

24 October 2019

ASX: GAL

Corporate Directory

Directors

Non-Executive Chairman
Simon Jenkins

Managing Director
Brad Underwood

Technical Director
Noel O'Brien

Projects

Norseman Project
Cobalt-Nickel-Copper

Fraser Range Project
Nickel-Copper-Gold



Contact Details

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QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

Corporate

- Strong cash position of \$6.2 million at the end of the September Quarter 2019

Fraser Range Project (Joint Venture with the Creasy Group)

- Second round of aircore drilling began in September 2019 at the Lantern Prospect
- Current drilling is a follow up to the first aircore program which returned best results of 27m @ 0.18% nickel and 0.17% copper from 47m (LAAC041) ⁽¹⁾
- Moving loop electro-magnetic (MLEM) survey has defined a large-scale conductor prospective for Nova-style nickel mineralisation
- Conductive target occurs at a highly prospective location on the margin of intrusive host rocks
- Detailed gravity survey and magnetic modelling highlights structure and extent of target rocks

Norseman Project (100% owned)

- Reverse Circulation (RC) drilling began in August at the Subzero Copper Prospect
- First phase of drilling intersected highly anomalous zinc and copper in all six drill holes completed at Subzero
- Thick zones of zinc and copper mineralisation ⁽²⁾;
 - 29m @ 0.49% zinc from 119m (NRC243) including
 - 10m @ 0.14% copper, 0.37% zinc & 1.9 g/t silver from 137m
 - 16m @ 0.41% zinc from surface (NRC241) including
 - 8m @ 0.15% copper, 0.62% zinc & 3.0 g/t silver from 8m
- EM conductive target is associated with matrix and heavily disseminated sulphides containing copper and zinc
- EM conductor continues over two kilometres of untested strike length
- Second phase of drilling planned for November 2019

Galileo Mining Ltd (ASX: GAL, “Galileo” or the “Company”) is pleased to provide a summary of activities for the quarter ending 30 September 2019. Commenting on the results, Galileo Managing Director Brad Underwood said:

“The September quarter was another important period in the short history of our company in which we moved forward with our drilling programs at both Fraser Range and Norseman.”

At Norseman, first round drilling at the Subzero Prospect demonstrated the rocks are mineralised with highly anomalous values of copper, zinc and gold. It appears the mineralisation is related to a large-scale volcanic system with potential for an economic VMS style deposit. Importantly, our extensive conductive target has been shown to be related to sulphides containing copper and zinc. With over two kilometres of untested strike length we have a large number of additional targets ready for our next phase of drilling to commence in November.

At our Fraser Range project, we began aircore drilling at Lantern in September with results anticipated in early November. This second drilling program at Lantern is building on earlier reconnaissance work which showed we have the right rock types with the potential to host magmatic nickel sulphide mineralisation. With this second program we are vectoring towards the most prospective zones as we seek to increase our chances of discovery success.”

Fraser Range Project, WA

During the September quarter, drilling commenced at the Lantern nickel prospect. This is only the second round of drilling ever conducted at the prospect where initial drilling showed anomalous nickel and copper levels within highly prospective intrusive rock units. ⁽¹⁾ The current drilling program is focussed on two zones within the prospective rock unit that are believed to have the best potential for mineralisation (see Figure 1 below).¹

The first zone is above a large conductive trend identified by an extensive geophysical survey undertaken by the Company. The second zone is on the margin of the interpreted intrusion, beyond the limits of the original geophysical survey, testing for the right rock types with the capability of hosting mineralisation. Early stage reconnaissance drilling is also being undertaken at new prospects within the substantial 350km² tenement area. The total size of the current aircore program is planned as 3,500 to 4,000 metres and results are expected in early November.

The Company is also undertaking early stage reconnaissance drilling at new prospects within the substantial 350km² tenement area. The total size of the current aircore program is planned as 3,500 to 4,000 metres and results are expected in early November.

(1) Refer to the Company's ASX announcement dated 26th March 2019, accessible at:
<https://www.asx.com.au/asx/statistics/announcements.do?by=asxCode&asxCode=gai&timeframe=Y&year=2019>

(2) Refer to the Company's ASX announcement dated 16th September 2019, accessible at:
<https://www.asx.com.au/asx/statistics/announcements.do?by=asxCode&asxCode=gai&timeframe=Y&year=2019>

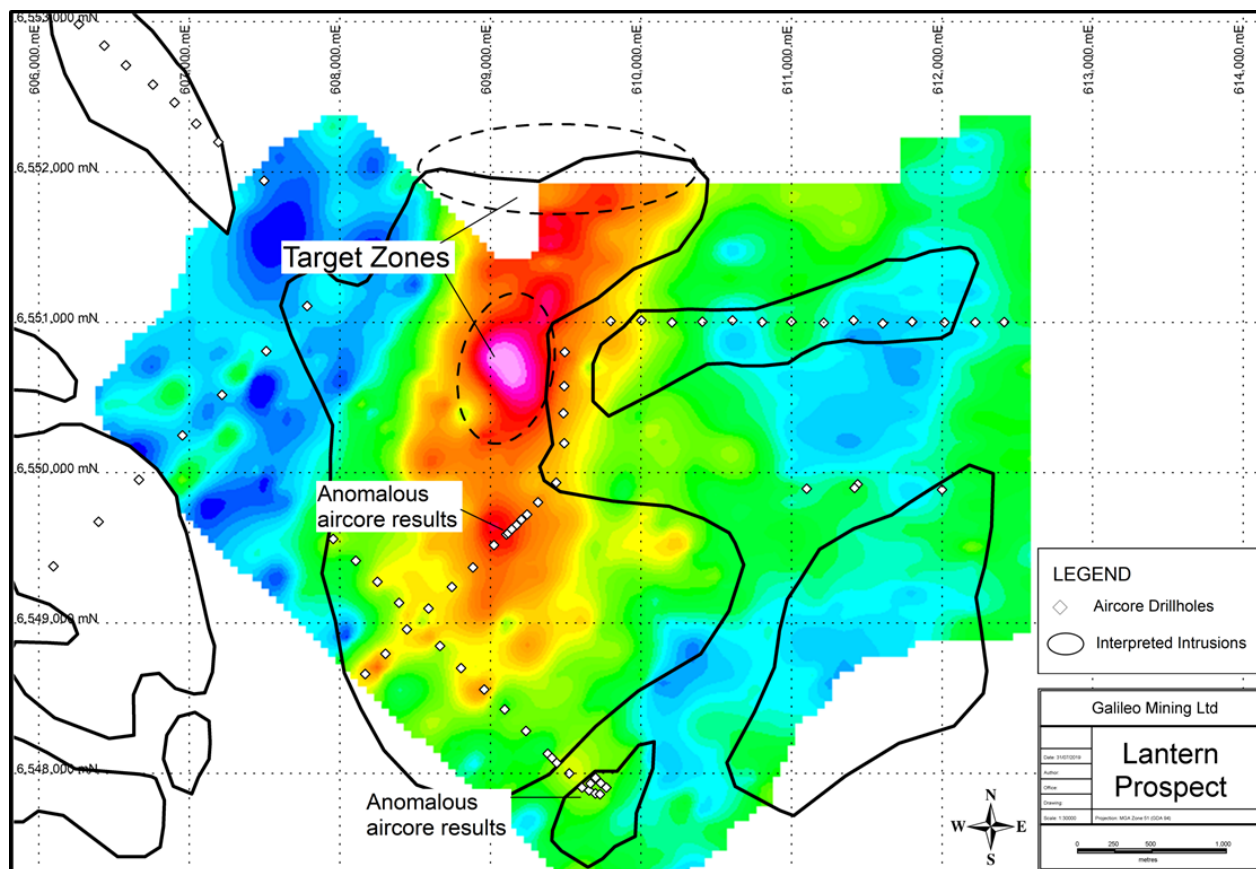


Figure 1 – Lantern Prospect electromagnetic conductive response (late time MLEM Channel 36) with interpreted intrusions and completed aircore drilling collars from the first reconnaissance program. Priority targets for the current aircore drilling program are highlighted by dotted lines.

At Empire Rose, located in the southern area of the Fraser Range project, the Company received assays from its first diamond drilling program testing a coincident conductive and chargeable target identified by separate MLEM and Induced Polarisation (IP) surveys.

The drilling program consisted of 467m of RC pre-collars and 662m of diamond core tails. The drilling also targeted a recently interpreted gold target, Yardilla South, located 2km from Empire Rose.

During the quarter, the Company received assays which confirmed the presence of anomalous gold associated with sulphide mineralisation at Empire Rose. Best gold intercepts included:

- 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 2: Sulphide stringers and veins with quartz in ER001 at 407m (field of view 15cm across)

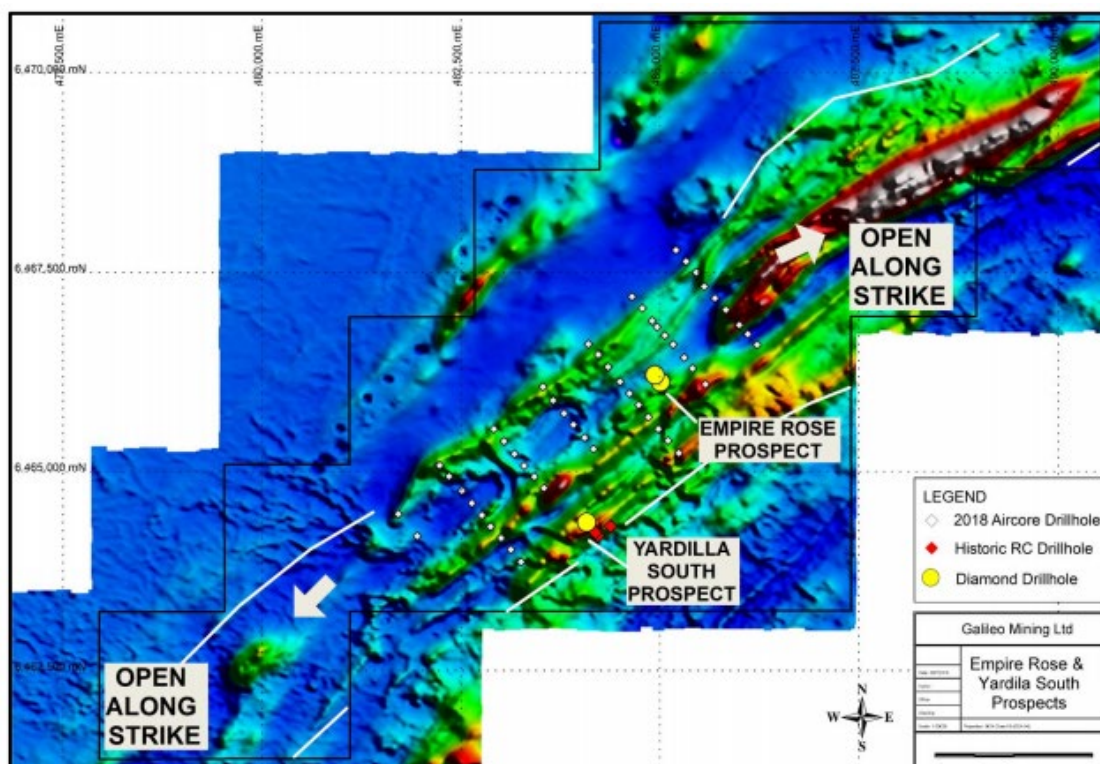


Figure 3: Empire Rose and Yardilla South prospects over TMI magnetic image. Untested gold prospective ground exists over five kilometres along strike to the north east and along four kilometres of strike to the southwest.

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 being 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 3).

Norseman Project, WA

In July, Galileo announced moving loop electro-magnetic (MLEM) surveying had delineated highly conductive targets beneath the Subzero Copper Prospect near the town of Norseman in Western Australia.

The MLEM survey was completed over an area where earlier prospecting and mapping had identified a high-grade copper gossan. The Company has recorded copper grades up to 19.9% from surface oxide breccia samples with further iron rich gossan samples assaying up to 1.1% copper.

The MLEM survey utilised 400 metre loops and identified conductors over 2.1km of strike length. Conductive rocks are frequently targeted in copper exploration as sulphide minerals provide an excellent response to electro-magnetic geophysical techniques and are prospective for copper mineralisation.

The Subzero conductors match the location of prospective volcanic rocks mapped in the field and are particularly noteworthy given their relationship with the copper gossan on surface. Sub-surface drill testing was directed towards the source of the conductors to determine the economic potential of the rocks at depth.

In August, the first RC drilling program began to test for mineralisation beneath the historic workings and test the modelled EM conductor at a position closest to the outcrop. The program consisted of six RC drill holes for a total of 619m. Three holes (NRC241 to 243) were drilled on the same section to provide an understanding of the geometry and potential for mineralisation (see Figure 4).

A further three holes (NRC244 to 246) were drilled beneath the outcrop 25 metres north and south of the drill section (see Figure 5). Assay results from the first drilling program were received in September.

Drilling intersected highly anomalous zinc and copper in all six drill holes. Thick zones of zinc and copper mineralisation from the drilling included:

- 29m @ 0.49% zinc from 119m (NRC243) including
 - 10m @ 0.14% copper, 0.37% zinc & 1.9 g/t silver from 137m
- 16m @ 0.41% zinc from surface (NRC241) including
 - 8m @ 0.15% copper, 0.62% zinc & 3.0 g/t silver from 8m
- 14m @ 0.22% zinc from 26m & 16m @ 0.28% zinc from 42m (NRC242)

Further gold and copper assays also suggested the potential for VMS mineralisation:

- 6m @ 0.1 g/t gold, 1.9 g/t silver & 0.12% copper from 34m (NRC241)
- 5m @ 0.1 g/t gold, 1.9 g/t silver & 0.14% copper from 76m (NRC242)

Mineralisation was found to be hosted in an altered basalt and altered sediments which have been intruded by a dolerite/gabbro sill.

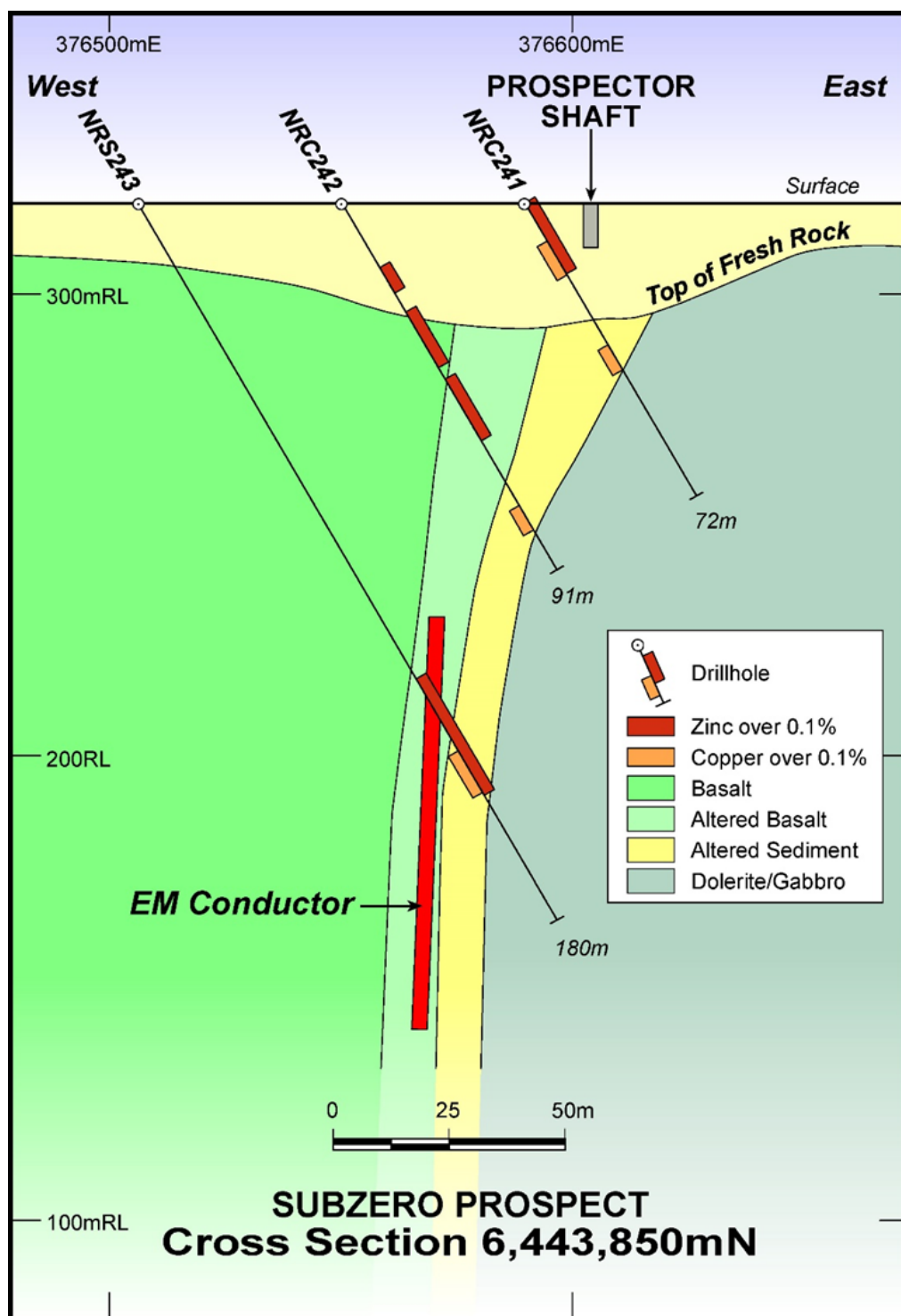


Figure 4 – Subzero Prospect drilling cross section showing mineralisation within altered basalt and sediments.

A maximum zinc assay of 1m @ 1.85% (from 130m in NRC243) was recorded in an altered basalt within the sulphide mineralisation associated with the EM conductor. The maximum copper assay of 1m @ 0.31% (from 144m in NRC243) was found within the same sulphide unit which also contained up to 0.12 g/t gold (from 147m).

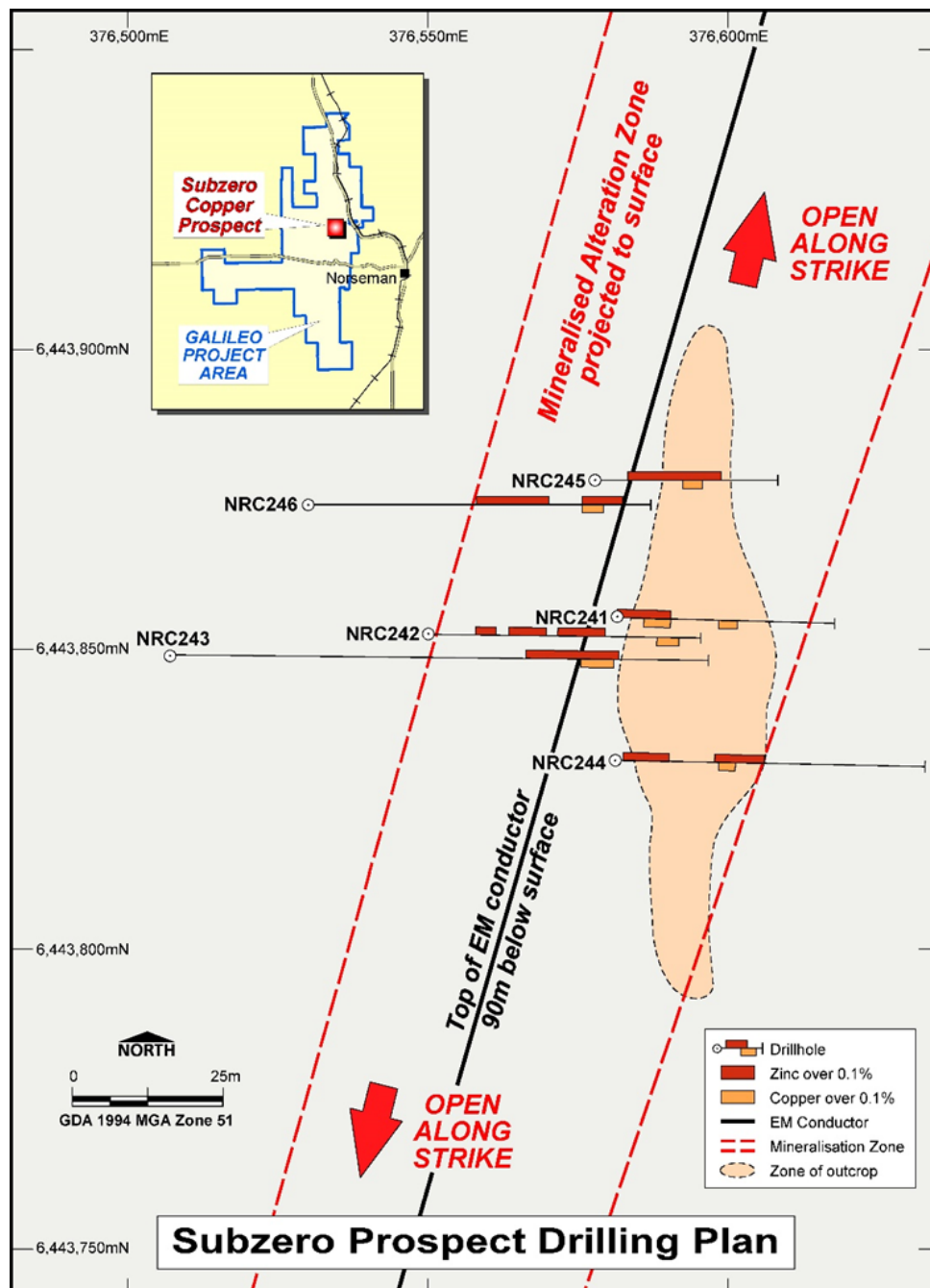


Figure 5 – Subzero Prospect drill plan showing location of drill holes from Figure 4 and additional drill holes beneath the outcrop 25 metres north and south along strike.

The success of the EM modelling in defining the mineralised sulphide horizon has considerably increased the prospectivity of the extensive targets to the north and south where surface outcrop is limited. The northern modelled conductor occurs over 1500m of strike while the southern model is over 800m in length (see Figure 6 below). Both models extend more than 400m below surface with the top of the targets starting from 80m depth.

Additional targets, representing the strongest conductive responses within the 2km prospective trend, are scheduled for drilling in a second program planned for November 2019.

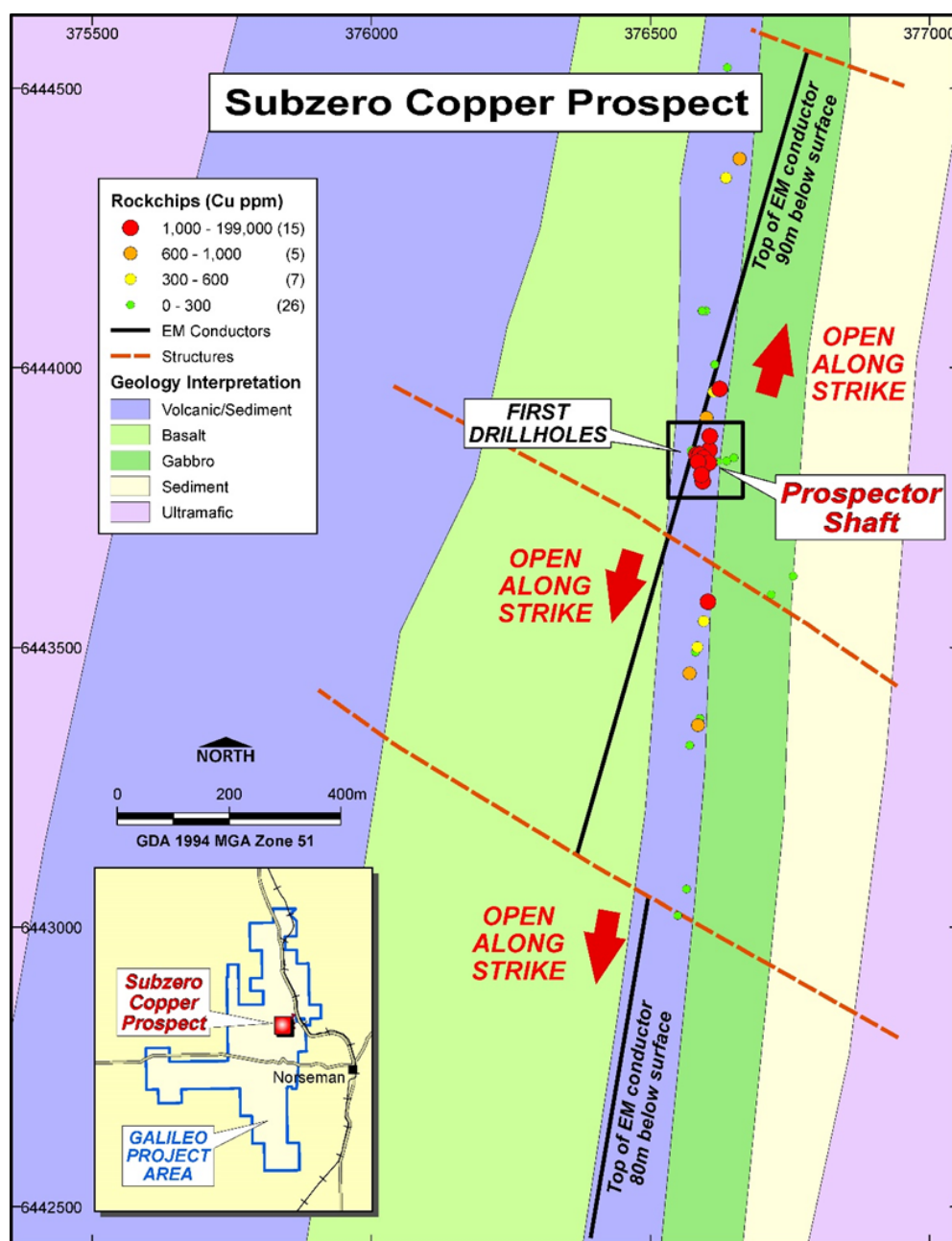


Figure 6 – Subzero Prospect plan view showing location of first drilling with the extensive subsurface conductive target that extends along strike both to the north and south.

Corporate

As at 30 September 2019, the Company had cash of approximately \$6.2 million.

During the quarter the most significant costs incurred were related to exploration and evaluation with 76% of operating expenditure falling into this category.

Estimated expenditure for the December 2019 Quarter is approximately \$0.9 million. Please refer to the attached Appendix 5B report for the period ended 30 September 2019 for further information.

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 (Shares)

Un-Quoted Securities

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

Competent Person Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Brad Underwood, a Member of the Australasian Institute of Mining and Metallurgy, and a full time employee of Galileo Mining Ltd. Mr Underwood has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Underwood consents to the inclusion in the report 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 the above Announcement, the Company is not aware of any new information or data that materially affects the information included in the Announcements.

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T: +61 433 112 936

About Galileo Mining:

Galileo Mining Ltd (ASX: GAL) is focussed on the exploration and development of nickel and cobalt resources in Western Australia. GAL holds tenements near Norseman with over 26,000 tonnes of contained cobalt, and 122,000 tonnes of contained nickel, in JORC compliant resources (see Figure 5 below). GAL also has Joint Ventures with the Creasy Group over tenements in the Fraser Range which are highly prospective for nickel-copper-cobalt sulphide deposits.

Figure 5: 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).

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

Appendix 1: Galileo Mining Tenement Schedule as at 30 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	100%	100%	Active
	P63/2116	100%	100%	Active
	P63/2117	100%	100%	Active
	P63/2118	100%	100%	Active
	P63/2123	100%	100%	Active
	P63/2136	100%	100%	Active
	P63/2137	100%	100%	Active
FRASER RANGE PROJECT	All tenements are in Western Australia			
	E28/2064	67%	67% NSZ ⁽¹⁾	Active
	E63/1539	67%	67% FSZ ⁽²⁾	Active
	E63/1623	67%	67% FSZ ⁽²⁾	Active
	E63/1624	67%	67% FSZ ⁽²⁾	Active

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

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

GALILEO MINING LTD

ABN

70 104 114 132

Quarter ended ("current quarter")

30 SEPTEMBER 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(673)	(673)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(48)	(48)
	(e) administration and corporate costs	(168)	(168)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	12	12
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other - Net GST (paid)/refunded	23	23
1.9	Net cash from / (used in) operating activities	(854)	(854)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Security Deposit refunded/(paid))	20	20
2.6	Net cash from / (used in) investing activities	20	20

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

4.	Net increase / (decrease) in cash and cash equivalents for the period	(834)	(834)
4.1	Cash and cash equivalents at beginning of period	7,070	7,070
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(854)	(854)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	20	20
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	6,236	6,236

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	35	31
5.2	Call deposits	6,201	7,039
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,236	7,070

6. Payments to directors of the entity and their associates

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

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

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

Current quarter
\$A'000

120

-

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

**Current quarter
\$A'000**

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

-

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

-

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

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8. Financing facilities available

Add notes as necessary for an understanding of the position

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

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

8.1 Loan facilities

-

-

8.2 Credit standby arrangements

-

-

8.3 Other (please specify)

-

-

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

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9. Estimated cash outflows for next quarter

\$A'000

9.1 Exploration and evaluation

719

9.2 Development

-

9.3 Production

-

9.4 Staff costs

91

9.5 Administration and corporate costs

126

9.6 Other (provide details if material)

(15)¹

9.7 Total estimated cash outflows

921

¹Includes forecast interest income

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

*Refer to Quarterly Activities Report for Schedule of Tenements.

Compliance statement

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

24 October 2019

Sign here:
(Company secretary)

Date:

Print name:
Mathew Whyte

Notes

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