

22 April 2020

ASX: GAL

## Corporate Directory

### Directors

#### Chairman & Managing Director

Brad Underwood

#### Technical Director

Noel O'Brien

#### Non-Executive Director

Mathew Whyte

### Projects

Fraser Range Project  
Nickel-Copper

Norseman Project  
Cobalt-Nickel-Copper



### Contact Details

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## QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

### Fraser Range Project (Joint Venture with the Creasy Group)

- First ever Reverse Circulation (RC) drilling program undertaken at the highly prospective Lantern nickel target
- RC drill hole (LARC003) at Lantern intersects disseminated nickel-copper sulphide mineralisation:
  - 12m @ 0.38% Ni, 0.33% Cu from 124 metres down hole including 5m @ 0.49% Ni, 0.46% Cu from 126m
- Maximum values over one metre of 0.66% nickel and 0.75% copper (LARC003 127-128m)
- Mineralisation occurs on the contact zone of an ultramafic rock unit with the drill intersection open in all directions
- Potential for a large mineralised system with over two kilometres of untested strike length
- Program of Work approvals from the Mines Department have been received post end of quarter to allow follow up drilling around LARC003
- Aircore drilling program north of the Lantern Prospect aims to define new prospective targets

### Corporate

- Well-funded to continue exploration programs with approximately \$4.8 million in cash as at 31<sup>st</sup> March 2020

Galileo Mining Ltd (ASX: GAL, "Galileo" or the "Company") is pleased to provide a summary of activities for the quarter ending 31 March 2020.

Commenting on the results, Galileo Managing Director Brad Underwood said:

*"During the quarter, we undertook our first ever RC drilling program at the Lantern Prospect to depths beyond the range of the aircore drilling completed so far. On this first program we were able to demonstrate that the geochemical results from aircore work were related to disseminated nickel-copper sulphide mineralisation. This indicates that the prospect has*

*an enormous amount of potential and, with a relatively minor amount of work completed to date, we are optimistic that upcoming drilling will yield more positive results.*

*Our ground has had no previous nickel exploration which provides Galileo with a first mover advantage on a virgin greenfields property in an exciting new nickel belt.”*

### **Fraser Range Project, WA**

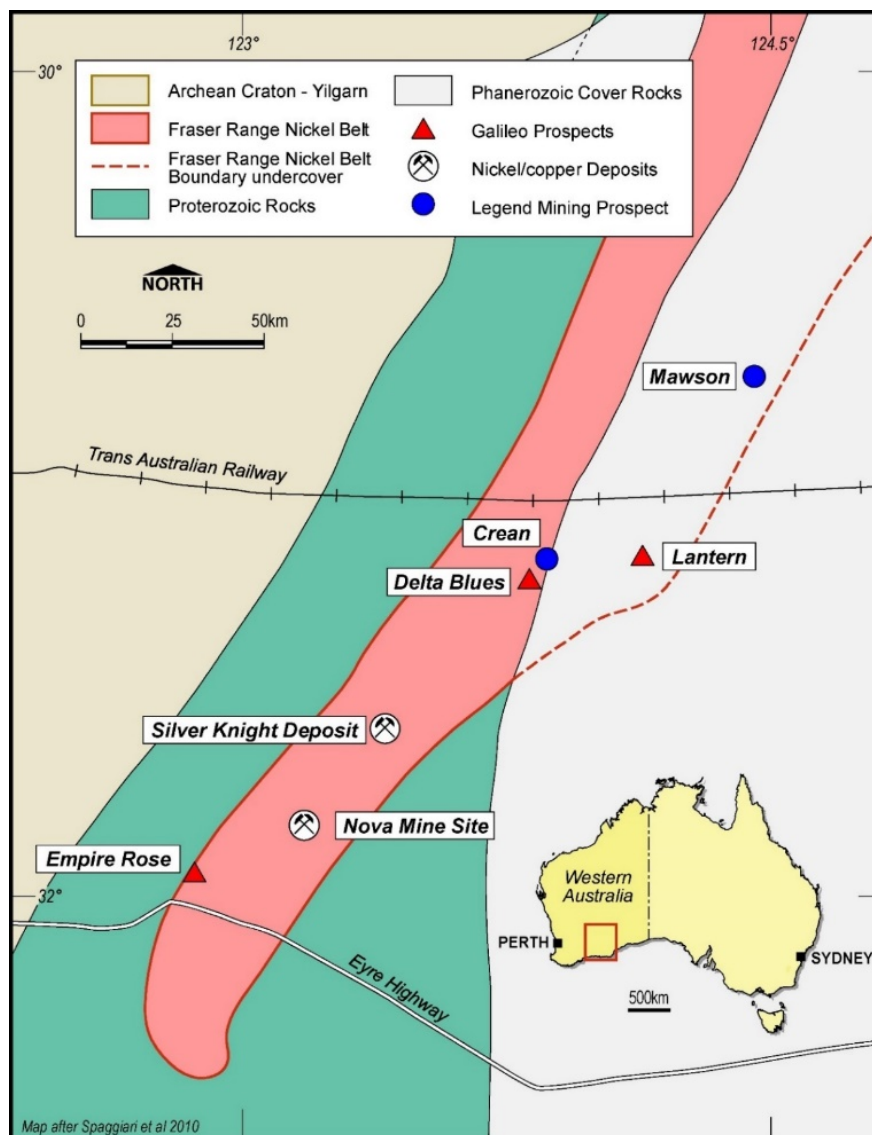
During the March quarter 2020, Galileo undertook a maiden Reverse Circulation (RC) drilling campaign at the Company’s highly prospective nickel targets within the Fraser Range Nickel Belt in Western Australia.

A number of high-quality drill targets have now been developed at the Lantern prospect which is approximately 50 km along strike from Legend Mining’s Mawson Prospect (see Figure 2).

*Figure 1 – RC Drilling Rig at Galileo’s Fraser Range Lantern Prospect Drill Site*



Figure 2 – Galileo Prospect Locations in the Fraser Range Nickel Belt



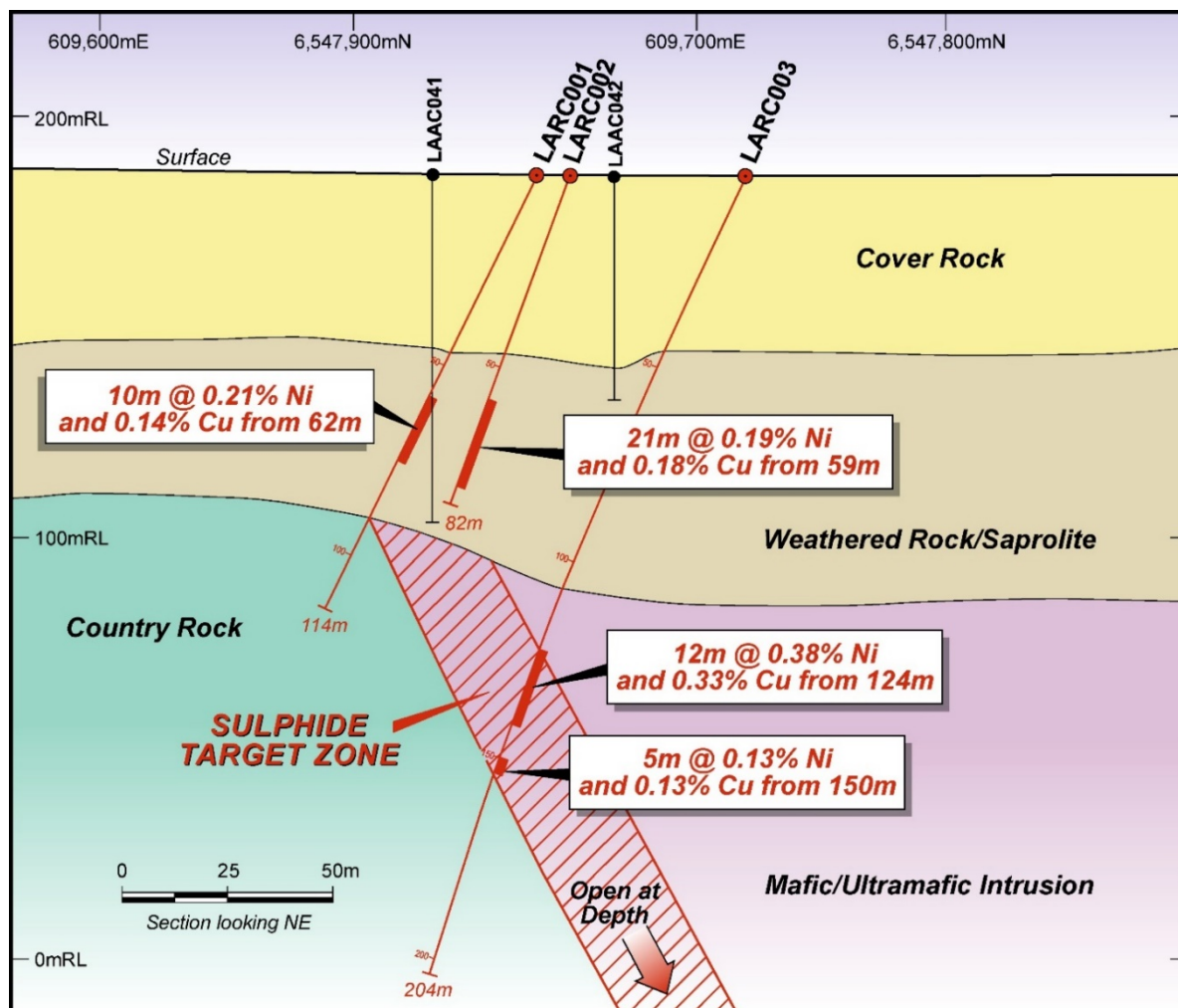
Galileo's anomalous aircore drilling results of 27 metres at 0.18% nickel and 0.17% copper<sup>1</sup> were followed up with RC drilling during the quarter to test the source of the anomalism.

A separate EM anomaly, centred over a highly prospective mafic contact rock unit, was also targeted in the drilling program. The objective of the RC drilling above the EM conductors was to provide geochemical and lithological data and to allow the completion of downhole EM surveying.

Three RC drill holes were completed around the existing geochemical anomaly generated from aircore drilling. Two drill holes (LARC001 and LARC002) confirmed the geochemical anomaly while the third drill hole (LARC003) identified the source of the anomaly by intersecting nickel-copper sulphide mineralisation in fresh rock.

<sup>1</sup> Refer to the Company's ASX announcement dated 26th March 2019

Figure 3 - Lantern Prospect Drill Section Showing RC Drilling and Sulphide Target Zone



Disseminated sulphide mineralisation in LARC003, with an estimated maximum of 12 per cent sulphide over a one metre interval, occurs at a contact zone between a mafic/ultramafic intrusion and the host country rock.

Results reported at a 0.1% copper cut-off grade for the three drill holes are as follows;

LARC001 10m @ 0.21% nickel and 0.14% copper from 62m (weathered rock)

LARC002 21m @ 0.19% nickel and 0.18% copper from 59m (weathered rock)

LARC003 12m @ 0.38% nickel and 0.33% copper from 124m (sulphide)

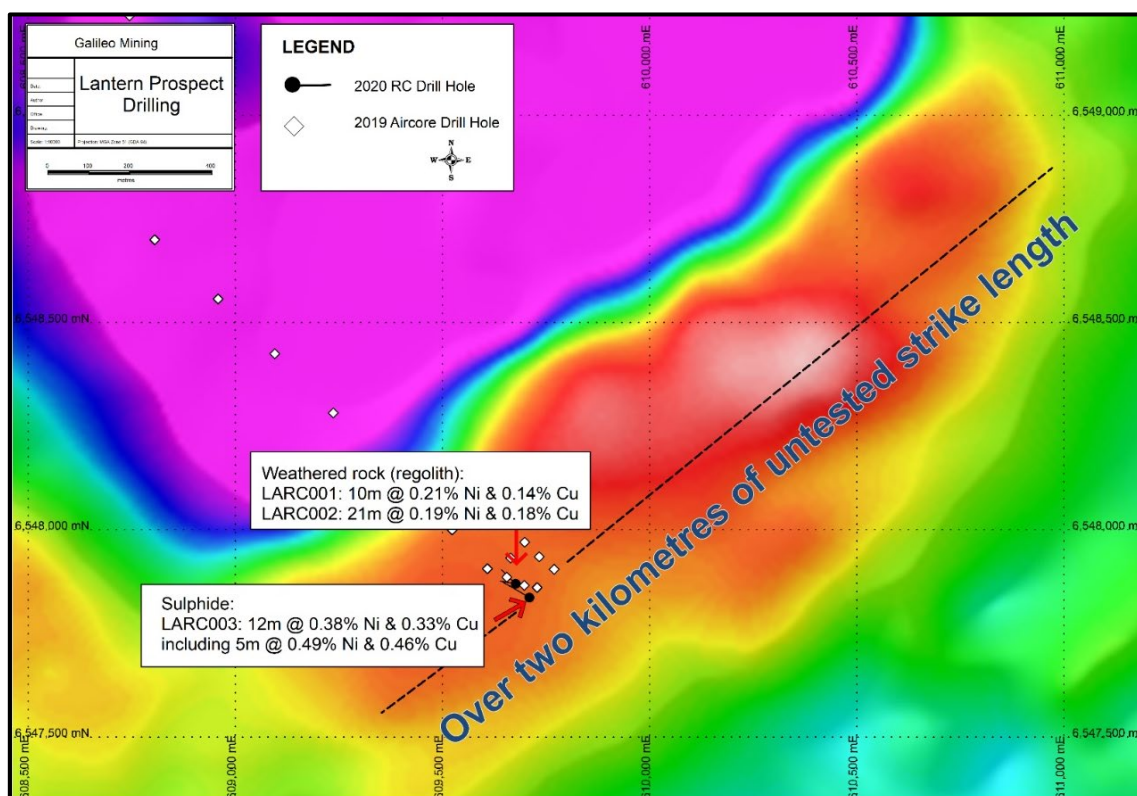
LARC003 5m @ 0.13% nickel and 0.13% copper from 150m (sulphide)

Figure 4: RC drill chips from LAARC003 showing sulphide rich mineralisation



The result is particularly important as the disseminated sulphide intercept may be close to a zone of increased sulphide mineralisation (massive, semi-massive or net textured) with the capacity to contain higher grades of nickel and copper. The drill hole intersection occurs on the edge of a magnetic feature which is interpreted to represent the contact between the prospective intrusive rocks and the host country rock. Over two kilometres of strike length remains to be tested for mineralisation and the intersection is open at depth. (see Figure 5)

Figure 5: Lantern Prospect Drillhole Locations with Untested Strike Length on Airmag Background

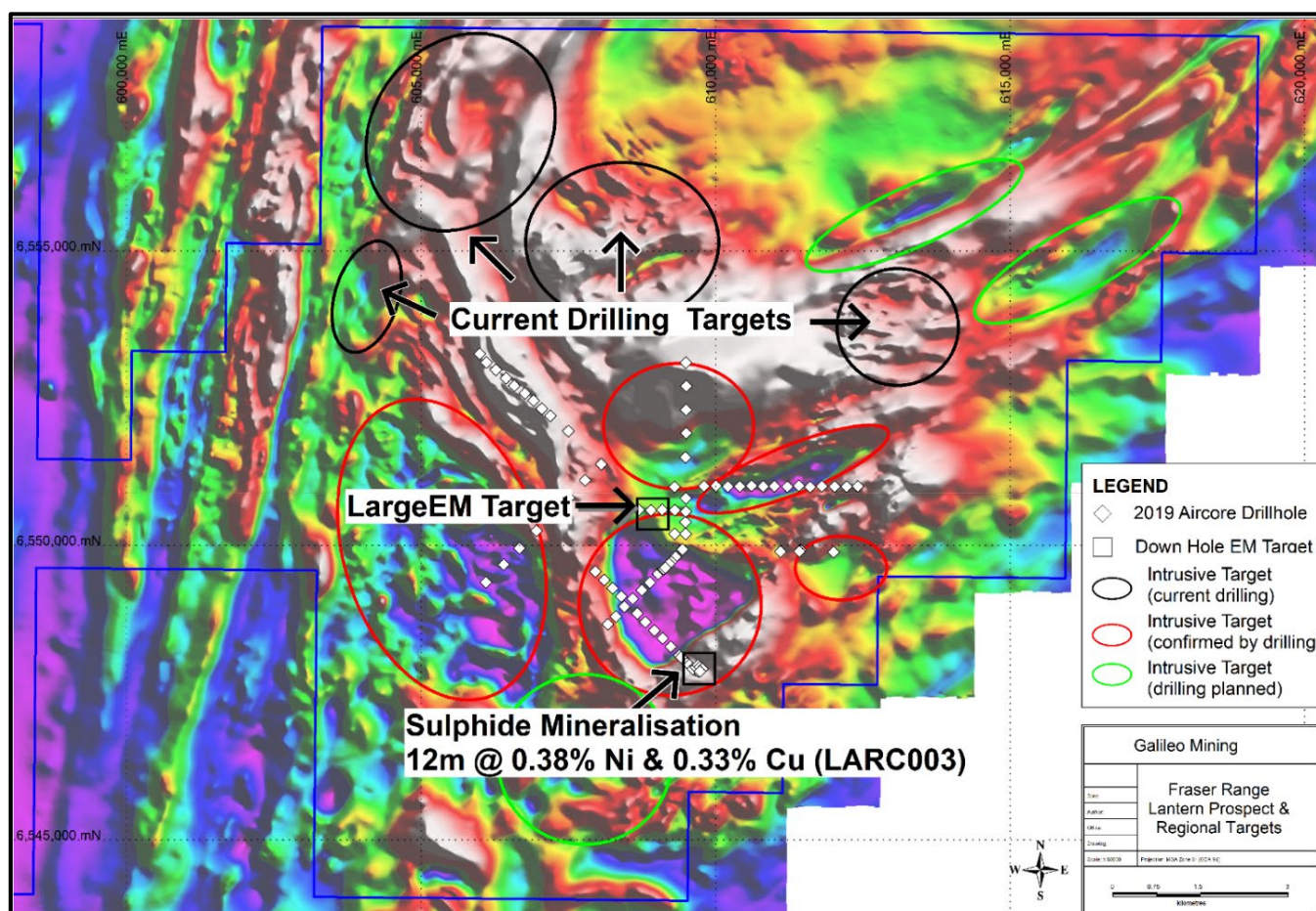


The ultramafic target at Lantern is one of a number of prospective intrusions within a zone of approximately 15km by 12km. A separate EM conductor occurs two-and-a-half kilometres north of drill hole LARC003. This northern target is a large EM anomaly that will be further refined with additional EM surveying prior to deep drill testing.

Additional intrusive targets within the area have also been developed from detailed magnetic and gravity data sets (see Figure 6). Aircore drilling was underway at these targets, however, drilling was postponed from Tuesday, 31st March due to restrictions associated with the novel coronavirus (COVID-19). Once initial aircore drilling is completed, and assay results received, any anomalous zones will be earmarked for further work including infill aircore drilling, EM surveying and RC/diamond core drilling.

Petrographical thin section description of rock chips from LARC003 was underway at the end of the quarter (see ASX release dated 15 April 2020) and will assist in understanding both the style of mineralisation and the potential for large sulphide accumulations at the Lantern Prospect and within the broader area. Program of Works applications to complete infill drilling around and along strike of LARC003 have been submitted to the Department of Mines and approvals were pending at the end of the quarter.

Figure 6 – Reconnaissance Aircore Drilling Targets North of the Lantern Prospect over TMI Magnetic Image



## Corporate

Galileo is well funded to continue exploration with approximately \$4.8 million in cash as at 31 March 2020.

Over the quarter Galileo reviewed several new business opportunities presented to the Company and continues to do so as a part of ongoing business development.

The most significant costs incurred during the quarter were related to exploration and evaluation with 69% of operating expenditure falling into this category.

Estimated expenditure for the June 2020 Quarter is approximately \$1.0 million. Please refer to the attached Appendix 5B report for the period ended 31 March 2020 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.

**Authorised for release by the Galileo Board of Directors**

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### About Galileo Mining:

Galileo Mining Ltd (ASX: GAL) is focussed on the exploration and development of cobalt and nickel resources in Western Australia. GAL holds tenements near Norseman with over 26,000 tonnes of contained cobalt, and 122,000 tonnes of contained nickel, in JORC compliant resources (see Figure 7 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 7: JORC Mineral Resource Estimates for the Norseman Cobalt Project ("Estimates") (refer to ASX "Prospectus" announcement dated May 25<sup>th</sup> 2018 and ASX announcement dated 11<sup>th</sup> 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 31 March 2020

Project	Tenement reference & Location	Interest at beginning of Quarter	Interest at end of Quarter	Nature of Interest As at end of Quarter
<b>NORSEMAN PROJECT</b>	All tenements are in Western Australia			
	E63/1041	100%	100%	Active
	E63/1764	100%	100%	Active
	P63/2053	100%	100%	Active
	P63/2105	100%	100%	Active
	P63/2106	100%	100%	Active
	P63/2107	100%	100%	Active
	P63/2108	100%	100%	Active
	P63/2109	100%	100%	Active
	P63/2110	100%	100%	Active
	P63/2111	100%	100%	Active
	P63/2112	100%	100%	Active
	P63/2113	100%	100%	Active
	P63/2114	100%	100%	Active
	P63/2115	100%	100%	Active
	P63/2116	100%	100%	Active
	P63/2117	100%	100%	Active
	P63/2118	100%	100%	Active
	P63/2123	100%	100%	Active
	P63/2136	100%	100%	Active
	P63/2137	100%	100%	Active
<b>FRASER RANGE PROJECT</b>	All tenements are in Western Australia			
	E28/2064	67%	67% NSZ <sup>(1)</sup>	Active
	E28/2912	0%	100%	Active
	E63/1539	67%	67% FSZ <sup>(2)</sup>	Active
	E63/1623	67%	67% FSZ <sup>(2)</sup>	Active
	E63/1624	67%	67% FSZ <sup>(2)</sup>	Active

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

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

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Galileo Mining Ltd

ABN

70 104 114 132

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(51)	(194)
	(e) administration and corporate costs	(178)	(529)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	15	71
1.5	Interest and other costs of finance paid	-	(4)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Net GST (paid)/refunded)	13	30
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(201)</b>	<b>(626)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(3)	(7)
	(d) exploration & evaluation (if capitalised)	(446)	(1,696)
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(449)</b>	<b>(1,683)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	5,411	7,070
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(201)	(626)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(449)	(1,683)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	
4.6	<b>Cash and cash equivalents at end of period</b>	<b>4,761</b>	<b>4,761</b>

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	31	46
5.2	Call deposits	4,730	5,365
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,761</b>	<b>5,411</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
67
76

Director fees and salaries paid during the quarter totalled \$117,727.

Company secretarial, corporate administration and CFO fees paid to Whypro Corporate Services, a party of which Mathew Whyte is a principal, totalled \$25,500 (Excluding GST) during the quarter.

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. <b>Financing facilities</b>		<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	(201)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(446)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(647)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	4,761
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	4,761
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	7.4
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	

## **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.

Date: 22 April 2020  
.....

By the Board of Directors

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

## **Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.