

22 July 2020

ASX: GAL

Corporate Directory

Directors

Chairman & MD
Brad Underwood

Technical Director
Noel O'Brien

Non-Executive Director
Mathew Whyte

Projects

Norseman Project
Cobalt-Nickel-Copper

Fraser Range Project
Nickel-Copper-Gold



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QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

Corporate

- Well-funded to continue all exploration programs with approximately \$8.7 million in cash as at 30th June 2020
- Heavily oversubscribed \$5 million placement completed during the Quarter
- Cornerstone investment by IGO which now has an 8.9% substantial holding in Galileo

Fraser Range Project (Joint Venture with Creasy Group)

- Aircore drilling at the Lantern Prospect was completed with 8,839 metres (151 holes) drilled
- Post quarter end results confirmed the ultramafic unit at Lantern South with further nickel results of
 - 27m @ 0.18% nickel from 48m (LAAC116) and
 - 17m @ 0.17% nickel from 48m (LAAC235)
- Aircore results will be integrated with electromagnetic (EM) surveying to delineate high value drill targets at relatively shallow depths of 50 to 400 metres below surface
- Results from fixed Loop EM surveying at the Lantern area show a new conductive target named Lantern East
- EM target occurs at a highly prospective location on the margin of a large intrusion and is 1.5km along strike from known sulphide mineralisation intersected at the Lantern South prospect
- Petrography results from reconnaissance aircore drilling identified additional nickel prospective rocks beneath shallow cover along trend from the Lantern area
- Drilling results combined with magnetic data show three new intrusions named Think Big, Backwood and Green Moon

Priority Upcoming Work

- RC drilling of Lantern South and Lantern East targets to commence in late July with diamond drilling to begin in August
- First pass moving loop electro-magnetic (MLEM) survey on the newly identified Think Big, Backwood and Green Moon intrusions as well as the southern side of the major Lantern intrusion

Galileo Mining Ltd (ASX: GAL, “Galileo” or the “Company”) is pleased to provide a summary of activities for the quarter ending 30 June 2020.

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

“This was an important period for Galileo in which we laid the groundwork for the next round of RC drilling which is to be followed by the first ever diamond core drilling at our Fraser Range Lantern Prospect.

“Our aircore drilling outlined the prospective ultramafic unit at Lantern South and this target is now ready for advanced drilling. We also undertook electromagnetic (EM) surveying to define subsurface zones prospective for nickel sulphide mineralisation.

“The first results from our EM survey showed the presence of a conductor along strike from drilling that intersected nickel and copper sulphide mineralisation, an encouraging sign as conductive targets can be associated with significant amounts of nickel sulphides.

“Our ground has had no previous nickel exploration which provides Galileo with a first-mover advantage on a virgin greenfields property in a new nickel belt. The next round of drilling is scheduled to commence this month and marks the beginning of an important phase of exploration.

“During the quarter, we strengthened our cash position via a well-supported \$5 million placement allowing us to effectively explore the entire area around our Lantern Prospect over the next six to twelve months.

“We welcome IGO as a new substantial shareholder with their current 8.9% holding of Galileo. IGO, along with our largest shareholder the Creasy Group, have a deep understanding of the Fraser Range belt through their respective ongoing exploration programs. The support of both these parties demonstrates the potential that exists at our Fraser Range projects.

“Following the placement, and despite the continuing volatile market conditions brought on by COVID-19, Galileo remains in the enviable position of being well funded with cash of \$8.7 million at the end of the quarter.”

Fraser Range Project, WA

During the June Quarter 2020, Galileo undertook significant exploration work programs at the Lantern Prospect.

1) EM Surveying

Electro-magnetic (EM) surveying at Lantern was undertaken during the period to define the most prospective zones for nickel sulphide mineralisation. Results from fixed loop EM surveying revealed a conductive target 1.5km along strike from disseminated sulphides intersected at the Lantern South prospect. The EM target has been named Lantern East to reflect its relative position on the margin of the major gabbro-norite intrusion.

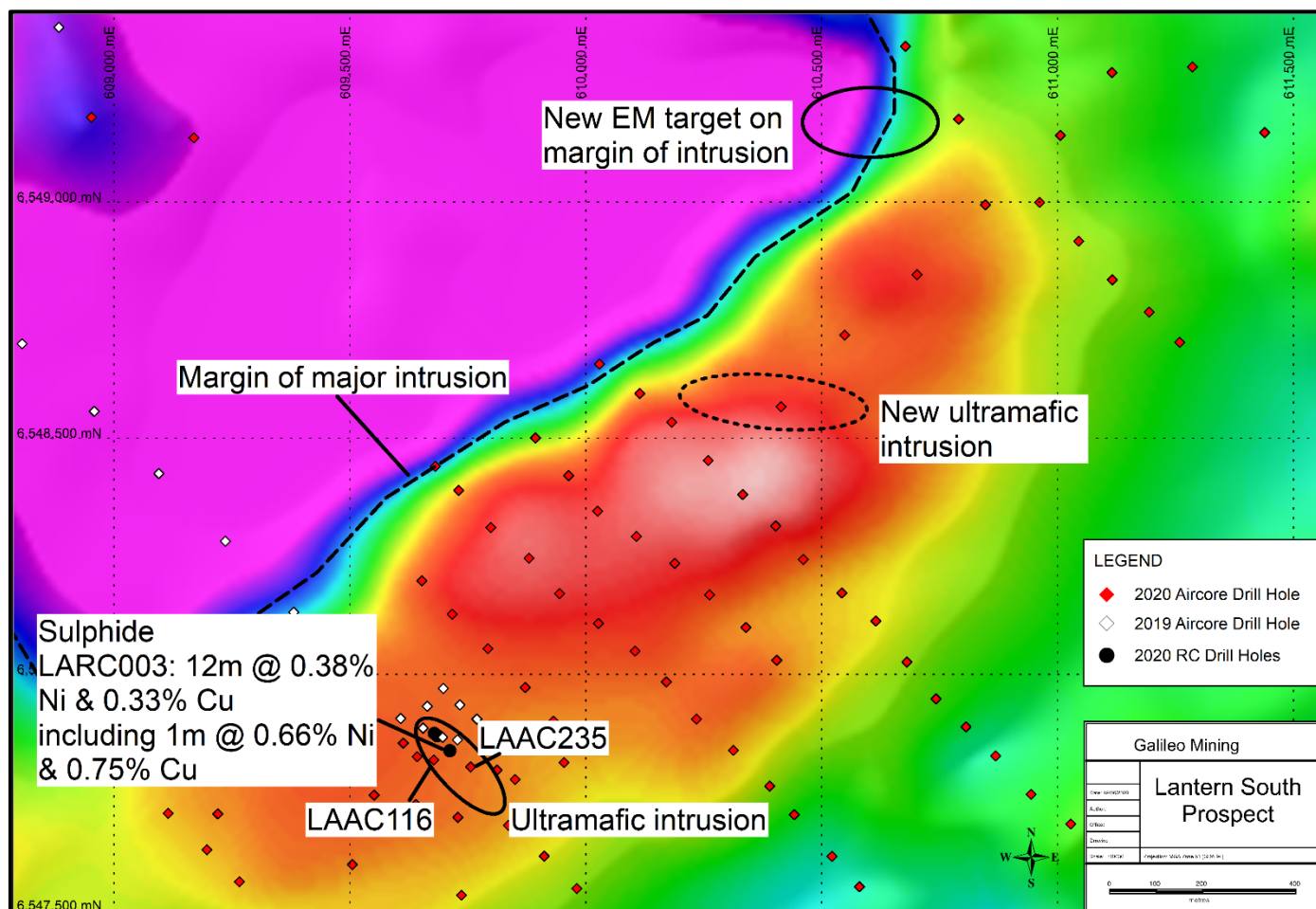


Figure 1 – New EM Target at the Fraser Range Lantern Prospect over Magnetic Image (TMI)

Figure 1 shows the location of the new EM target on the margin of a major gabbro-norite intrusion. The target location is 1.5km along strike from the ultramafic unit at Lantern South which contains disseminated nickel-copper sulphide mineralisation. It is important to note that no conductive sediments (typically graphite and/or pyrrhotite bearing) have been intersected in aircore drilling which increases the likelihood that the conductor is related to sulphide mineralisation. The conductor is oblique to the strike of the margin of the intrusion and may represent a separate pulse of magma, similar to the ultramafic unit at Lantern South, which also crosscuts the regional magnetic fabric.

Modelled parameters of the conductor are as follows;

Conductance	Dimensions	Depth to Top	Orientation
1,400S*	260m by 200m	225m	54° dip to 015

* Various conductivities, from 2500 to 5000S, can be used to account for the peak of the anomaly. A conservative conductivity has been used in the above modelling to better reflect the overall shape of the anomaly.

First pass moving loop EM surveying plans are now confirmed for the southern side of the major Lantern intrusion as well as the new Think Big, Backwood and Green Moon intrusions to the north (see Figure 2). These surveys have commenced post the quarter end (see ASX Announcement dated 16th July 2020).

2) Aircore Drilling Campaign

During the quarter, Galileo completed a shallow aircore drilling program at the Lantern Prospect with 8,839 metres (151 drill holes) drilled. This program was designed to be a first pass test beneath cover rock to determine the extent of nickel prospective intrusive rocks.

Drilling was completed around the Lantern South intrusion and delineated the ultramafic unit at the Lantern prospect with further results of 27m @ 0.18% nickel from 48m (LAAC116) and 17m @ 0.17% nickel from 48m (LAAC235). The ultramafic unit at Lantern South has near surface dimensions of 260 metres by 100 metres with sulphide mineralisation, intersected by previous RC drilling, occurring on the margin of the unit.

Drill testing along the margins of this unit is planned to commence this month. A new ultramafic unit has also been identified by aircore drilling (see interpreted outline in Figure 1). This area will require further aircore drilling to define the margins of the unit which are believed to be the most prospective for sulphide mineralisation.

Petrographic rock description of samples from reconnaissance aircore drilling combined with detailed magnetic data shows the presence of three new intrusions. These intrusions, which have been named Think Big, Backwood and Green Moon (see Figure 2), have the potential to host magmatic nickel mineralisation under shallow cover rock ranging from 17 metres to 92 metres below surface.

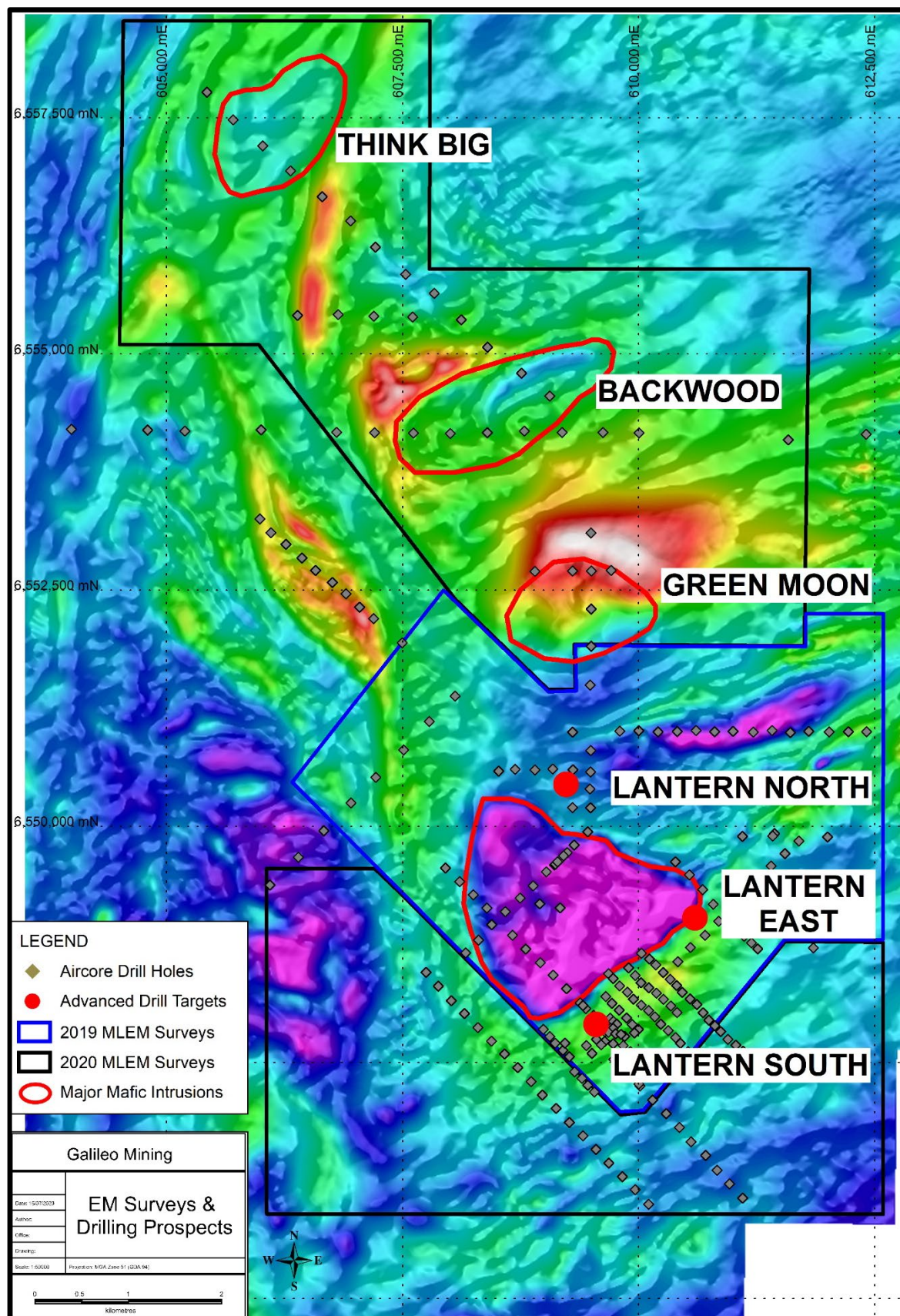
A high-powered ground electro-magnetic (EM) survey is being planned to cover the newly identified intrusions with the intention of defining zones of potential nickel mineralisation.

Ongoing geochemical and petrographical analyses of aircore results aims to assist in determining those areas most prospective for nickel mineralisation.

3) Upcoming work programs planned at the Fraser Range

- Reverse circulation (RC) and diamond drill testing of targets defined by EM surveying and by shallow Drilling at the Lantern South and Lantern East prospects
- First pass moving loop electro-magnetic (MLEM) survey over the newly identified intrusions at the Think Big, Backwood and Green Moon prospects and on the southern side of the major Lantern intrusion

Figure 2 - New MLEM Surveys Along Strike of Lantern Prospect (TMI-1VD Magnetic Image)



Norseman Project, WA

The Norseman Cobalt Project mine lease and miscellaneous license applications continue to progress. 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.

Corporate

Galileo is well funded to continue exploration with approximately \$8.7 million in cash as at 30 June 2020. This puts the Company in a secure position during the current period of economic uncertainty.

In May 2020 the Company completed a well-supported capital raising of \$5 million from a range of existing and new sophisticated and institutional investors. The placement closed oversubscribed with a cornerstone investment by Independence Group (IGO) which emerged with an 8.9% substantial holding in Galileo.

The funds raised via the Placement will be used to expedite exploration at the Fraser Range Lantern Prospect, for other prospects in the Fraser Range nickel belt, and for working capital purposes.

Capital Structure

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

Quoted Securities

Number	Class
143,101,205*	Ordinary Fully Paid Shares (Shares)

Un-Quoted Securities

Number	Class
15,000,000	Class A Options Exercisable @\$0.20 each/ of which 12.5 million Expire 31/1/2023 & 2.5 million Expire 24/12/2020. Vesting condition 60-day VWAP > \$0.60
2,272,727*	Options Exercisable @ \$0.44 each/ Expiring 29/04/2022
1,600,000	Performance Rights Vesting @ \$1.00/ Exp 31/1/2023 Vesting condition 10-day VWAP > \$1.00

*Changes during the Quarter:

- 28,094,895 Ordinary Shares were Quoted following release from ASX imposed 24- month escrow;

- 22,727,273 Ordinary Shares were issued pursuant to the Placement at \$0.22 each; and
- 2,272,727 Unquoted Options were issued as part of the fee payable to Nascent Capital Partners Pty Ltd who acted as lead manager to the Placement.

Research and Development Cash Refund

Galileo lodged its FY 2019 tax return in June 2020 and received an R&D cash refund from the Australian Government of \$191,790 during the quarter.

Also during the quarter, the Company received the first of two \$50,000 payments under the Australian Governments COVID19 – Cash Booster program.

ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation expenditure during the quarter was \$720,796 representing approximately 85.4% of cashflows from operating and investing activities. Full details of exploration activity during the June 2020 Quarter are set out in this report.
2. ASX Listing Rule 5.3.2: There was no substantive mining production and development activities during the Quarter.
3. ASX Listing Rule 5.3.3: Details of the Company's Tenements and Farm- In Agreements as at 30 June 2020 are contained in Appendix 1 to this report.
4. Listing Rule 5.3.4: – The Company now provides the actual versus proposed Use of Funds as outlined in Section 1.5 of its IPO prospectus dated 6 April 2018 (Prospectus)¹.

Proposed Use of Funds	Proposed \$000's	Actual Use \$000's			Variance Under/ (Over) \$000's
		29/5/2018 to 31/03/2020	June 2020 Quarter	Total	
Expenses of the Offer	705	741	-	741	(36)
Exploration & other geological work on the Fraser range Project ²	1,456	2,308	654	2,962	(1,506)
Exploration & other geological work on the Norseman Project ³	6,999	3,247	67	3,314	3,685
Acquisition costs ⁴	1,484	1,412	-	1,412	72
Loan repayment ⁵	1,600	1,676	-	1,676	(76)
General working capital ⁶	2,756	1,552	324	1,876	880
Other (Interest received, Net GST, Sale of tenement)	-	(287)	(201)	(488)	488
TOTAL	15,000	10,649	844	11,493	3,507

¹ See Section 5 Prospectus at <https://www.asx.com.au/asxpdf/20180525/pdf/43v9b2cxrhqmqk.pdf>

The above table is a statement of proposed Use of Funds (as at the date of the Prospectus) v Actual. Investors should note that, as with any budget, the allocation and timing of use of funds set out in the table above may change depending on a number of factors, but not limited to, the success and focus of the Company's exploration and evaluation programs, economic conditions and commodity prices as well as regulatory developments. In light of this, the Board reserves the right to alter the way the funds are applied.

² See Section 2.4.1 of Prospectus for further information

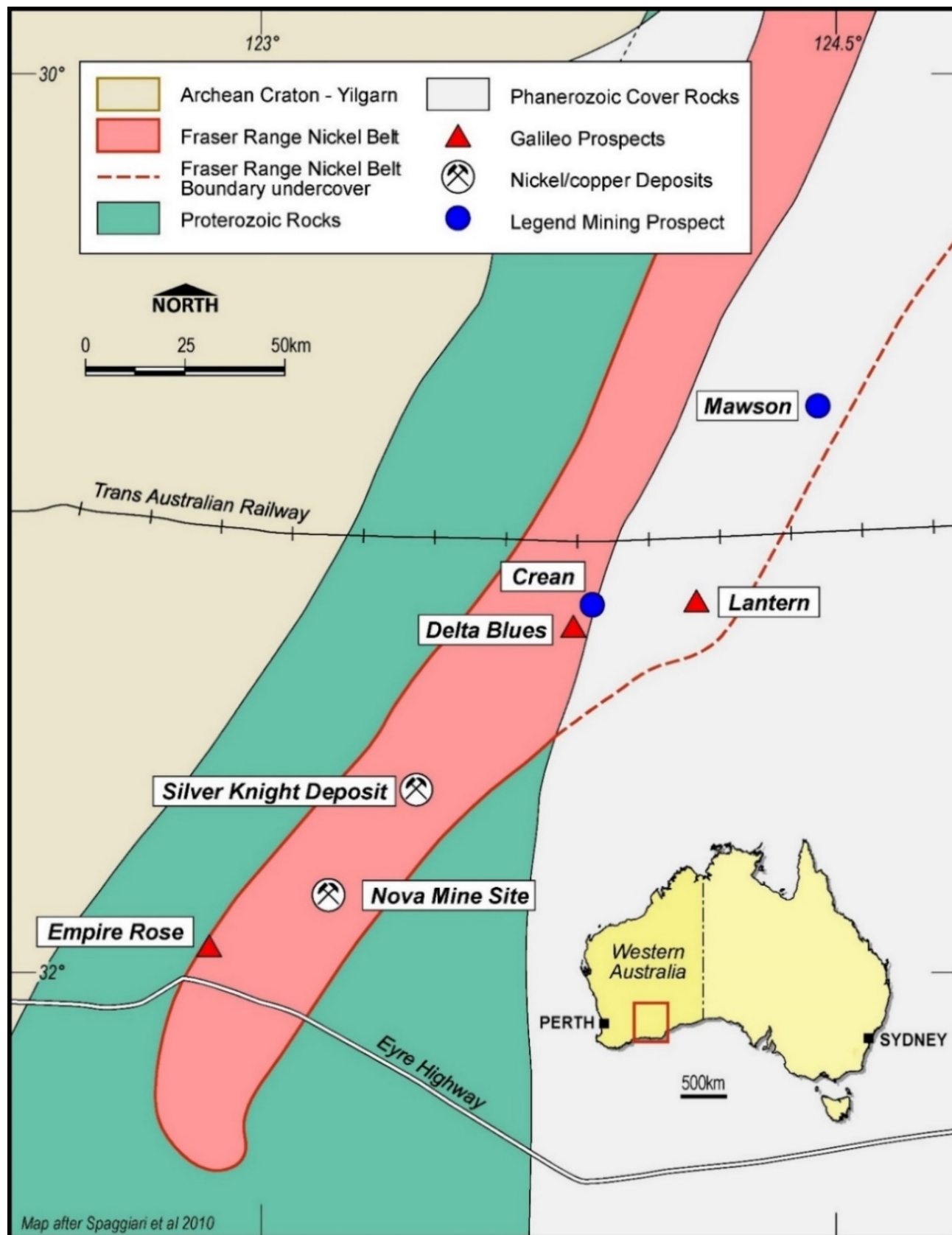
³ See Section 2.4.2 of Prospectus for further information

⁴ These costs relate to the amounts paid (including GST) under the Dunstan JV Agreement and GSN JV Agreement. See the summaries of the terms of these agreements in sections 8.1 and 8.2 of the Prospectus respectively.

⁵ General working capital includes wages, payments to contractors, rent and outgoings, insurance accounting, audit, legal and listing fees, other items of general administrative nature, and cash reserves which may be used in connection with any project such as investments and acquisitions, or in connection with any item in the table above, as determined by the Board at the relevant time.

5. Listing Rule 5.3.5: – Payments to related parties of the Company and their associates during the Quarter (as detailed in Section 6 of the accompanying Appendix 5B) totalling \$146,906 was paid to Directors and Associates for salaries, superannuation, and director and consulting fees.

Figure 3 – Galileo Prospect Locations in the Fraser Range Nickel Belt



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 nickel, copper and cobalt resources in Western Australia. GAL has Joint Ventures with the Creasy Group over tenements in the Fraser Range which are highly prospective for nickel-copper sulphide deposits similar to the operating Nova mine. GAL also 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 4 below).

Figure 4: 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 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
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
	E28/2912	100%	100%	Active
	E28/2949	0%	100%	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 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")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(54)	(248)
	(e) administration and corporate costs	(269)	(799)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	79
1.5	Interest and other costs of finance paid	(2)	(6)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	244	244
1.8	Other - Net GST (paid)/refunded	(50)	(20)
1.9	Net cash from / (used in) operating activities	(123)	(750)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(7)
	(d) exploration & evaluation	(721)	(2,417)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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)	-	20
2.6	Net cash from / (used in) investing activities	(721)	(2,404)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,000	5,000
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	(219)	(219)
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	4,781	4,781

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,760	7,070
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(123)	(750)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(721)	(2,404)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,781	4,781

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	8,697	8,697

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	47	31
5.2	Call deposits	8,650	4,730
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)	8,697	4,761

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	68
6.2	Aggregate amount of payments to related parties and their associates included in item 2	79

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.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(123)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(721)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(844)
8.4	Cash and cash equivalents at quarter end (item 4.6)	8,697
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	8,697
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	10.3
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	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		
8.8.2	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		

8.8.3 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

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

22 July 2020

Date:

By the Board

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.