



ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2018

GALILEO MINING LTD

ABN 70 104 114 132

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CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the Board, I am pleased to present this first Annual Financial Report of the Company since our successful Initial Public Offering (IPO) and listing on the ASX in May this year.

The ASX listing was well over-subscribed, resulting in us raising the full subscription amount of \$15,000,000 before costs. The IPO created a very strong share register with major shareholders including Mark Creasy (approximately 31%), Independence Group (4.9%) and Chris Ellison (4.2%).

After listing the Company followed its strategic plan as outlined in its IPO Prospectus.

The Company moved quickly in its exploration programmes at its highly prospective West Australian exploration projects being:

- 1) The Norsemen Cobalt Project with a JORC compliant cobalt-nickel resource; and
- 2) The Fraser Range Project with exploration tenements prospective for nickel-copper-cobalt deposits.

The Norseman Project is located adjacent to the regional town of Norseman in an infrastructure-rich area of Western Australia. Metallurgical work conducted post listing supports a cobalt upgrade using conventional, commercially available concentration techniques whilst drilling results support the Board's view that the Norsemen Cobalt Project is prospective for additional high grade cobalt at multiple prospects.

The Fraser Range Project covers two zones of the extensive, 400km long, Fraser Range geological belt which has proven prospective for nickel mineralisation with the 2012 discovery of the Nova-Bollinger nickel-copper-cobalt mine. The southern tenements contain the Empire Rose prospect and straddle the Eyre Highway east of Norseman. The Northern tenement contains the highly prospective Nightmarch and Lantern targets. Both projects offer shareholders exposure to the exciting and emerging Fraser Range province.

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

The Company has assembled an experienced management, exploration and development team who are well qualified to exploit the potential of the Company's mineral assets. The Board has significant expertise and experience in mineral exploration and project development and will aim to ensure that funds raised through the IPO will be utilised in a cost-effective manner to advance the Projects.

The Directors are excited with the progress that has been made since listing and look forward to the results of future exploration work programmes.

On behalf of my fellow Directors, I look forward to updating you with details on the Company's projects over the course of the exciting period ahead.

Yours Sincerely



Simon Jenkins

CHAIRMAN OF THE BOARD

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

The directors present their report on the Company for the financial year ended 30 June 2018.

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) – appointed 13 September 2017
- Richard (Brad) Underwood (Managing Director) – appointed 13 September 2017
- Noel O'Brien (Technical Director) – appointed 6 February 2018
- Mark Creasy (Director) – resigned 12 March 2018

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were mineral exploration.

FINANCIAL RESULTS AND FINANCIAL POSITION

The net loss of the Company for the financial year ended 30 June 2018 after providing for income tax amounted to \$677,373 (2017: 29,363).

The Company has not reached a stage in its development where it is generating an operating profit. All the Company's efforts go into project exploration and evaluation.

At the end of the financial period the Company had cash on hand, including deposits of \$11,275,323 (2017: \$14,803) and Net Assets of \$16,665,935 (2017: Deficit \$1,272,228).

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

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

- Completed highly successful IPO and lists on the Australian Securities Exchange (ASX) on 29 May 2018.
- Field programs at the Norseman Cobalt Project commenced in June with work facilitating commencement of extensive drilling programs over the remainder of 2018.
- Maiden diamond drilling program commenced in the last week of June and continued into the September quarter.
- Strong cash position of \$11.3 million at year end.

Galileo listed on the ASX on the 29 May 2018 after a successful Initial Public Offering (IPO) which raised \$15 million before costs and transaction payments. The IPO created a very strong share register with major shareholders including Mark Creasy (approximately 31%), Independence Group (4.9%) and Chris Ellison (4.2%). The top 20 shareholders on listing held 57% of the stock.

Galileo has two highly prospective West Australian resource and exploration projects being:

- 1) The Norseman Cobalt 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 final quarter focussed on the IPO and subsequent listing on the ASX. Field activities started in June with the maiden diamond drilling program commencing in the last week of the quarter.

1. Galileo Projects Overview

Galileo has a portfolio of granted exploration and prospecting licenses as well as tenement applications in Western Australia. Western Australia is a stable mining jurisdiction with known development pathways for mining projects. All tenements are located close to existing infrastructure and, in the case of the Norseman Cobalt Project, adjacent to a world class array of infrastructure assets. These include a railway, gas pipeline, water pipeline, sealed highway and the regional town of Norseman. Figure 1 shows the location of Galileo's Project Areas and it can be noted from the same map that a number of operating mines and development assets, with a focus on battery metals, occur in the region. Lithium is produced from the Mt Marion and Bald Hill mines while nickel, copper and cobalt are produced from the Nova mine in the Fraser Range.

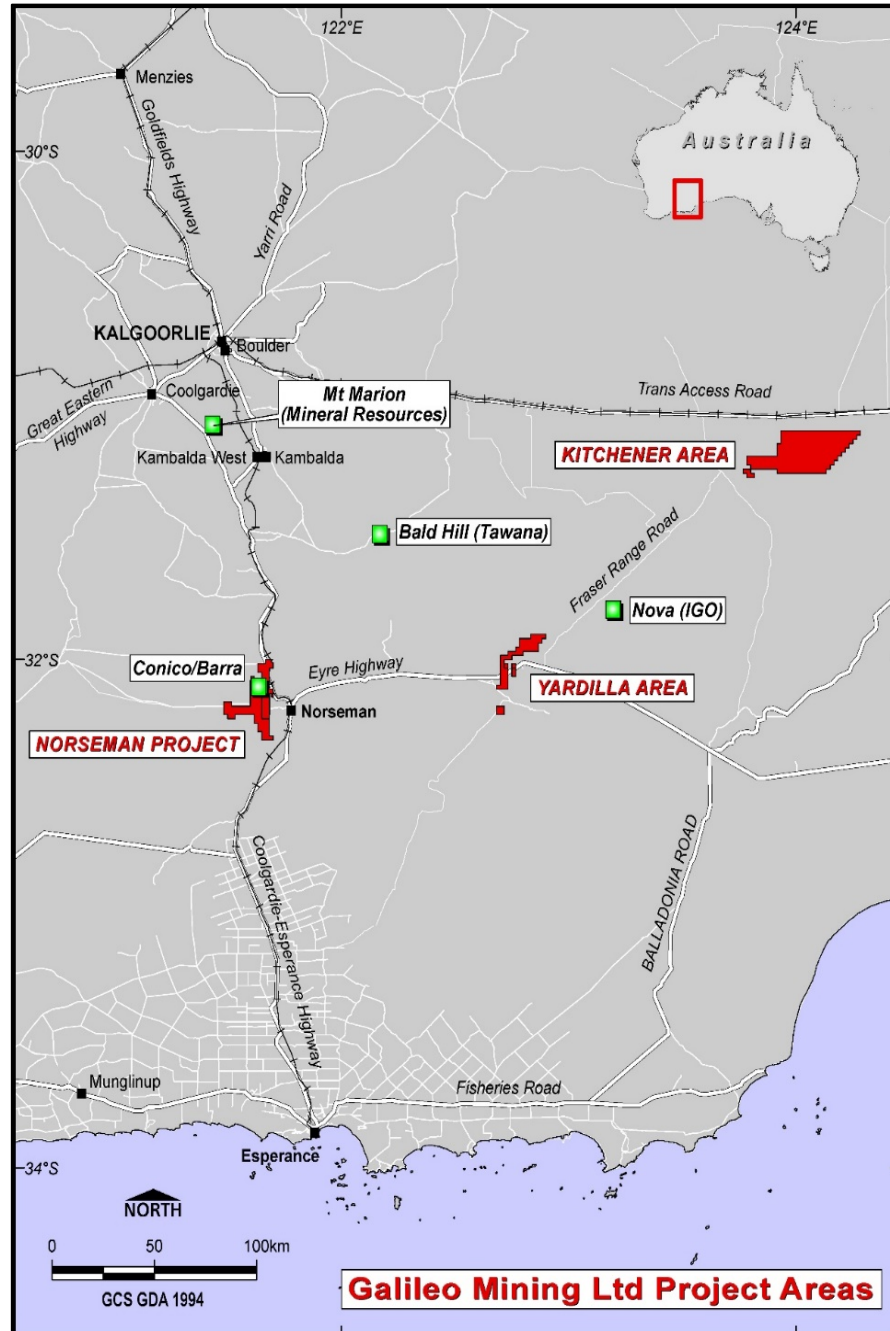


Figure 1 – Galileo Mining Ltd Project Areas and Regional Battery Metal Mines & Projects

2. Norseman Cobalt Project, Norseman, WA (Galileo 100%)

At the Norseman Cobalt Project Galileo has a portfolio of two granted exploration licenses, one granted prospecting license and 17 pending prospecting license applications covering a total ground holding of 278.4km². The project is centred on the JORC compliant resource of 20Mt @ 0.11 % Cobalt and 0.53% Nickel which has 22,500 tonnes of contained cobalt metal and 106,000 tonnes of contained nickel. The project is prospective for additional cobalt at multiple prospects where the underlying geology indicates potential for further mineralisation.

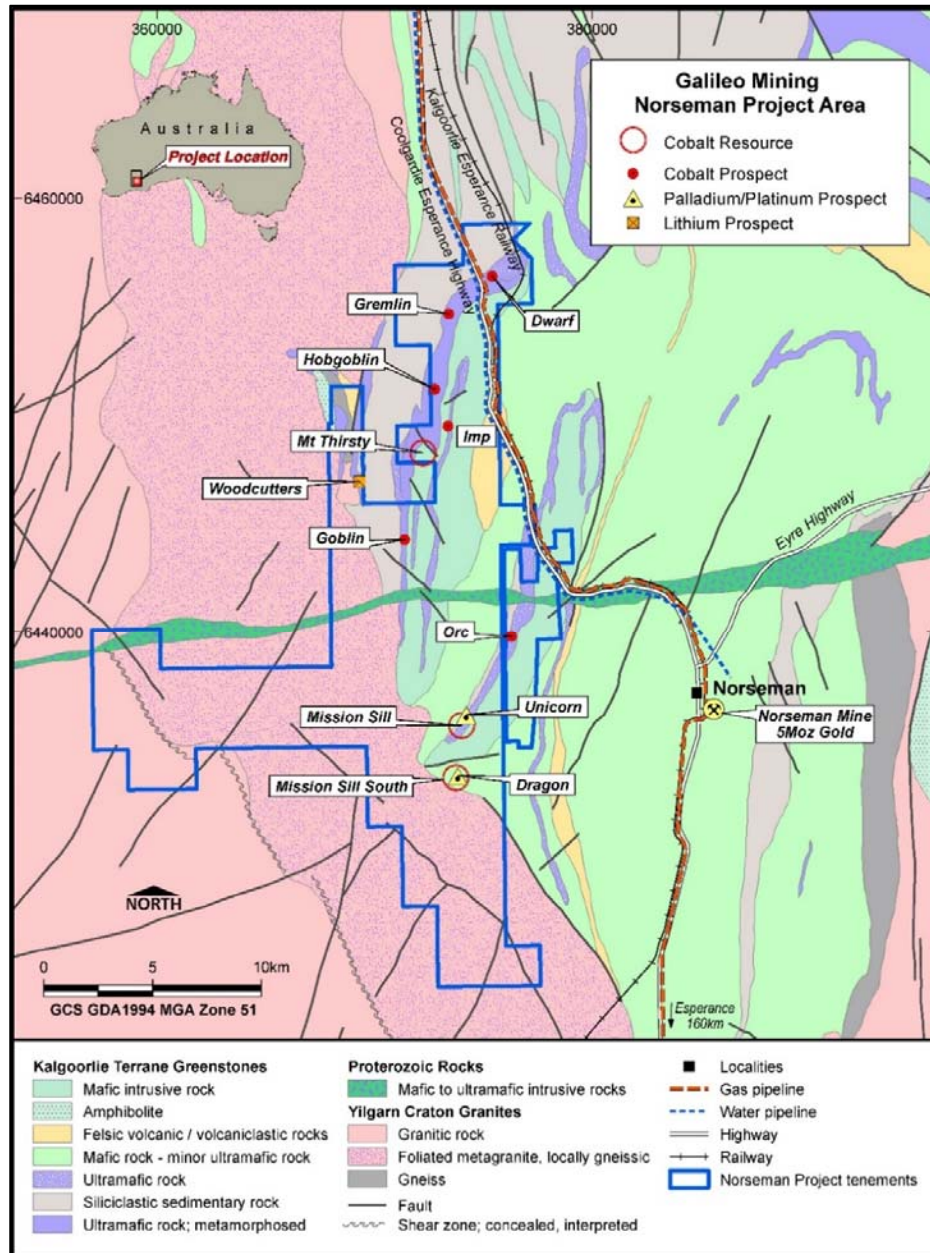


Figure 2 – Norseman Cobalt Project tenure (blue outline) with Geology and Prospects

Figure 2 shows the location of the Norseman Cobalt Project tenements with underlying geology. Cobalt mineralisation is interpreted to form as supergene upgrading directly above the ultramafic sills, where regolith profile development has occurred and where the profile has been preserved. Work over the quarter was limited to the month of June as the company completed in its listing in May. Field programs did however commence in June with most activity related to preparation for both metallurgical diamond drilling and RC exploration drilling.

Diamond drilling commenced in the last week of June, being the last week of the quarter, less than four weeks after the Company's listing on the ASX. Proposed diamond drilling locations are shown in Figure 3 with drill locations selected from within the boundaries of the known resource. The diamond drilling will provide Galileo with up to two tonnes of samples with which to complete metallurgical test work. Assays from the initial diamond drilling program are expected in August with metallurgical and ore characterisation test work to follow.

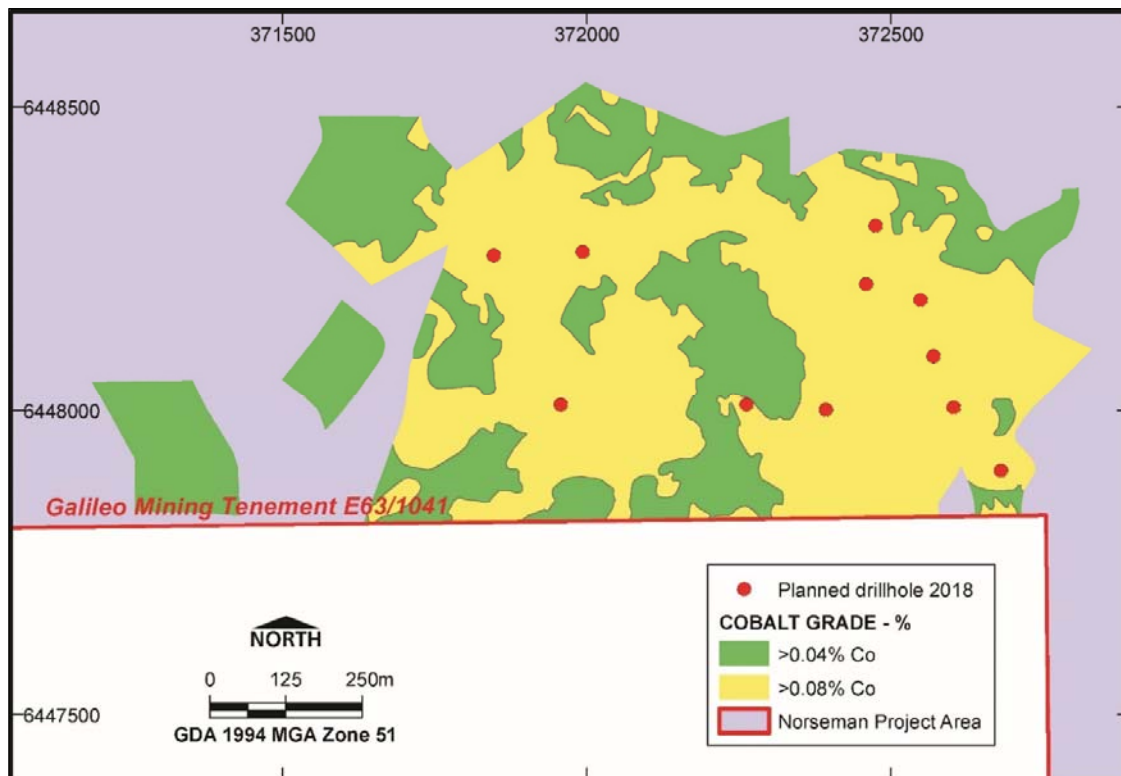


Figure 3 - Diamond drilling locations within resource boundaries at the Norseman Cobalt Project

3. Fraser Range Project, Fraser Range, WA (Galileo 67%)

Galileo has two Joint Ventures covering 492km² of granted exploration licenses in the Fraser Range region of Western Australia. The tenements are prospective for magmatic nickel-copper-cobalt mineralisation akin to that discovered at the Nova mine site in 2012. Figure 4 shows the location of Galileo's tenements in the Fraser Range with respect to the Nova mine site and other key players in the Fraser Range.

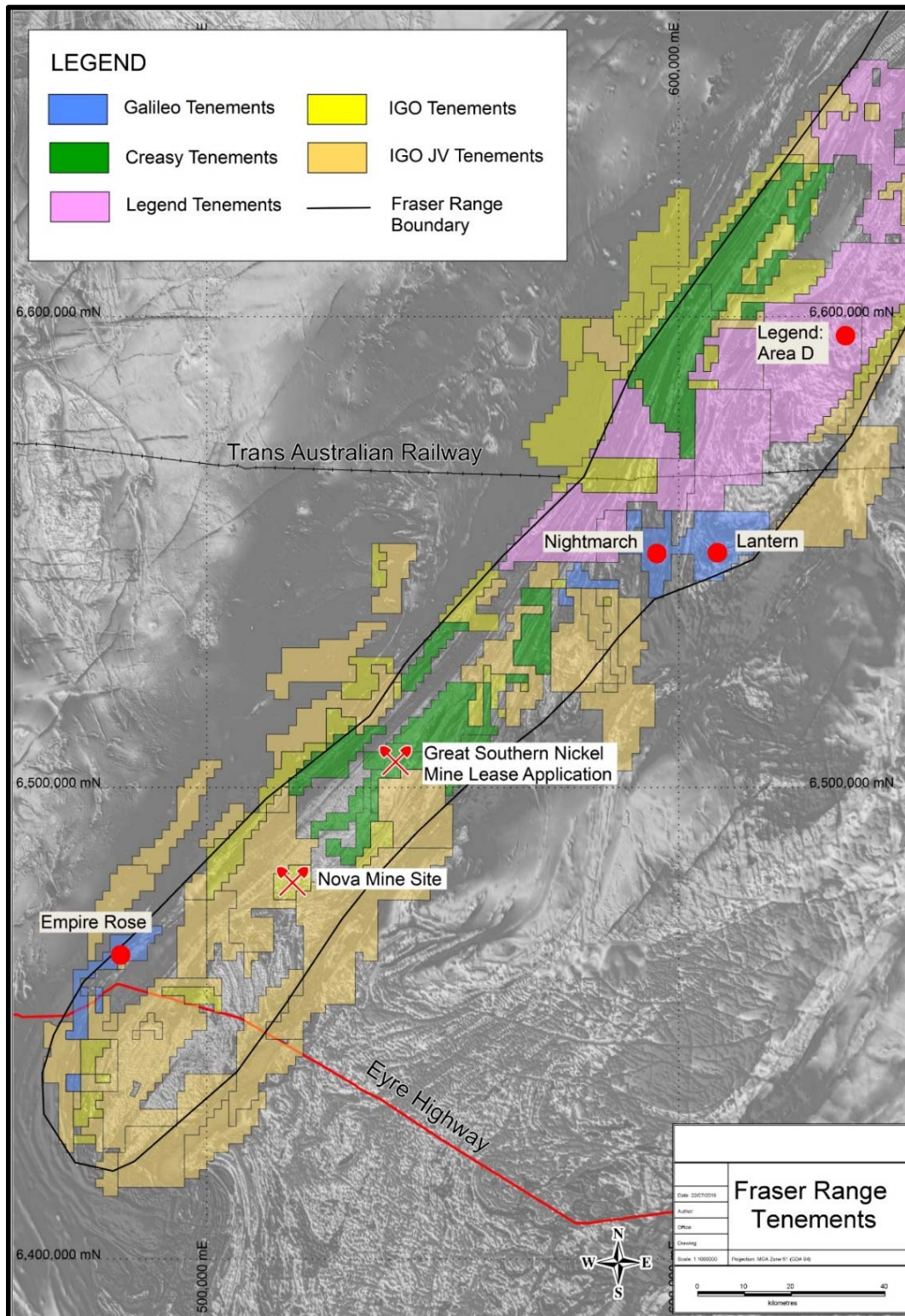


Figure 4 – Galileo's Fraser Range tenement holdings (blue) and prospects relative to the location of tenement holdings of other key Fraser Range companies.

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Work over the quarter on the Fraser Range project included a detailed interpretation and assessment of the prospects within the Joint Venture tenements. This work resulted in an ASX announcement, after the end of the quarter, on the 19 July 2018. That announcement referred to the identification of three new prospects named Nightmarch, Lantern and Empire Rose. Tenement E28/2064 contains the Nightmarch and Lantern prospects and is in a 67/33% JV between NSZ Resources Pty Ltd (NSZ) and Great Southern Nickel Pty Ltd. Tenements E63/1539, E63/1623 and E63/1624 are in a 67/33% JV between FSZ Resources Pty Ltd (FSZ) and Dunstan Holdings Pty Ltd. NSZ and FSZ are wholly owned subsidiaries of Galileo. Great Southern Nickel Pty Ltd and Dunstan Holdings Pty Ltd are entities owned by Mark Creasy.

Planned work in the Fraser Range over the coming quarter includes gravity surveying at the Nightmarch prospect and ground electro-magnetic surveying at the Empire Rose prospect. Both programs are aimed at developing drill targets for first pass drill testing later in the year.

Mineral Resource Estimates (MREs) of lateritic Co-Ni mineralisation developed on the Mt Thirsty and Mission Sills were carried out by CSA Global in 2017 under the JORC Code (2012 Edition). The Resources are reported at two cut-off grades, 600 ppm Co and 1,000 ppm Co. Table 1 shows the MRE with 20Mt of resources at a 600ppm Cobalt cut-off. Galileo has a two-part strategy for the resource with one approach focussing on metallurgical testwork for the efficient extraction of the metals. The second approach is focussed on potentially increasing the resource base through discovery of additional mineralisation outside of the current modelled resources.

Table 1: Mineral Resource Estimate of lateritic COoNi mineralisation for the Norseman Cobalt Project.

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

Corporate

Capital structure

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

Quoted Securities:

Number	Class
88,679,037	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)
3,600,000	Ordinary Fully Paid Shares (held in escrow for 12 months from 16 May 2018)
15,000,000	Class A Options exercisable at \$0.20 expiring 31 January 2023
1,700,000	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 Company in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company 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 Company during the reporting period.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Company 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 Company 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 Company's activities is rehabilitated in accordance with various guidelines. The Company 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 – 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 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 – Technical Director (appointed 6 February 2018)

Noel is a metallurgist and processing expert who is currently a technical adviser to Tawana Resources Limited, Kidman Resources Limited 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 Birimian Limited (ASX: BGS).

Directors during the reporting period**Mark Creasy (resigned 12 March 2018)**

Mr Creasy has over 40 years' experience in the exploration and mining industry within Australia. He has been associated with several high profile mineral discoveries and has extensive experience dealing with publicly listed companies.

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) and Company Secretary for Novo Litio Ltd (ASX: NLI) and Tiger Resources Ltd (ASX:TGS).

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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
S Jenkins	500,000	2,500,000
B Underwood	300,000	10,000,000
Noel O'Brien	-	2,500,000
M Creasy 1	20,370,000	-

1 Securities held as at date the date of resignation (12 March 2018).

DIRECTORS' MEETINGS

The following table sets out the number of meetings of directors held during the year ended 30 June 2018 and the number of meetings attended by each director.

	Number Eligible to Attend	Number Attended
Mark Creasy (resigned 12 March 2018)	6	6
Simon Jenkins (appointed 13 September 2017)	9	9
Brad Underwood (appointed 13 September 2017)	9	9
Noel O'Brien (appointed 6 February 2018)	5	5

REMUNERATION REPORT (Audited)

The Directors of Galileo Mining Ltd present the Remuneration Report ('the Report') for the Company for the year ended 30 June 2018 ('FY18'). 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 Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including a director (whether executive or otherwise) of the Company.

Details of key management personnel:

Simon Jenkins (Chairman) – appointed 13 September 2017

Brad Underwood (Managing Director) – appointed 13 September 2017

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

Mark Creasy (Director) – resigned 12 March 2018

Remuneration Philosophy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper the Company 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 2018. 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 Company 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 plus superannuation contributions. Fees for non-executive directors are not linked to the performance of the Company. 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 the Company's Long Term Incentive Plan (LTI Plan).

The remuneration of Non-executive Directors for the year ended 30 June 2018 is detailed in the table in Section C of this Report.

B. Executive Directors remuneration

Objective

The Company aims to reward Executive Directors with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Align the interests of Executive Directors with those of shareholders.
- Link rewards with the strategic goals and performance of the Company
- Ensure total remuneration is competitive by market standards.

Structure

In determining the level of remuneration paid to Executive Directors, the Board took into account the activities of the Company and available benchmarks.

Employment Contracts have been entered into with the Executive Director of the Company. 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 the Company.

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 the Company 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 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.

Relationship between remuneration and Company performance

As the Company is a newly listed exploration Company, measuring performance is difficult. The most meaningful measure of internal performance is on goals that have an exploration focus.

In considering the Company'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:

	2018	2017
Net Loss	\$677,373	\$29,636
Share price	\$0.37	N/A

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C. Remuneration Details

Details of the nature and amount of each element of the remuneration of each KMP of the Company 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	Performance Related
	\$	\$	\$	\$	\$	\$	%
Simon Jenkins (Chairman) – appointed 13 September 2017							
2018	5,000	-	-	-	29,195	34,195	85.5
2017	-	-	-	-	-	-	-
Brad Underwood (Managing Director) – appointed 13 September 2017							
2018	140,622	-	2,339	12,405	116,780	272,146	42.9
2017	-	-	-	-	-	-	-
Noel O'Brien (Technical Director) – appointed 6 February 2018							
2018	12,500	-	-	-	28,263	40,763	69.3
2017	-	-	-	-	-	-	-
Mark Creasy (Director) – resigned 12 March 2018							
2018	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
Total 2018	158,122	-	2,339	12,405	174,238	347,104	50.2
Total 2017	-	-	-	-	-	-	-

Unlisted Options Issued to KMP

During the year the Company granted the following options over unissued ordinary shares to KMP as remuneration:

30 June 2018:

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	Based on VWAP
Unlisted Options	31 Jan 2023	\$0.20	14 Feb 2018	2,500,000	\$0.0266	Based on VWAP

There were no options issued during 2017.

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
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
2018					
S Jenkins	-	-	500,000	-	500,000
B Underwood	-	-	300,000	-	300,000
Total	-	-	700,000	-	700,000

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 the Company
- 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

There have been no other transactions involving KMP other than those described in the tables above.

End of Remuneration Report

SHARE OPTIONS

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

Grant Date	Date of Expiry	Exercise Price	Held at 01 Jul 17	Issued	Exercised	Lapsed / Cancelled	Held at 20 Sep 18
6 Feb 18	31 Jan 23	\$0.20	-	12,500,000	-	-	12,500,000
14 Feb 18	31 Jan 23	\$0.20	-	2,500,000	-	-	2,500,000

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 Company 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 Company.

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 Company against a liability incurred as such by an officer.

AUDIT COMMITTEE

The Company 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 \$11,510 (2017: nil) (refer to note 20).

The Board of Directors is satisfied that the provision of any non-audit services by the Company's auditors is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 because:

- All non-audit services are reviewed and approved by the Board of Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided is reviewed to ensure that they do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Signed in accordance with a resolution of directors.

For and on Behalf of the Board of Directors



Mr Brad Underwood
Managing Director
Perth, 20 September 2018

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 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in 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
20 September 2018

N G Neill
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Liability limited by a scheme approved under Professional Standards Legislation

GALILEO MINING LTD

ABN 70 104 114 132

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	Consolidated 30 June 2018 \$	Parent 30 June 2017 \$
Other income	3	55,170	1
Employee benefits and director fees expense		(143,741)	-
Consulting fees		(145,250)	-
Share-based payment		(201,302)	-
Depreciation expense		(191)	(2,579)
Loans forgiven		(1,000)	-
Exploration & evaluation expenses		(71,137)	-
Impairment of capitalised exploration and evaluation expenses		(29,311)	(25,195)
Legal and audit expenses		(32,914)	-
Other expenses		(107,697)	(1,589)
Loss before income tax expense		(677,373)	(29,363)
Income tax expense	4	-	-
Net loss after income tax		(677,373)	(29,363)
Other comprehensive income		-	-
Total comprehensive loss for the year		(677,373)	(29,363)
Loss per share (cents per share)		2018 ¢	2017 ¢
Basic loss per share for the year	5	(2.07)	(0.14)
Diluted loss per share for the year	5	(2.07)	(0.14)

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

GALILEO MINING LTD

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Notes	Consolidated 30 June 2018 \$	Parent 30 June 2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	16a	4,275,323	14,803
Cash on term deposits	16a	7,000,000	-
Trade and other receivables	6a	226,901	23,485
Other	7a	18,222	-
Total Current Assets		11,520,446	38,288
Non-Current Assets			
Property, plant and equipment			
Exploration and evaluation expenditure			
Non-current receivables	8	16,662	-
Other assets	9	5,287,404	2,943,081
	6b	-	1,000
	7b	26,071	-
Total Non-Current Assets		5,330,137	2,944,081
TOTAL ASSETS		16,850,583	2,982,369
LIABILITIES			
Current Liabilities			
Trade and other payables	10	170,290	-
Borrowings	11	-	4,254,597
Other	12a	11,848	-
Total Current Liabilities		182,138	4,254,597
Non-Current Liabilities			
Other	12b	2,510	-
Total Non-Current Liabilities		2,510	-
TOTAL LIABILITIES		184,648	4,254,597
NET ASSETS/(LIABILITIES)		16,665,935	(1,272,228)
ACCUMULATED EQUITY			
Issued capital	13	18,416,434	2,200
Reserves	14	201,302	-
Accumulated losses	15	(1,951,801)	(1,274,428)
TOTAL EQUITY/(DEFICIENCY)		16,665,935	(1,272,228)

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

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Issued capital	Share based payment reserve	Accumulated losses	Total
	\$	\$	\$	\$
Consolidated				
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
Parent				
As at 1 July 2016	2,200	-	(1,245,065)	(1,242,865)
Loss for the year	-	-	(29,363)	(29,363)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(29,363)	(29,363)
As at 30 June 2017	2,200	-	(1,274,428)	(1,272,228)

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

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	Consolidated 30 June 2018 \$	Parent 30 June 2017 \$
Cash Flow From Operating Activities			
Payments to suppliers and employees		(372,228)	(1,590)
Payments for exploration and evaluation expenditure		(917,656)	(642,334)
Interest received		15,170	1
GST paid		(221,401)	-
Security deposit paid		(31,545)	-
Net cash (used in) operating activities	16b	(1,527,660)	(643,923)
Cash Flow From Investing Activities			
Payment for purchase of tenements		(1,348,954)	-
Payment for property, plant & equipment		(12,184)	(2,579)
Proceeds from the sale of tenements		40,000	-
Payment for term deposits		(7,000,000)	-
Net cash (used in) investing activities		(8,321,138)	(2,579)
Cash Flow From Financing Activities			
Proceeds from issue of shares		15,801,043	-
Share issue costs		(735,416)	-
Borrowings from related party		719,657	660,092
Repayment of borrowings		(1,675,966)	-
Net cash provided by financing activities		14,109,318	660,092
Net increase in cash held		4,260,520	13,590
Cash at the beginning of the year		14,803	1,213
Cash at the end of the year	16a	4,275,323	14,803

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

1. CORPORATE INFORMATION

The financial report of Galileo Mining Ltd for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of directors on 20 September 2018.

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 Director's 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 2018 (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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018****(d) New Accounting Standards and Interpretations**

The Group has adopted all new and amended Australian Accounting Standards and AASB interpretations as at 1 July 2017.

Reference	Title		Application date of standard*	Application date for Group*
2016-1	Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses	This Standard makes amendments to AASB 112 Income Taxes to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 January 2017	1 July 2017
2016-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	The amendments to AASB 107 Statement of Cash Flows are part of the IASB's Disclosure Initiative and help users of financial statements better understand changes in an entity's debt. The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).	1 January 2017	1 July 2017

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 2018.

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 9, and relevant amending standards	Financial Instruments	AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement. Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss. For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss. All other AASB 139 classification and measurement requirements for financial liabilities have been carried	1 January 2018	1 July 2018

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Reference	Title	Summary	Application date of standard*	Application date for Group*
		forward into AASB 9, including the embedded derivative separation rules and the criteria for using the FVO. The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9. The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139.		
AASB 15, and relevant amending standards	Revenue from Contracts with Customers	AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 Construction Contracts, AASB 118 Revenue, AASB Interpretation 13 Customer Loyalty Programmes, AASB Interpretation 15 Agreements for the Construction of Real Estate, AASB Interpretation 18 Transfers of Assets from Customers and AASB Interpretation 131 Revenue – Barter Transactions Involving Advertising Services) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 (or AASB 16 Leases, once applied). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps: ▶ Step 1: Identify the contract(s) with a customer ▶ Step 2: Identify the performance obligations in the contract ▶ Step 3: Determine the transaction price ▶ Step 4: Allocate the transaction price to the performance obligations in the contract Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.	1 January 2018	1 July 2018
AASB 16	Leases	AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as	1 January 2019	1 July 2019

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Reference	Title	Summary	Application date of standard*	Application date for Group*
		in AASB 117 and distinguish between two types of leases: operating and finance leases.		
AASB 2016-5	Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	This Standard amends AASB 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: ▶ The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments ▶ Share-based payment transactions with a net settlement feature for withholding tax obligations A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.	1 January 2018	1 July 2018
AASB Interpretation 22	Foreign Currency Transactions and Advance Consideration	The Interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.	1 January 2018	1 July 2018

* Designates the beginning of the applicable annual reporting period unless otherwise stated.

AASB 9 replaces AASB 139 and includes a model for classification and measurement, a single 'expected loss' impairment model and a substantially redesigned approach to hedge accounting.

On adoption of AASB 9, there are no expected material changes in the classification of financial assets and liabilities. Fair value changes resulting from credit risk are not expected to have a significant impact on future results. The introduction of the expected loss impairment model for determining credit provisions is not expected to have a material impact.

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.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

This standard will primarily affect the accounting for the Company's operating lease. As at 30 June 2018, the Company has \$334,499 of non-cancellable operating lease commitments relating to a property lease. The Company is considering the available options to account for this transition, but the Company 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 Company has commenced the process of evaluating the impact of the new lease standard.

For all other standards 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

(f) Investments and other financial assets

Investments and other financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as available-for-sale financial assets when they are not classified as any of the other three categories provided by AASB 139. All investments are initially recognised at fair value plus transaction costs.

After initial recognition, listed investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

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

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where the carrying amount

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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.

Non-financial assets that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(i) Trade and other receivables

Trade receivables, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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.

Dividends

Revenue is recognised when the Group's right to receive the payment is established.

Other income

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related 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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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.

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(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 of 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

(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.

3. OTHER INCOME

	Consolidated 2018 \$	Parent 2017 \$
Interest revenue	15,170	1
Profit on sale of rights	40,000	-
Total other income	55,170	1

4. INCOME TAX

	Consolidated 2018 \$	Parent 2017 \$
The components of income tax expense are as follows:	-	-
Current tax	-	-
Deferred tax	-	-
Total expense/(benefit)	-	-

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- (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.

	Consolidated 2018 \$	Parent 2017 \$
Numerical reconciliation of income tax expense to prima facie tax payable is as follows:		
Loss from operations before income tax expense	(677,373)	(29,363)
Tax at Australian tax rate of 27.5% (2017: 27.5%)	(186,278)	(8,075)
Share based payments		
Expenses not deductible		
Capital raising costs deductible	55,358	-
Tax losses not recognised	119	-
	(40,431)	-
	171,231	8,075
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	5,537,276	4,050,654
Potential benefit at 27.5% (2017: 27.5%)	1,522,751	1,113,930

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.

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	Consolidated 2018 \$	Parent 2017 \$
Deferred Income Tax		
Deferred income tax at 30 June relates to the following:		
Deferred tax liabilities		
Exploration and evaluation assets	1,054,788	809,347
Accrued interest	-	-
Deferred tax assets used to offset deferred tax liabilities	(1,054,788)	(809,347)
	-	-
Deferred tax assets		
Property, plant and equipment	53	-
Accruals	3,850	-
Provisions	3,948	-
Tax losses - revenue	1,522,751	1,113,930
Deferred tax assets used to offset deferred tax liabilities	(1,054,788)	(809,347)
Deferred tax assets not brought to account	(475,814)	(304,583)
	-	-

5. EARNINGS/LOSS PER SHARE

	Consolidated 2018 ¢	Parent 2017 ¢
Loss per share (cents per share)		
Basic loss per share for the year	(2.07)	(0.14)
Diluted loss per share for the year	(2.07)	(0.14)

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

	Consolidated 2018 \$	Parent 2017 \$
(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	677,373	29,363
	Consolidated 2018 Number	Parent 2017 Number
(b) Weighted average number of shares		
For basic and diluted loss per share:		
Weighted average number of ordinary shares	32,701,038	20,372,037*

*Post subdivision and consolidation of shares.

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	Consolidated 2018 \$	Parent 2017 \$
6. TRADE AND OTHER RECEIVABLES		
(a) Current		
Trade debtors	5,500	-
Net GST receivable	221,401	23,485
	<u>226,901</u>	<u>23,485</u>
(b) Non-current		
Other receivable	-	1,000
	<u>-</u>	<u>1,000</u>
	Consolidated 2018 \$	Parent 2017 \$
7. OTHER ASSETS		
(a) Current		
Cash deposited for as security bond	5,474	-
Prepayments	12,748	-
	<u>18,222</u>	<u>-</u>
(b) Non-current		
Cash deposited for rental bond	26,071	-
	<u>26,071</u>	<u>-</u>
	Consolidated 2018 \$	Parent 2017 \$
8. PROPERTY, PLANT AND EQUIPMENT		
At cost	16,853	2,575
Accumulated depreciation	(191)	(2,575)
Net carrying amount	<u>16,662</u>	<u>-</u>
(a) Reconciliation		
Reconciliation of the carrying amount of office furniture and equipment at the beginning and end of the current financial year.		
Office furniture and equipment		
At 1 July net of accumulated depreciation	-	-
Acquisitions	13,103	2,575
Depreciation charge for the year	(191)	(2,575)
At 30 June net of accumulated depreciation	<u>12,912</u>	<u>-</u>
Field equipment		
At 1 July net of accumulated depreciation	-	-
Acquisitions	3,750	-
Depreciation charge for the year	-	-
At 30 June net of accumulated depreciation	<u>3,750</u>	<u>-</u>
Total	<u>16,662</u>	<u>-</u>

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	Consolidated 2018 \$	Parent 2017 \$
9. EXPLORATION AND EVALUATION EXPENDITURE		
Costs carried forward in respect of:		
Exploration and evaluation phase – at cost	5,287,404	2,943,081
Reconciliation		
Opening balance	2,943,081	2,346,931
Acquisition of tenements	1,400,000	-
Incurred during the year	973,634	621,345
Written off during the year	(29,311)	(25,195)
Total exploration and evaluation expenditure	5,287,404	2,943,081

The ultimate recoupment of the Company'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.

	Consolidated 2018 \$	Parent 2017 \$
10. TRADE AND OTHER PAYABLES		
Current		
Trade creditors	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.

	Consolidated 2018 \$	Parent 2017 \$
11. BORROWINGS		
Borrowings from related party	-	4,254,597

The loan is a floating facility with a related party on interest free terms. The loan was repaid in full during the period. Refer to Note 17 for further details.

	Consolidated 2018 \$	Parent 2017 \$
12. OTHER LIABILITIES		
(a) Current		
Provision for Annual Leave	11,848	-
(b) Non-current		
Provision for Long Service Leave	2,510	-

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	Consolidated 2018 \$		Parent 2017 \$	
13. ISSUED CAPITAL				
(a) Ordinary shares	18,416,434		2,200	
Movements of ordinary shares				
	2018 Number	\$	2017 Number	\$
Shares on issue				
Beginning of financial year	10,001	2,200	10,001	2,200
Subdivision of shares (4,850 for 1)	48,504,850	-	-	-
Consolidation (1 for 2.38)	20,372,037	2,200	10,001	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	-	(735,099)	-	-
As at 30 June	120,373,932	18,416,434	10,001	2,200

(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 1,700,000 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:-

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- (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.

	Consolidated 2018 \$	Parent 2017 \$
14. RESERVES		
Share-based payment reserve	201,302	-
Movement in share-based payment reserve		
Balance at the beginning of the financial year	-	-
Share-based payments during the year	201,302	-
Balance at the end of the financial year	201,302	-

Share-based payment reserve records the value of shares, share options and performance rights issued to Galileo's employees or others during the period. Refer to Note 19 for further details.

	Consolidated 2018 \$	Parent 2017 \$
15. ACCUMULATED LOSSES		
Accumulated losses	(1,951,801)	(1,274,428)
Movement in accumulated losses:		
Balance at the beginning of the financial year	(1,274,428)	(1,242,865)
Net loss for the year	(677,373)	(29,363)
Balance at the end of the financial year	(1,951,801)	(1,274,428)

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	Consolidated 2018 \$	Parent 2017 \$
16. CASH FLOW STATEMENT		
(a) Reconciliation of cash		
Cash at bank and on hand	66,260	14,803
Short term deposits	4,209,063	-
Total cash and cash equivalents	4,275,323	14,803
Cash on term deposit (i)	7,000,000	-

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

	Consolidated 2018 \$	Parent 2017 \$
(b) Reconciliation of net loss after tax to net cash flows from operations:		
Loss from ordinary activities after income tax	(677,373)	(29,363)
Adjustments for:		
Depreciation	191	2,579
Employee share-based payment	201,302	-
Impairment of exploration expenditure	29,311	25,195
Exploration expenditure classified as operating	(846,519)	(642,334)
Profit on disposal of exploration rights	(40,000)	-
Loan forgiven	1,000	-
GST paid classified as operating	(221,401)	-
Changes in assets and liabilities:		
Increase/(Decrease) in payables	61,264	-
Increase/(Decrease) in provisions	14,358	-
(Increase)/Decrease in receivables	(37,045)	-
(Increase)/Decrease in prepayments	(12,748)	-
Net cash used in operating activities	(1,527,660)	(643,923)

(c) Non-cash financing & investing activities:

The following non-cash financing activities occurred during the year:

- Part repayment of Australian Gold Resources Pty Ltd loan by the issue of 16,491,440 fully paid ordinary shares at \$0.20 per share (refer Note 17); and
- Part payment for the acquisition of tenements from Dunstan Holdings Pty Ltd by the issue of 510,455 fully paid ordinary shares at \$0.10 per share (refer Note 24).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

17. RELATED PARTY TRANSACTIONS

- 1) Price Sierakowski Corporate a company controlled by Simon Jenkins, provided legal advice to the Company in relation to the IPO Prospectus and on other work totalling \$72,780 (excluding GST). Simon Jenkins is a director of Price Sierakowski and may obtain an indirect benefit from their engagement.
- 2) During the year the Company repaid a loan to Australian Gold Resources Pty Ltd (a company controlled by a related party Mr Mark Creasy) via the payment of \$1,630,966 and the issue of 16,491,440 ordinary shares at an issue price of \$0.20. (For further details refer to the Loan Repayment Agreement at page 148 of the Company's Prospectus dated 6 April 2018)

18. DIRECTORS AND KEY MANAGEMENT PERSONNEL

Compensation for Executive Directors and Key Management Personnel

	Consolidated 2018 \$	Parent 2017 \$
Short-term benefits	158,122	-
Long-term benefits	2,339	-
Post-employment benefits	12,405	-
Share-based payments	174,238	-
Total compensation	347,104	-

19. SHARE-BASED PAYMENTS

(a) Options

During the 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.

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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.

	2018	2018	2017	2017
		WAEP		WAEP
	Number	\$	Number	\$
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	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	-	-
Exercisable at reporting date	-	-	-	-

There were no options issued in 2017.

(b) Performance Rights

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

Class	Expiry date	Exercise price	Date granted	Number	Grant date spot price	Expected Vesting date
Performance Rights	31 Jan 2023	Nil	29 June 2018	1,700,000	\$0.365	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:-

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

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	2018 Number	2017 Number
Outstanding at beginning of the year	-	-
Granted during the year	1,700,000	-
Outstanding at the end of the year	1,700,000	-

20. AUDITOR'S REMUNERATION

	Consolidated 2018 \$	Parent 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	28,000	-
- Provision of Investigating Accountant's Report	11,510	-
	39,510	-
The auditors received no other benefits.		

21. EXPENDITURE COMMITMENTS**(a) Exploration expenditure commitments**

The Company 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 Company. These commitments have not been provided for in the financial report. Due to the nature of the Company'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.

	Consolidated 2018 \$	Parent 2017 \$
Not later than one year	520,600	200,119
Later than one year and less than five years	2,188,400	2,161,900
	2,709,000	2,362,019

(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:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	Consolidated 2018 \$	Parent 2017 \$
Not later than one year	101,025	-
Later than one year and less than five years	233,474	-
	334,499	-

22. FINANCIAL RISK MANAGEMENT

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

The Company has various other financial assets and liabilities such as trade receivables, and trade payables, which arise directly from its operations and available-for-sale financial assets.

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 Company 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 Company 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 Company 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 Company 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 Company'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 Company 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 Company at 30 June 2018. 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 Company'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.

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	30 June 2018	30 June 2017
	\$	\$
Financial assets		
Cash and cash equivalents	4,275,323	14,803
Term deposits	7,000,000	-
Impact on profit and equity		
Post-tax gain/(loss)		
100 bp increase	42,753	148
100 bp decrease	(15,170)	(1)

Credit risk

Credit risk arises in the event that counterparty will not meet its obligations under a financial instrument leading to financial losses. The Company is exposed to credit risk from its operating activities, financing activities including deposits with banks.

The credit risk control procedures adopted by the Company 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 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	-	-	-
30 June 2017						
Cash & cash equivalents (\$)		-	14,803	-	-	-
Trade and other receivables (\$)		-	23,485	-	-	-
Number of counterparties		-	2	-	-	-
Largest counterparty (%)		-	61.3	-	-	-

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Liquidity risk

The responsibility for liquidity risk management rests with the Board of Directors.

The Company 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 Company'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 Company'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 2018				
Trade and other receivables	226,901	-	-	-
As at 30 June 2017				
Trade and other receivables	23,485	-	-	-

Capital risk management

Capital consists of total equity \$18,416,434 (2017: \$2,200).

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 2017 and no dividend will be paid in 2018.

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.

23. EVENTS SUBSEQUENT TO BALANCE DATE

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

24. 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 provides for the partial sale of Dunstan's interest in the Dunstan Tenements to FSZ ("Tenement Sale"), which was settled during the year 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 establishes 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 provides for the partial sale of GSN's interest in the GSN Tenement to NSZ ("Tenement Sale"), which was settled by a payment of \$870,000 to GSN. Second, the GSN JV Agreement establishes 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").

25. 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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018****26. CONTROLLED ENTITIES**

Name	Country of Incorporation	Principal Activity	Beneficial Percentage Interest Held By Group	
			2018 %	2017 %
FSZ Resources Pty Ltd*	Australia	Mineral exploration	100	N/A
NSZ Resources Pty Ltd*	Australia	Mineral exploration	100	N/A

* Subsidiaries incorporated 16 November 2017.

27. PARENT ENTITY INFORMATION**Information relating to Galileo Mining Ltd**

	2018 \$	2017 \$
Current Assets	11,520,446	38,288
Non-Current Assets	5,340,543	2,944,081
TOTAL ASSETS	16,860,989	2,982,369
Current Liabilities	182,138	4,254,597
Non-Current Liabilities	2,510	-
TOTAL LIABILITIES	184,648	4,254,597
NET ASSETS/(LIABILITIES)	16,676,341	(1,272,228)
ACCUMULATED EQUITY		
Issued capital	18,416,434	2,200
Reserves	201,302	-
Accumulated losses	(1,941,395)	(1,274,428)
TOTAL EQUITY/(DEFICIENCY)	16,676,341	(1,272,228)
Loss of the parent entity	(666,968)	(29,363)
Total comprehensive income of the parent	(666,968)	(29,363)

28. GUARANTEES AND CONTINGENT LIABILITIES

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

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DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2018

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 19 to 50 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Groups' financial position as at 30 June 2018 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 2018.

For and on behalf of the Board of Directors.



Mr Brad Underwood
Managing Director
Perth, 20 September 2018

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 2018, 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 2018 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.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Key Audit Matter	How our audit addressed the key audit matter
Carrying value of exploration and evaluation expenditure Note 9 of the financial statements In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Group capitalises acquisition costs of rights to explore together with subsequent exploration and evaluation expenditure and applies the cost model after recognition. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, because this is one of the significant assets of the Group. There is a risk that the capitalised expenditure no longer meets the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.	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 budget for 2019 and discussed with management the nature of planned ongoing activities; • We enquired with management, reviewed ASX announcements and minutes of Directors' meetings to ensure that the Group had not decided to discontinue exploration and evaluation at its areas of interest: and • We examined the disclosures made in the financial report.

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 report for the year ended 30 June 2018, 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 in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Galileo Mining Ltd for the year ended 30 June 2018 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
Chartered Accountants

Perth, Western Australia
20 September 2018



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 2018 was approved by the Board on 20 September 2018. The Corporate Governance Statement can be located on the Company's website www.galileomining.com.au

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ADDITIONAL ASX SHAREHOLDERS' INFORMATION (As at 11 September 2018)

- Number of Holders of Each Class of Quoted Securities at 11 September 2018

ASX Code	Number	Holders	Security Description
GAL	120,373,932	931	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	16
1,001 - 5,000	117
5,001 - 10,000	113
10,001 - 100,000	541
Over 100,000	144
TOTAL	931

- The twenty largest ordinary fully paid shareholders (GAL) hold 56.05% 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 JP Morgan Nom Australia Ltd	2,515,000	2.09
6 Wade, Peter David <Wade Fam A/C>	2,500,000	2.08
7 Botsis Holdings Pty Ltd	1,900,285	1.58
8 Blakfyre Investments Pty Ltd	1,200,000	1.00
9 Pindan Investments Pty Ltd <Pindan Inv A/c>	1,000,000	0.83
10 BS Capital Pty Ltd <Shallard Fam A/C>	1,000,000	0.83
11 Shallard BJ & Duperouzel <Shallard S/F A/C>	1,000,000	0.83
12 Lowe Stephen John & SL <Tahlia Fam A/C>	1,000,000	0.83
13 Auxilium Capital Pty Ltd <Sala Tenna Fam A/C>	910,000	0.76
14 Precision Opportunities Pty Ltd < Inv A/C>	750,000	0.62
15 Hawtin Dennis J & RA < Kryptonite S/F A/C>	700,000	0.58
16 Motte & Bailey Pty Ltd <Bailey S/F A/C>	636,851	0.53
17 West End Ventures Pty Ltd <West End A/C>	547,500	0.45
18 Dunstan Holdings Pty Ltd	510,455	0.42
19 Prosperity Ridge Holdings Pty Ltd	510,000	.042
20 Solace Therapies Pty Ltd <Solace A/C>	500,000	0.42
	67,941,531	56.05

UNMARKETABLE PARCELS

The Company has 39 shareholders holding an unmarketable parcel of shares using a price of \$0.25 per share.

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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 2018 as approved by the Board can be viewed at www.galileomining.com.au

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.

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6. Tenement Schedule (As at 10 September 2018)

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