000	2,500,000
Brad Underwood	300,000	10,000,000
Noel O'Brien	-	2,500,000

DIRECTORS' MEETINGS

The following table sets out the number of meetings of directors held during the year ended 30 June 2019 and the number of meetings attended by each director.

	Number Eligible to Attend	Number Attended
Simon Jenkins	6	6
Brad Underwood	6	6
Noel O'Brien	6	4

REMUNERATION REPORT (Audited)

The Directors of Galileo Mining Ltd present the Remuneration Report ('the Report") for the Group for the year ended 30 June 2019 ("FY19"). 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:
Simon Jenkins (Chairman)
Brad Underwood (Managing Director)
Noel O'Brien (Technical Director)

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 2019. 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, which are granted for the same reasons and objectives and on the same terms as performance rights 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 2019 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 takes into account the activities of the Group and available benchmarks.

Employment Contracts have been entered into with the Executive Director of Galileo. Details of this contract are provided in Section D of this Report.

Remuneration consist 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)

Options

LTI grants to executives are delivered in the form of Options.

The table in Section C provides details of Options granted and the value of equity instruments granted, exercised and lapsed during the year. Options were issued free of charge. Each option entitles the holder to subscribe for one (1) fully paid ordinary share in Galileo upon the exercise of the option based on achieving vesting conditions at a $0.20 exercise price. The terms and conditions including the service and performance criteria that must be met are as follows:-

Each Option will only vest and become exercisable when the 60-day volume weighted average market price (as defined in the Listing Rules) of Galileo's quoted Shares first exceeds $0.60 per Share. Options not so exercised shall automatically expire on the expiry date. Each Option entitles the holder to subscribe (in cash) for one Share in the capital of Galileo. 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 Galileo on issue at the date of allotment.

Relationship between remuneration and the Group's performance

As the Group is a newly 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 have regard to the following indices in respect of the current financial year and the previous financial year:

	2019	2018	2017
Net Loss	1,097,116	$677,373	$29,636
Share price	$0.135	$0.37	N/A

C. 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*		
	Salary & fees $	Non monetary benefits $	Long Service Leave $	Super-annuation $	Options $	Total $	Perform-ance Related %
Simon Jenkins (Chairman) – appointed 13 September 2017							
2019	60,000	-	-	-	37,305	97,305	38.3
2018	5,000	-	-	-	29,195	34,195	85.5
Brad Underwood (Managing Director) – appointed 13 September 2017							
2019	331,912	-	5,928	30,875	149,220	517,935	28.8
2018	140,622	-	2,339	12,405	116,780	272,146	42.9
Noel O'Brien (Technical Director) – appointed 6 February 2018							
2019	75,000	-	-	-	38,238	113,238	33.8
2018	12,500	-	-	-	28,263	40,763	69.3
Total 2019	**466,912**	**-**	**5,928**	**30,875**	**224,763**	**728,478**	**30.9**
Total 2018	**158,122**	**-**	**2,339**	**12,405**	**174,238**	**347,104**	**50.2**

*Amounts recognised as Share Based Payments represent the remaining non -cash fair value of Class A Unquoted Options issued during FY 2018 (Refer Note 18). Each Option is exercisable at $0.20 and expires on 31 January 2023 and will only vest and become exercisable when the 60- day VWAP of the Company's quoted shares first exceeds $0.60 per share. Options are held in escrow until 29 May 2020.

Unlisted Options Issued to KMP

No options were issued to KMP during, or since the end of, the current financial year ended 30 June 2019.

During the year ended 30 June 2018 the Group granted the following options over unissued ordinary shares to KMP as remuneration:

Class	Expiry date	Exercise price	Date granted	Number of options	Grant date fair value	Vesting date
Unlisted Options	31 Jan 2023	$0.20	6 Feb 2018	15,000,000	$0.0266	Based on VWAP

Option holdings of key management personnel (unlisted options)

KMP	Balance at beginning of the year	Options Granted	Options expired	Net change other	Balance at end of the year	Vested at end of year Exercisable	Not exercisable
2019							
S Jenkins	2,500,000	-	-	-	2,500,000	-	-
B Underwood	10,000,000	-	-	-	10,000,000	-	-
N O'Brien	2,500,000	-	-	-	2,500,000	-	-
Total	**15,000,000**	**-**	**-**	**-**	**15,000,000**	**-**	**-**

KMP	Balance at beginning of the year	Options Granted	Options expired	Net change other	Balance at end of the year	Vested at end of year	
						Exercisable	Not exercisable
2018							
S Jenkins	-	2,500,000	-	-	2,500,000	-	-
B Underwood	-	10,000,000	-	-	10,000,000	-	-
N O'Brien	-	2,500,000	-	-	2,500,000	-	-
Total	**-**	**15,000,000**	**-**	**-**	**15,000,000**	**-**	**-**

Shareholdings of key management personnel (ordinary shares)

KMP	Balance at beginning of the year	Granted as remuneration	Conversion of Convertible Notes	Net change other	Balance at end of the year
2019					
S Jenkins	500,000	-	-	-	500,000
B Underwood	300,000	-	-	-	300,000
Total	**800,000**	**-**	**-**	**-**	**800,000**

KMP	Balance at beginning of the year	Granted as remuneration	Conversion of Convertible Notes	Net change other	Balance at end of the year
2018					
S Jenkins	-	-	500,000	-	500,000
B Underwood	-	-	300,000	-	300,000
Total	**-**	**-**	**800,000**	**-**	**800,000**

D. Service Agreements

Mr Brad Underwood – Managing Director

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 $325,000 per annum plus superannuation.

E. Loans to key management personnel

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

F. Other KMP transactions

1. Price Sierakowski Corporate, a company of which Simon Jenkins is a director, provided legal advice to the Group totalling $16,646 (2018: $72,780) (excluding GST). As at 30 June 2019, $303 was payable to Price Sierakowski.
2. As at 30 June 2019, $6,875 relating to outstanding directors' fees was payable to Trinol Pty Ltd, a company of which Noel O'Brien is a director.

End of Remuneration Report

SHARE OPTIONS

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

Date of Expiry	Exercise Price	Held at 01 Jul 18	Issued	Exercised	Lapsed / Cancelled	Held at 19 Sep 19
31 Jan 23	$0.20	15,000,000	-	-	-	15,000,000

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 GROUP

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.

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 is not of a size nor are its financial affairs of such complexity to justify a separate audit committee of the board of directors. All matters that might properly be dealt with by such a committee are the subject of scrutiny at full board meetings.

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, provided other non-audit services totalling $Nil (2018: $11,510) (refer to note 19).

Signed in accordance with a resolution of directors.

For and on Behalf of the Board of Directors

Mr Brad Underwood
Managing Director
Perth, 19 September 2019

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Galileo Mining Ltd for the year ended 30 June 2019, 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	**N G Neill**
19 September 2019	**Partner**

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	30 June 2019 $	30 June 2018 $
Other income	3	210,858	55,170
Employee benefits and director fees expense		(245,795)	(143,741)
Consulting fees		(262,491)	(145,250)
Share-based payment		(392,417)	(201,302)
Depreciation expense		(11,177)	(191)
Loans forgiven		-	(1,000)
Exploration & evaluation expenses		(122,566)	(71,137)
Impairment of capitalised exploration and evaluation expenses		-	(29,311)
Legal and audit expenses		(46,096)	(32,914)
Other expenses		(227,432)	(107,697)
Loss before income tax expense		**(1,097,116)**	**(677,373)**
Income tax expense	4	-	-
Net loss after income tax		**(1,097,116)**	**(677,373)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(1,097,116)**	**(677,373)**

Loss per share (cents per share)		2019 ¢	2018 ¢
Basic loss per share for the year	5	(0.91)	(2.07)
Diluted loss per share for the year	5	(0.91)	(2.07)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	30 June 2019 $	30 June 2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	15a	3,070,456	4,275,323
Cash on term deposits	15a	4,000,000	7,000,000
Trade and other receivables	6a	78,860	226,901
Other	7a	50,816	18,222
Total Current Assets		7,200,132	11,520,446
Non-Current Assets			
Property, plant and equipment	8	19,918	16,662
Exploration and evaluation expenditure	9	9,003,810	5,287,404
Other assets	7b	26,071	26,071
Total Non-Current Assets		9,049,799	5,330,137
TOTAL ASSETS		16,249,931	16,850,583
LIABILITIES			
Current Liabilities			
Trade and other payables	10	240,080	170,290
Other	11a	36,799	11,848
Total Current Liabilities		276,879	182,138
Non-Current Liabilities			
Other	11b	17,005	2,510
Total Non-Current Liabilities		17,005	2,510
TOTAL LIABILITIES		293,884	184,648
NET ASSETS		**15,956,047**	**16,665,935**
ACCUMULATED EQUITY			
Issued capital	12	18,411,245	18,416,434
Reserves	13	593,719	201,302
Accumulated losses	14	(3,048,917)	(1,951,801)
TOTAL EQUITY		**15,956,047**	**16,665,935**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Issued capital	Share based payment reserve	Accumulated losses	Total
	$	$	$	$
As at 1 July 2018	18,416,434	201,302	(1,951,801)	16,665,935
Loss for the year	-	-	(1,097,116)	(1,097,116)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(1,097,116)	(1,097,116)
Transaction costs of share issue	(5,189)	-	-	(5,189)
Share based payments	-	392,417	-	392,417
As at 30 June 2019	18,411,245	593,719	(3,048,917)	15,956,047
As at 1 July 2017	2,200	-	(1,274,428)	(1,272,228)
Loss for the year	-	-	(677,373)	(677,373)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(677,373)	(677,373)
Issue of shares	19,149,333	-	-	19,149,333
Transaction costs of share issue	(735,099)	-	-	(735,099)
Share based payments	-	201,302	-	201,302
As at 30 June 2018	18,416,434	201,302	(1,951,801)	16,665,935

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	30 June 2019 $	30 June 2018 $
Cash Flow from Operating Activities			
Payments to suppliers and employees		(744,231)	(372,228)
Payments for exploration and evaluation expenditure		(3,709,470)	(917,656)
Interest received		207,097	15,170
GST received/(paid)		146,052	(221,401)
Security deposit paid		(17,098)	(31,545)
Net cash (used in) operating activities	**15b**	**(4,117,650)**	**(1,527,660)**
Cash Flow from Investing Activities			
Payment for purchase of tenements		(62,926)	(1,348,954)
Payment for property, plant & equipment		(19,102)	(12,184)
Proceeds from the sale of tenements		-	40,000
Receipts from/(payments for) term deposits		3,000,000	(7,000,000)
Net cash (used in)/provided by investing activities		**2,917,972**	**(8,321,138)**
Cash Flow from Financing Activities			
Proceeds from issue of shares		-	15,801,043
Share issue costs		(5,189)	(735,416)
Borrowings from related party		-	719,657
Repayment of borrowings		-	(1,675,966)
Net cash (used in)/provided by financing activities		**(5,189)**	**14,109,318**
Net increase/(decrease) in cash held		(1,204,867)	4,260,520
Cash at the beginning of the year		4,275,323	14,803
Cash at the end of the year	**15a**	**3,070,456**	**4,275,323**

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

1. CORPORATE INFORMATION

The financial report of Galileo Mining Ltd for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of directors on 19 September 2019.

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 Company'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.

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 2019 (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.

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, compromising the financial statements and notes thereto, complies with International Financial Reporting Standards.

(d) New Accounting Standards and Interpretations

The Group has adopted all new and amended Australian Accounting Standards and AASB interpretations as at 1 July 2018.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

The investment classifications available-for-sale financial assets and Held-to-maturity investment' are no longer used and Financial assets at fair value through other comprehensive income (FVOCI) was introduced. There were no investments held in these categories as at 30 June 2019 or 30 June 2018.

When adopting AASB 9, the Group has applied transitional relief and opted not to restate prior periods. There were no differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2019.

AASB 15 Revenue from Contracts with Customers

AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures regarding revenue are also introduced. Based on an initial impact assessment, the new standard is not expected to significantly impact revenue recognition due to the Group being a mining exploration company, with no contracts or performance obligations at year end.

The adoption of new and amended Standards and Interpretations did not impact the financial position or performance of the Group.

Accounting Standards issued but not yet effective

The following standards and interpretations have been issued by the AASB but are not yet effective for the year ended 30 June 2019.

AASB 16 Leases

AASB 16 provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. AASB 16 also contains disclosure requirements for lessees.

This standard will primarily affect the accounting for the Group's operating lease. As at 30 June 2019, the Group has $239,354 of non-cancellable operating lease commitments relating to a property lease. The Group is considering the available options to account for this transition, but the Group expects a change in reported earnings before interest, tax, depreciation and amortisation (EBITDA) and increase in lease assets and liabilities recognition. The lease standard is also expected to have a considerable impact on deferred tax balances. This will however be dependent on the lease arrangements in place when the new standard is effective. The Group has commenced the process of evaluating the impact of the new lease standard.

For all other standards and interpretations issued but not yet effective, the Group has not yet determined the impact of the initial application of the above Standards or Interpretations. These Standards and Interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning on or after the effective date of each pronouncement.

(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 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.

(f) Investments and other financial assets

Financial assets and are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity’s business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets are measured at amortised cost as the assets meet the following conditions (and are not designated as FVTPL):

- they are held with the objective to hold the financial assets to collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under AASB 139.

The fair value of investments that are actively traded in organised financial markets is determined by referring to market bid prices at close of business on the balance date.

(g) 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 values 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.

(h) Impairment of non-financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced AASB 139's 'incurred loss model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

12-month expected credit losses' are recognised for financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk while 'lifetime expected credit losses' are recognised for financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(i) 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.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. 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 the statement of profit or loss and other comprehensive income.

(j) 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.

(k) 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.

(l) Leases

The determination of whether an arrangement is a lease or contains a lease is based on the substance of the arrangement, and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the asset.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

(m) Revenue Recognition and Other Income

Revenue

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

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.

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 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.

(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.

(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 or ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(t) Impairment of assets

The Group 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 Group 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 classes 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).

(u) Share-based payment transactions

The Group provides benefits to employees (including directors and executives) of the Group in the form of share-based payment transactions, whereby employees 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 a Hoadley-Monte Carlo 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.

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

(v) 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) Income tax

Refer to Note 2(n) for the Group's accounting policy in relation to recognition of income tax balances.

	2019 $	2018 $
3. OTHER INCOME		
Interest revenue	210,608	15,170
Profit on sale of rights	-	40,000
Other income	250	-
Total other income	210,858	55,170

4. INCOME TAX

The components of income tax expense are as follows:		
Current tax	-	-
Deferred tax	-	-
Total expense/(benefit)	-	-

(i) The parent entity and the Group are not tax consolidated.
(ii) The parent entity and each of the subsidiaries are in tax loss for the year and have substantial tax losses carried forward.
(iii) The Directors are of the view that there is insufficient probability that the parent entity and its subsidiaries will derive sufficient income in the foreseeable future to justify booking the tax losses.

	2019 $	2018 $
Numerical reconciliation of income tax expense to prima facie tax payable is as follows:		
Loss from operations before income tax expense	(1,097,116)	(677,373)
Tax at Australian tax rate of 30% (2017: 27.5%)	(329,135)	(186,278)
Share based payments	117,725	55,358
Expenses not deductible	317	119
Capital raising costs deductible	(44,106)	(40,431)
Movement in unrecognised temporary differences	(430,105)	-
Tax losses not recognised	685,304	171,231
Income tax expense / (benefit)	-	-
Amounts charged or credited directly to equity.		
Deferred income tax related to items charged or credited directly to equity	-	-
Unrealised gain on available-for-sale investments		
Income tax expense reported in equity	-	-
Tax Losses		
Unused tax losses for which no tax loss has been booked as a deferred tax asset	8,119,353	5,537,276
Potential benefit at 30% (2018: 27.5%)	2,435,806	1,522,751

The benefit of income tax losses will only be obtained if:

(i) the respective companies derive future assessable income of a nature and of an amount to enable the benefit from the deductions for the losses to be realised;
(ii) the respective companies continue to comply with the conditions for deductibility imposed by tax legislation; and
(iii) no changes in tax legislation adversely affect the respective companies in realising benefit from the deductions from the losses.

	2019 $	2018 $
Deferred Income Tax		
Deferred income tax at 30 June relates to the following:		
Deferred tax liabilities		
Exploration and evaluation assets	95,746	1,054,788
Accrued interest	1,053	-
Prepayments	552	-
Deferred tax assets used to offset deferred tax liabilities	(97,352)	(1,054,788)
	-	-
Deferred tax assets		
Property, plant and equipment	-	53
Previously expensed blackhole costs	350	-
Capital raising costs reflected in equity	132,318	-
Accruals	5,250	3,850
Provisions	16,141	3,948
Tax losses - revenue	2,435,806	1,522,751
Deferred tax assets used to offset deferred tax liabilities	(97,353)	(1,054,788)
Deferred tax assets not brought to account	(2,492,512)	(475,814)
	-	-

5. EARNINGS/LOSS PER SHARE

	2019 ¢	2018 ¢
Loss per share (cents per share)		
Basic loss per share for the year	(0.91)	(2.07)
Diluted loss per share for the year	(0.91)	(2.07)

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

	2019 $	2018 $
(a) Loss used in calculating loss per share		
For basic and diluted loss per share:		
Net loss for the year attributable to ordinary shareholders of the parent	(1,097,116)	(677,373)

	2019 Number	2018 Number
(b) Weighted average number of shares		
For basic and diluted loss per share:		
Weighted average number of ordinary shares	120,373,932	32,701,038

	2019 $	2018 $
6. TRADE AND OTHER RECEIVABLES		
(a) Current		
Other debtors	-	5,500
Accrued interest	3,511	-
Net GST receivable	75,349	221,401
	78,860	226,901
7. OTHER ASSETS		
(a) Current		
Cash deposited for as security bond	22,572	5,474
Prepayments	28,244	12,748
	50,816	18,222
(b) Non-current		
Cash deposited for rental bond	26,071	26,071
	26,071	26,071
8. PROPERTY, PLANT AND EQUIPMENT		
At cost	31,286	16,853
Accumulated depreciation	(11,368)	(191)
Net carrying amount	19,918	16,662

(a) Reconciliation

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

	2019 $	2018 $
Office furniture and equipment		
At 1 July net of accumulated depreciation	12,912	-
Acquisitions	10,518	13,103
Depreciation charge for the year	(8,317)	(191)
At 30 June net of accumulated depreciation	15,113	12,912
Field equipment		
At 1 July net of accumulated depreciation	3,750	-
Acquisitions	3,915	3,750
Depreciation charge for the year	(2,860)	-
At 30 June net of accumulated depreciation	4,805	3,750
Total	19,918	16,662

	2019 $	2018 $
9. EXPLORATION AND EVALUATION EXPENDITURE		
Costs carried forward in respect of:		
Exploration and evaluation phase – at cost	9,003,810	5,287,404
Reconciliation		
Opening balance	5,287,404	2,943,081
Acquisition of tenements	62,926	1,400,000
Incurred during the year	3,653,480	973,634
Written off during the year	-	(29,311)
Total exploration and evaluation expenditure	9,003,810	5,287,404

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.

	2019 $	2018 $
10. TRADE AND OTHER PAYABLES		
Current		
Trade creditors	240,080	170,290

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.

	2019 $	2018 $
11. OTHER LIABILITIES		
(a) Current		
Annual Leave	36,799	11,848
(b) Non-current		
Long Service Leave	17,005	2,510

	2019 $	2018 $
12. ISSUED CAPITAL		
(a) Ordinary shares	18,411,245	18,416,434

Movements of ordinary shares

	2019 Number	2019 $	2018 Number	2018 $
Shares on issue				
Beginning of financial year	120,373,932	18,416,434	10,001	2,200
Subdivision of shares (4,850 for 1)	-	-	48,504,850	-
Consolidation (1 for 2.38)	-	-	20,372,037	2,200
Add shares issued				
- AGR-Loan repayment	-	-	16,491,440	3,298,288
- Acquire tenements	-	-	510,455	51,045
- IPO capital raise	-	-	75,000,000	15,000,000
- Convert notes	-	-	8,000,000	800,000
Less capital raising costs	-	(5,189)	-	(735,099)
As at the end of the financial year	120,373,932	18,411,245	120,373,932	18,416,434

(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) Share based payment plans

Unlisted options

The Company has the following unlisted options on issue:

- 15,000,000 options exercisable at $0.20 expiring on 31 January 2023.

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. Options not so exercised shall automatically expire on the expiry date. 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.

Performance Rights

The Company has 2,200,000 rights on issue, expiring on 31 January 2023.

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) to (d), each Performance Right will only vest and become exercisable when the 10-day volume weighted average market price (as defined in the ASX Listing Rules) of the Company's quoted Shares first exceeds $1.00 per Share (Vesting Condition).
(b) Maintain a minimum of 12 months continuous service with the Company.
(c) 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.
(d) If a Good Leaver* and the Vesting Condition has been satisfied at the date of termination the Performance Rights may be exercised within 20 Business 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.

	2019	2018
	$	$
13. RESERVES		
Share-based payment reserve	593,719	201,302
Movement in share-based payment reserve		
Balance at the beginning of the financial year	201,302	-
Share-based payments during the year	392,417	201,302
Balance at the end of the financial year	593,719	201,302

Share-based payment reserve records the value of shares, share options and performance rights issued to Galileo's employees or others. Refer to Note 18 for further details.

	2019	2018
	$	$
14. ACCUMULATED LOSSES		
Accumulated losses	(3,048,917)	(1,951,801)
Movement in accumulated losses:		
Balance at the beginning of the financial year	(1,951,801)	(1,274,428)
Net loss for the year	(1,097,116)	(677,373)
Balance at the end of the financial year	(3,048,917)	(1,951,801)

	2019 $	2018 $
15. STATEMENT OF CASH FLOWS		
(a) Reconciliation of cash		
Cash at bank and on hand	31,546	66,260
Short term deposits	3,038,910	4,209,063
Total cash and cash equivalents	3,070,456	4,275,323
Cash on term deposit (i)	4,000,000	7,000,000

(i) This relates to term deposits which have an original maturity of greater than three months.

	2019 $	2018 $
(b) Reconciliation of net loss after tax to net cash flows from operations:		
Loss from ordinary activities after income tax	(1,097,116)	(677,373)
Adjustments for:		
Depreciation	11,177	191
Employee share-based payment	392,417	201,302
Impairment of exploration expenditure	-	29,311
Exploration expenditure classified as operating	(3,586,903)	(846,519)
Profit on disposal of exploration rights	-	(40,000)
Loan forgiven	-	1,000
Changes in assets and liabilities:		
Increase/(Decrease) in payables	7,042	61,264
Increase/(Decrease) in provisions	39,446	14,358
(Increase)/Decrease in receivables	130,943	(258,446)
(Increase)/Decrease in prepayments	(14,656)	(12,748)
Net cash used in operating activities	(4,117,650)	(1,527,660)

(c) Non-cash financing & investing activities:

There were no non-cash financing & investing activities during the year.

16. RELATED PARTY TRANSACTIONS

1) Price Sierakowski Corporate, a company of which Simon Jenkins is a director, provided legal advice to the Group totalling $16,646 (2018: $72,780) (excluding GST). As at 30 June 2019, $303 was payable to Price Sierakowski.

2) As at 30 June 2019, $6,875 relating to directors' fees was payable to Trinol Pty Ltd, a company of which Noel O'Brien is a director.

17. DIRECTORS AND KEY MANAGEMENT PERSONNEL

Compensation for Executive Directors and Key Management Personnel

	2019 $	2018 $
Short-term benefits	466,912	158,122
Long-term benefits	5,928	2,339
Post-employment benefits	30,875	12,405
Share-based payments	224,763	174,238
Total compensation	728,478	347,104

18. SHARE-BASED PAYMENTS

(a) Options

During the year there were no options granted to directors and officers.

During the previous year the following options were granted to directors and officers:

Class	Expiry date	Exercise price	Date granted	Number of options	Grant date fair value	Vesting date
Unlisted Options	31 Jan 2023	$0.20	6 Feb 2018	12,500,000	$0.0266	31 Dec 2018
Unlisted Options	31 Jan 2023	$0.20	14 Feb 2018	2,500,000	$0.0266	31 Dec 2018

The assessed fair value of the options was determined using a Hoadley-Monte Carlo 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 2.39%
- Company share price at date of grant of $0.10
- Dividend Yield of 0%
- Expected volatility of 80%
- Option exercise price of $0.20.
- Option duration of 4.9 years
- Discount factor of 30%

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.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

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

	2019 Number	2019 WAEP $	2018 Number	2018 WAEP $
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	15,000,000	0.20	15,000,000	0.20
Exercised during the year	-	-	-	-
Expired or Cancelled during the year	-	-	-	-
Outstanding at the end of the year	15,000,000	0.20	15,000,000	0.20
Exercisable at reporting date	-	-	-	-

(b) Performance Rights

During the year the following performance rights were granted to employees:

Class	Expiry date	Exercise price	Date granted	Number	Grant date fair value	Expected Vesting date
Performance Rights	31 January 2023	Nil	9 October 2018	500,000	$0.19	30 June 2022

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) to (d), each Performance Right will only vest and become exercisable when the 10 day volume weighted average market price (as defined in the ASX Listing Rules) of the Company's quoted Shares first exceeds $1.00 per Share (Vesting Condition).

(b) Maintain a minimum of 12 months continuous service with the Company.

(c) 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.

(d) If a Good Leaver* and the Vesting Condition has been satisfied at the date of termination the Performance Rights may be exercised within 20 Business 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 $0.19 per right, being the share price at grant date.

During the previous year the following performance rights were granted to employees:

Class	Expiry date	Exercise price	Date granted	Number	Grant date fair value	Expected Vesting date
Performance Rights	31 January 2023	Nil	29 June 2018	1,700,000	$0.365	30 June 2022

Movement of Performance Rights:

	2019 Number	2018 Number
Outstanding at beginning of the year	1,700,000	-
Granted during the year	500,000	1,700,000
Outstanding at the end of the year	2,200,000	1,700,000

19. AUDITOR'S REMUNERATION

	2019 $	2018 $
The auditor of Galileo Mining Ltd is HLB Mann Judd		
Amounts received or due and receivable by the auditors for:		
- Auditing or reviewing accounts	26,450	28,000
- Provision of Investigating Accountant's Report	-	11,510
	26,450	39,510

The auditors received no other benefits.

20. 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.

	2019 $	2018 $
Not later than one year	683,680	520,600
Later than one year and less than five years	2,953,720	2,188,400
	3,637,400	2,709,000

(b) Lease expenditure commitments

The Group had operating leases for office space. Future minimum lease payments under operating leases, together with the present value of the net minimum lease payments are as follows:

	2019 $	2018 $
Not later than one year	125,393	101,025
Later than one year and less than five years	113,961	233,474
	239,354	334,499

21. FINANCIAL RISK MANAGEMENT

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

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, 10, 11 and 13 to the financial statements.

The Group manages its exposure to a variety of financial risks: market risk (including equity price risk, and interest rate risk), credit 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 and foreign exchange risk and assessment of market forecast for interest rate and foreign exchange. 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 Group does not account for fixed rate financial assets and liabilities at fair value through profit or loss.

The following table summarises the impact of reasonably possible changes on interest rates for the Group at 30 June 2019. 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.

	30 June 2019 $	30 June 2018 $
Financial assets		
Cash and cash equivalents	3,070,456	4,275,323
Term deposits	4,000,000	7,000,000
Impact on profit and equity		
Post-tax gain/(loss)		
100 bp increase	30,705	42,753
100 bp decrease	(30,705)	(15,170)

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, 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:

		S&P Credit rating			
	AAA	A1+	A1	A2	Unrated
30 June 2019					
Cash & cash equivalents ($)	-	3,070,456	-	-	-
Other Assets ($)	-	4,076,887	-	-	-
Trade and other receivables ($)	-	78,860	-	-	-
Number of counterparties	-	3	-	-	-
Largest counterparty (%)	-	56.4	-	-	-

		S&P Credit rating			
	AAA	A1+	A1	A2	Unrated
30 June 2018					
Cash & cash equivalents ($)	-	4,275,323	-	-	-
Other Assets ($)	-	7,044,293	-	-	-
Trade and other receivables ($)	-	226,901	-	-	-
Number of counterparties	-	3	-	-	-
Largest counterparty (%)	-	61.01	-	-	-

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.

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.

	Less than 6 $	6 months – 12 $	1-2 years $	> 2 years $
As at 30 June 2019				
Trade and other receivables	78,860	-	-	-
As at 30 June 2018				
Trade and other receivables	226,901	-	-	-

Capital risk management

Capital consists of total equity $15,956,047 (2018: $16,665,935).

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 2018 and no dividend will be paid in 2019.

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.

22. EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have occurred subsequent to balance date that have or may significantly affect the operations or the state of affairs of the Group in subsequent financial years.

23. 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 (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").

24. 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.

25. CONTROLLED ENTITIES

Name	Country of Incorporation	Principal Activity	Beneficial Percentage Interest Held By Group	
			2019 %	2018 %
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	Nil

* Subsidiary incorporated 14 September 2018.

26. PARENT ENTITY INFORMATION

Information relating to Galileo Mining Ltd

	2019 $	2018 $
Current Assets	7,200,132	11,520,446
Non-Current Assets	9,089,983	5,340,543
TOTAL ASSETS	16,290,115	16,860,989
Current Liabilities	276,879	182,138
Non-Current Liabilities	17,005	2,510
TOTAL LIABILITIES	293,884	184,648
NET ASSETS	15,996,231	16,676,341
ACCUMULATED EQUITY		
Issued capital	18,411,245	18,416,434
Reserves	593,719	201,302
Accumulated losses	(3,008,733)	(1,941,395)
TOTAL EQUITY	15,996,231	16,676,341
Loss of the parent entity	(1,067,338)	(666,968)
Total comprehensive income of the parent	(1,067,338)	(666,968)

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

27. GUARANTEES AND CONTINGENT LIABILITIES

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

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2019

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 in pages 25 to 54 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 2019 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 2019.

For and on behalf of the Board of Directors.

Mr Brad Underwood
Managing Director
Perth, 19 September 2019

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the members of Galileo Mining Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Galileo Mining Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, 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 2019 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* ("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.

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Key Audit Matter	How our audit addressed the key audit matter
Exploration and evaluation expenditure Note 9 to the financial report	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises exploration costs. 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.	Our procedures included but were not limited to the following: • We obtained an understanding of the key processes associated with management's review of the exploration and evaluation asset carrying values; • We considered the Directors' assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its areas of interest; • We examined the exploration and evaluation budget for the year ending 30 June 2020 and discussed with management the nature of planned ongoing activities.

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 financial report for the year ended 30 June 2019, 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, related safeguards.

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 2019.

In our opinion, the Remuneration Report of Galileo Mining Ltd for the year ended 30 June 2019 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

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
19 September 2019

Norman Glad

N G Neill
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 third 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 2014.

The Company's Corporate Governance Statement for the financial year ending 30 June 2019 was approved by the Board on 19 September 2019. The Corporate Governance Statement can be located on the Company's website http://www.galileomining.com.au/about-us/corporate-governance/

ADDITIONAL ASX SHAREHOLDERS' INFORMATION (As at 16 September 2019)

- Number of Holders of Each Class of Quoted Securities at 16 September 2019

ASX Code	Number	Holders	Security Description
GAL	120,373,932	915	Ordinary fully paid shares

- Each shareholder of the Ordinary Fully Paid shares is entitled to one vote for each share held.
- Distribution of quoted equity securities.

Equity distribution	Ordinary Shares (GAL)
1 - 1,000	21
1,001 - 5,000	106
5,001 - 10,000	109
10,001 - 100,000	533
Over 100,000	146
TOTAL	**915**

- The twenty largest ordinary fully paid shareholders (GAL) hold 56.32% of the issued capital and are tabled below:

	Name	Ordinary Shares	%
1	Australian Gold Resources Pty Ltd	36,861,440	30.62
2	Independence Newsearch Pty Ltd	5,900,000	4.90
3	Ellison WA Pty Ltd	5,000,000	4.15
4	Hoperidge Enterprise Pty Ltd <Jones Fam A/C>	3,000,000	2.49
5	Wade, Peter David <Wade Fam A/C>	2,500,000	2.08
6	Botsis Holdings Pty Ltd	1,985,001	1.65
7	HSBC Custody Australia Ltd	1,535,000	1.28
8	Lowe Stephen John & SL <Tahlia Fam A/C>	1,290,000	1.07
9	Blakfyre Investments Pty Ltd	1,200,000	1.00
10	Shallard BJ & Duperouzel <Shallard Fam A/C>	1,000,000	0.83
11	BS Capital Pty Ltd <Shallard Fam A/C>	1,000,000	0.83
12	Pindan Investments Pty Ltd <Pindan Inv A/c>	1,000,000	0.83
13	Auxilium Capital Pty Ltd <Sala Tenna Fam A/C>	910,000	0.76
14	Papillon Holdings Pty Ltd <VML No1 A/C>	889,929	0.74
15	Caralabek Pty Ltd <Rock Doctor Super>	750,000	0.62
16	Hawtin Dennis J & RA < Kryptonite S/F A/C>	700,000	0.58
17	Motte & Bailey Pty Ltd <Bailey S/F A/C>	636,851	0.53
18	Day Timothy James	595,000	0.49
19	West End Ventures Pty Ltd <West End A/C>	547,500	0.45
20	Dunstan Holdings Pty Ltd	510,455	0.42
		67,811,176	**56.32**

UNMARKETABLE PARCELS

The Company has 95 shareholders holding an unmarketable parcel of shares using a price of $0.125 per share.

SUBSTANTIAL SHAREHOLDER

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), and Dunstan Holdings Pty Ltd (ACN 008 686 691): 37,371,895 Fully Paid Ordinary Shares

OTHER ASX ADDITIONAL INFORMATION

1. **Corporate Governance**

   The Company's Corporate Governance Statement as at 30 June 2019 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**

   Security Transfer Registrars Pty Ltd
   770 Canning Highway

   APPLECROSS WA 6153

   Telephone: 08 9315 2333

   Fax: 08 9315 2233

5. **Review of Operations**

   A review of operations is contained in the Directors Report.

6. Tenement Schedule (As at 16 September 2019)

Project	Tenement reference & Location	Interest at beginning of Quarter	Interest at end of Quarter	Nature of Interest As at end of Quarter
NORSEMAN PROJECT	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	0%	100%	Active
	P63/2116	100%	100%	Active
	P63/2117	100%	100%	Active
	P63/2118	100%	100%	Active
	P63/2123	0%	100%	Active
	P63/2136	100%	100%	Active
	P63/2137	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).