

29 January 2020

ASX: GAL

Corporate Directory

Directors

Chairman & Managing Director

Brad Underwood

Technical Director

Noel O'Brien

Non-Executive Director

Mathew Whyte

Projects

Norseman Project
Cobalt-Nickel-Copper

Fraser Range Project
Nickel-Copper-Gold



Contact Details

T: +61 8 9463 0063

E: info@galmining.com.au

W:

www.galileomining.com.au

QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

Fraser Range Project (Joint Venture with Creasy Group)

- Interpretation of detailed magnetic data at Lantern Prospect shows additional untested targets prospective for Nova style nickel deposits
- Aircore drilling at the new Delta Blues Prospect in the northern Fraser Range and at the Lantern Prospect reveals nickel prospective intrusive rock units improving confidence in the new interpretation
- Exploration activity in the first half of 2020 will be focussed on drilling in the Fraser Range targeting high value nickel-copper deposits

Norseman Project (100% owned)

- Follow-up Reverse Circulation (RC) drilling targeting copper and gold completed with 1279m of RC drilling undertaken at the Subzero Prospect and other early stage prospects within the project area
- RC drilling at Subzero and at the new Roadside Prospect demonstrates mineralised copper and zinc trends over 800 metres in strike length
- Zones of copper and zinc mineralisation in six drill holes including:
 - o 15m @ 0.13% copper & 0.45% zinc from 51m (NRC253)
 - o 9m @ 0.14% copper & 0.67% zinc from 84m (NRC257)
 - o 6m @ 0.16% copper & 0.75% zinc from 102m (NRC259)

Corporate

- Brad Underwood appointed interim Chairman following passing of Non-Executive Chairman Simon Jenkins
- Company Secretary, Mathew Whyte, joins the Board as a Non-Executive Director
- Strong cash position of \$5.4 million at the end of the December Quarter 2019

Galileo Mining Ltd (ASX: GAL, “Galileo” or the “Company”) is pleased to provide a summary of activities for the quarter ending 31 December 2019. Commenting on the results, Galileo Managing Director Brad Underwood said:

“While the December quarter was another defining period for our company on the exploration front, it was also a very sad time with the sudden passing of our Non-Executive Chairman Simon Jenkins.

“In his role, Simon contributed greatly at the board level by providing a deep understanding of the corporate environment in particular during the 2018 public listing of the Company.

“We are now in the process of searching for an appropriately qualified replacement director. I will update shareholders on this development in due course.

“In the interim, I have assumed the joint role of Chairman and Managing Director. I would also like to welcome our Company Secretary Mathew Whyte to the board as a Non-Executive Director.

“At our Fraser Range Project, an updated interpretation of airborne magnetic data surrounding the Lantern Prospect has shown multiple untested targets prospective for Nova style nickel-copper deposits.

“Importantly, this interpretation is supported by the recent air-core drilling programs at Lantern and Delta Blues which successfully defined prospective rocks under cover.

“We intend on making the Fraser Range a priority work area for the first half of 2020 as we seek to make discoveries in this highly prospective region of Western Australia.

“At Norseman, we completed a second round of drilling at our 100% owned Subzero copper-gold prospect to test targets along strike to the south of initial results which showed wide zones of low-grade copper mineralisation associated with anomalous gold results.

“The drilling identified further anomalous copper and zinc mineralisation over 800 metres of strike length at two prospect locations with new targets being developed for additional work in the future.”

Fraser Range Project, WA

During the December quarter 2019, results from October aircore drilling programs undertaken at the Lantern Prospect and Delta Blues Prospect were received, confirming prospective intrusions at both prospects.

In only the second round of aircore drilling ever completed at the Lantern Prospect, located 50km along strike from Legend Mining’s Mawson (Area D) Prospect in the northern Fraser Range, confirmed a highly prospective intrusive gabbro-norite rock unit above a previously reported conductor. ^{(1) (2)}

(1) Refer to the Company’s ASX announcement dated 10th July 2019,

(2) Refer to the Company’s ASX announcement dated 4th November 2019

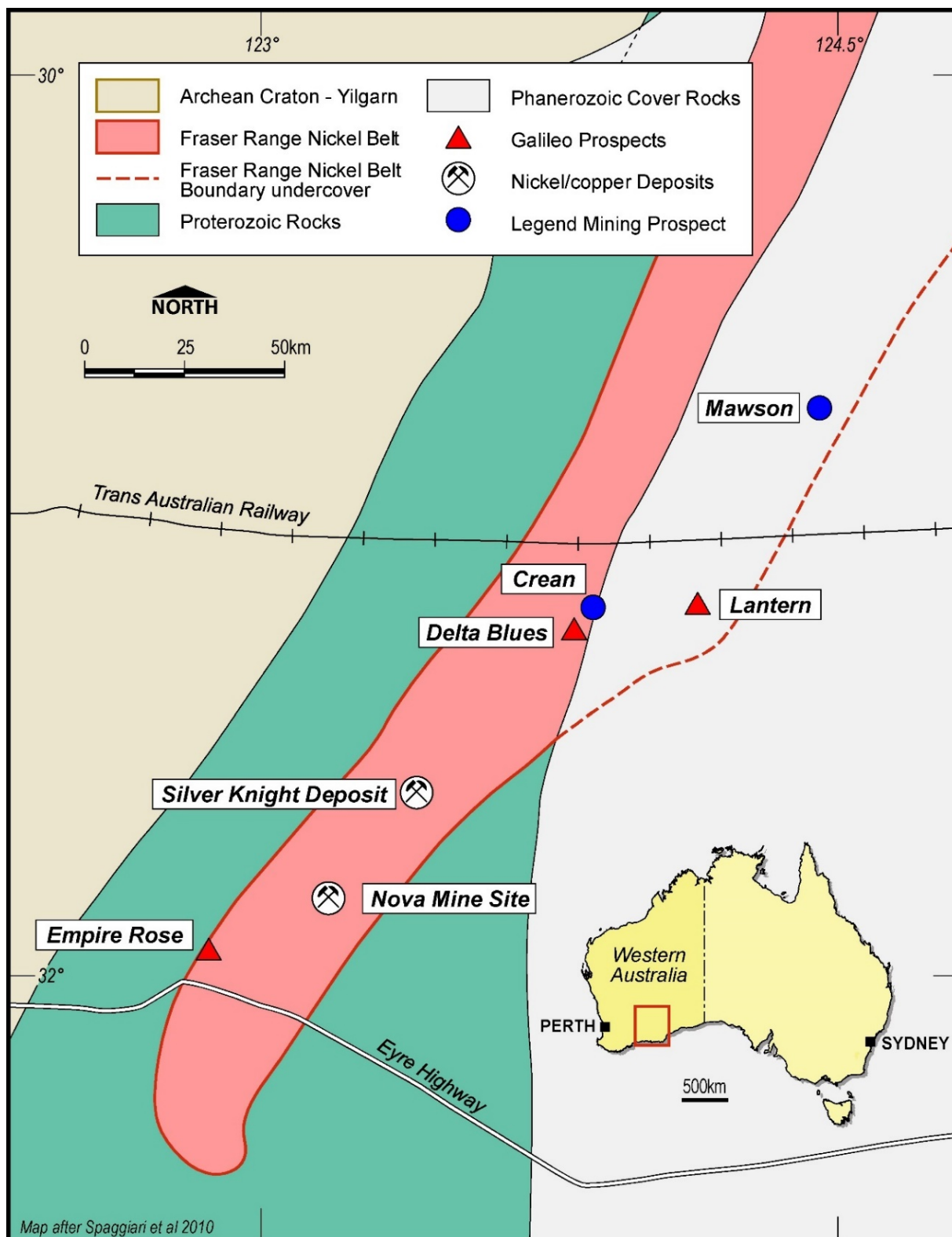


Figure 1 – Galileo Prospect Locations in the Fraser Range Nickel Belt with Simplified Geology, Current Deposits and Key Prospects

Aircore drill holes reached a maximum depth of 102m and were designed as a first pass test to confirm the prospectivity of the conductive targets which have been modelled at approximately 340m depth.

A number of high-quality drill targets have now been developed at the Lantern prospect. Anomalous aircore drilling results of 27 metres at 0.18% nickel and 0.17% copper ⁽³⁾ require immediate follow up with drilling planned to commence in late February. A separate EM anomaly centred over a highly prospective mafic contact rock unit will also be targeted in the February drilling program (see Figure 2 section below).

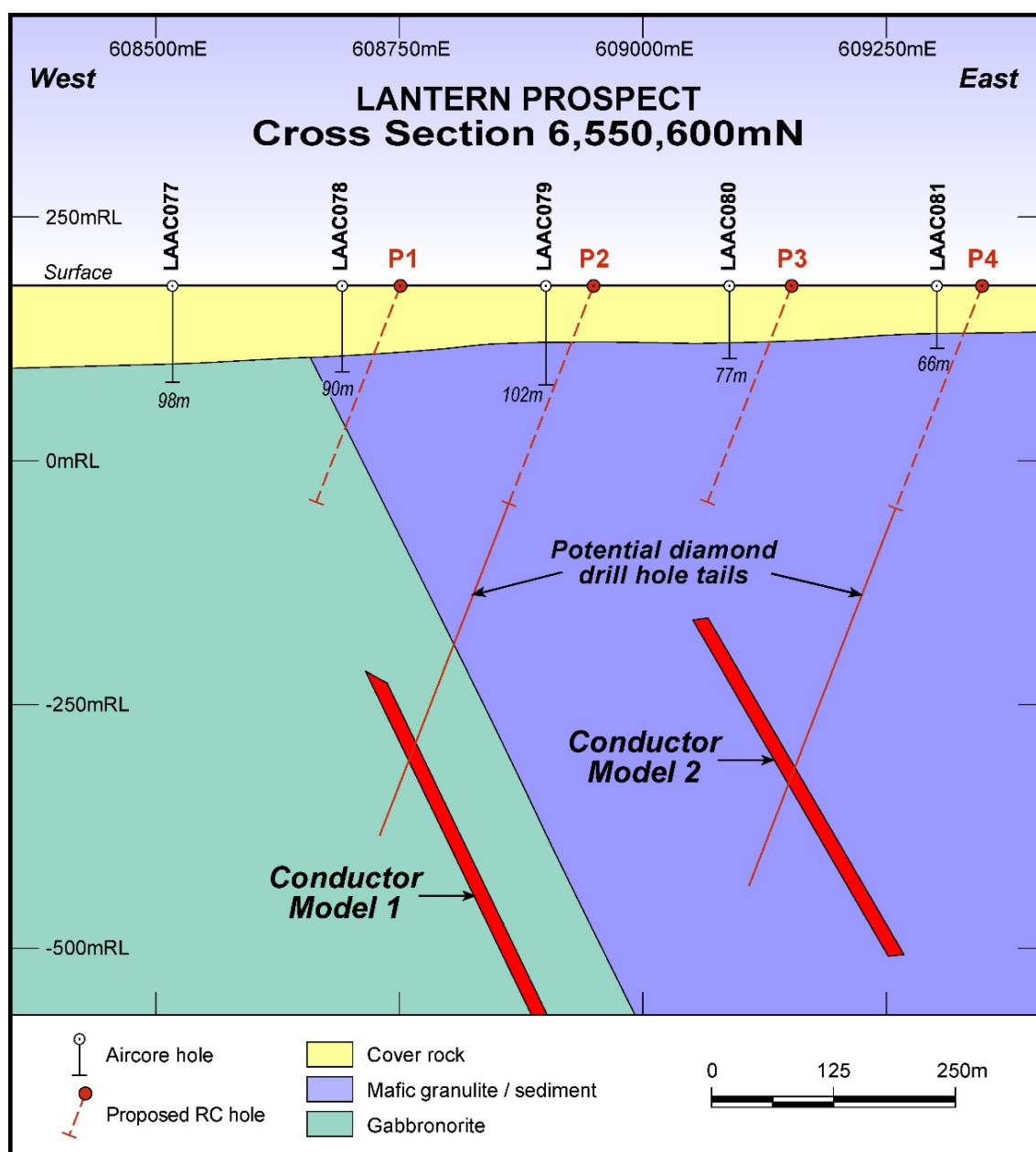


Figure 2 – Lantern Prospect aircore drill hole section with planned RC drill holes and possible diamond drill holes (actual location of diamond drilling will depend on results of initial RC drilling)

Initial aircore drilling completed at the new Delta Blues Prospect, which occurs four kilometres along strike from Legend Mining's Crean Prospect in the northern Fraser Range area, confirmed a highly prospective intrusive cumulate rock unit with weathered sulphides. ⁽⁴⁾

The Company completed petrographical analysis of rock chips from Delta Blues drill holes which demonstrated cumulate mafic and mafic granulite rocks with weathered sulphide minerals (< 1% of sample). Cumulate mafic intrusive rocks are the type of rocks known to be associated with magmatic nickel sulphide mineralisation both in the Fraser Range and globally.

During the December Quarter, an updated interpretation of the detailed airborne magnetic data surrounding the Lantern Prospect was undertaken. The updated interpretation has shown multiple untested targets prospective for Nova style nickel-copper deposits. ⁽⁵⁾

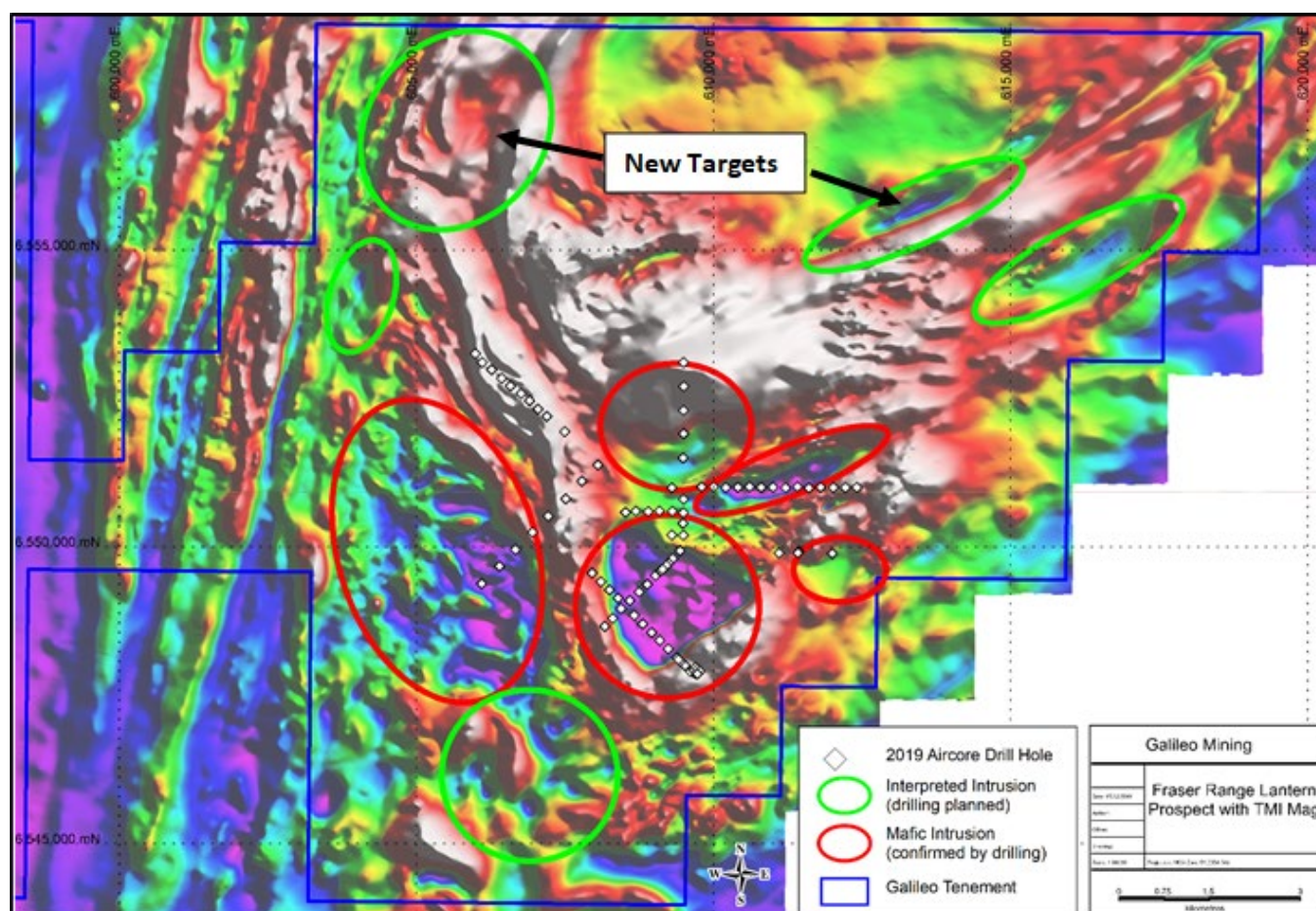


Figure 3 displays the new interpreted intrusions (green ellipses) which will be targeted with aircore drilling programs to assess the bedrock geology for mineral potential beneath cover rocks. Cover rocks in the area are estimated at between 40 and 100 metres with the aircore drilling technique providing a cost-effective method of first pass assessment.

Importantly, the new interpretation is supported by the above-mentioned October aircore drilling undertaken at the Lantern and Delta Blues Prospects.

Detailed airborne magnetic data flown at a 50-metre line spacing was utilised to undertake the interpretation. Prospective mafic-ultramafic intrusions in the Fraser Range often display unique magnetic signatures due to remanent magnetisation of the intrusions and the deflection of volcano-sedimentary host rocks as the intrusions were emplaced. The Company has a high degree of confidence that the newly identified targets will be associated with nickel prospective geology.

Company activities in the first half of 2020 will be focussed on the drilling of Fraser Range prospects in the search for high value new discoveries. Work programs will include:

- RC drilling at the Lantern Prospect
- Down hole electro-magnetic surveying at the Lantern Prospect followed by diamond drilling
- Aircore drilling at the Delta Blues Prospect to delineate the near surface boundaries of the prospective intrusive rock units
- Aircore drilling of newly developed target zones north of the Lantern Prospect
- Results of aircore drilling will be used in the design of electro-magnetic (EM) geophysical surveys to target conductive responses that may be related to nickel-copper mineralisation

(3) Refer to the Company's ASX announcement dated 26th March 2019

(4) Refer to the Company's ASX announcement dated 3rd December 2019

(5) Refer to the Company's ASX announcement dated 19th December 2019

Norseman Project, WA

During the December quarter, follow-up drilling was undertaken at the Subzero Prospect to test targets along strike to the south of initial results which showed wide zones of low-grade copper mineralisation associated with anomalous gold results. ⁽⁶⁾

A total of 1,279 metres of RC drilling was completed across the Subzero Prospect and at other early stage prospects within the project area including Roadside and Goblin. (see Figure 4). Wide zones of sulphide alteration were intercepted at the Subzero and Roadside Prospects with up to 20% semi-massive sulphides recorded.

Copper and zinc contents of the sulphide rich horizons reached maximum values of 0.19% and 0.96% respectively in 3 metre composite samples.

Drilling has established that significant hydrothermal alteration has occurred at both prospects with the prospective zones being at least 800m in strike length.

The potential for an economic VMS style deposit remains high and the Company is establishing a track record of defining and drill testing prospective zones within the Norseman Project area. An untested volcanic package of rocks exists at the Woodcutters Prospect and will be targeted with soil sampling programs and electro-magnetic surveying prior to drill testing (see Figure 4 for Woodcutters Prospect location).

Scout drilling at Norseman has also confirmed a nickel prospective komatiite target under shallow cover at the Goblin Prospect. Magnetic inversion modelling was successfully used to target the basalt/komatiite contact under shallow cover rocks. The same technique will now be applied to the komatiite unit where it occurs along strike to the north at the Gremlin Prospect. The Gremlin Prospect is masked by shallow cover and has never been tested for nickel sulphide mineralisation associated with volcanic komatiite flows.

This style of mineralisation is the dominant deposit type within the prolific Kambalda nickel district. Galileo's Norseman Project is located at the southern end of the Norseman-Wiluna greenstone belt which also contains the Kambalda nickel mines.

The Company intends to build its suite of nickel and copper prospects at the Norseman project in anticipation of drill testing later in 2020.

The Norseman Cobalt Project mine lease and miscellaneous license applications continue to progress. It is expected that if cobalt prices improve in the future then the Norseman Cobalt Project may again become a significant focus of the Company's exploration and development programme. Project permit approvals will be a considerable value-add to the asset base at Norseman in the event that cobalt prices recover sufficiently.

⁽⁶⁾ Refer to the Company's ASX announcement dated 19th December 2019

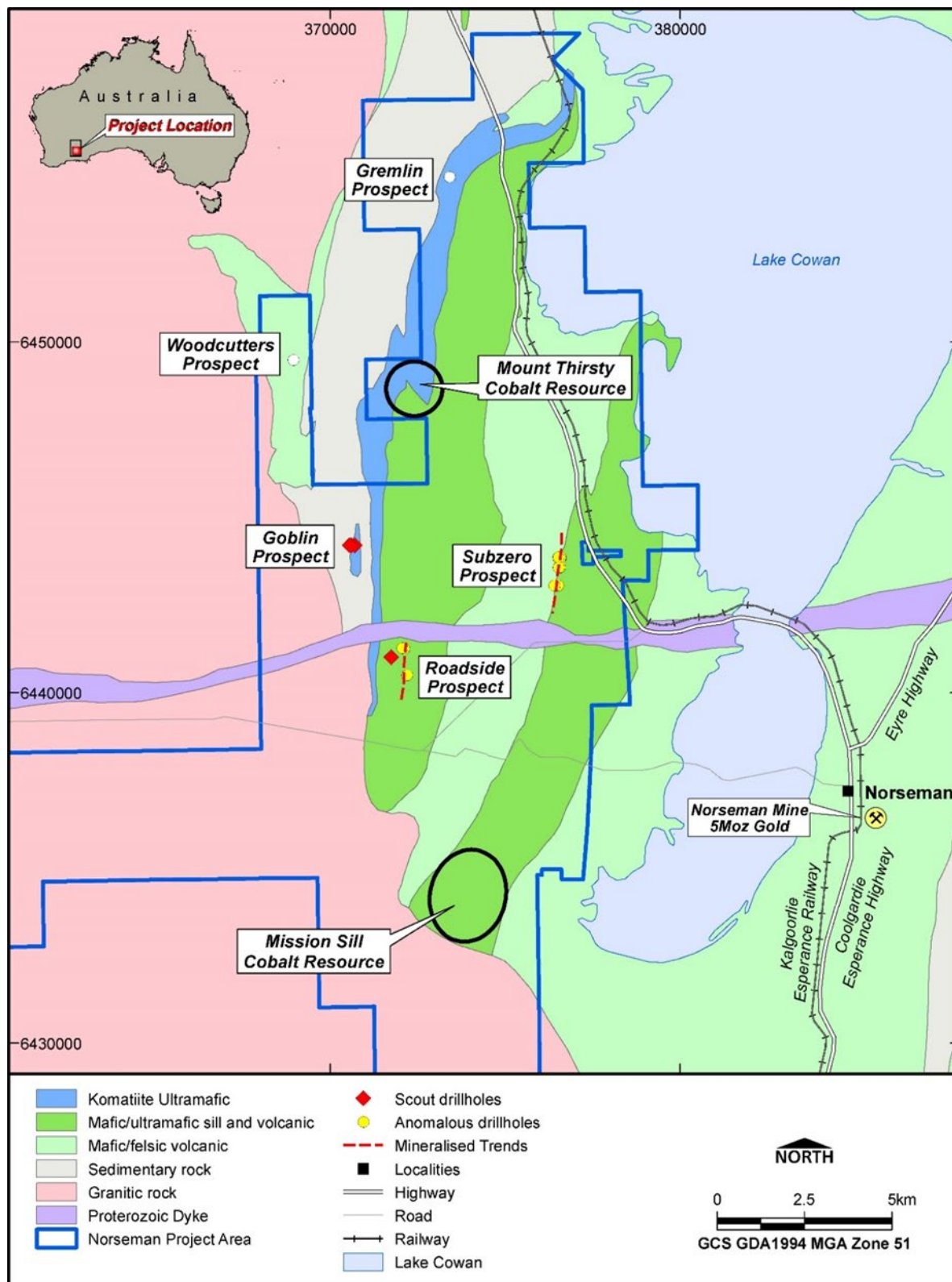


Figure 4 – Galileo's Norseman Project Area with Prospect Locations and JORC Cobalt Resources

Corporate

The Company advised of the sudden death of Non-Executive Chairman Simon Jenkins. Managing Director, Brad Underwood, has been appointed interim Chairman while Galileo looks to identify an appropriately qualified replacement director. Galileo Mining Company Secretary, Mathew Whyte, has joined the Board as a Non-Executive Director with immediate effect. Mr Whyte is currently a Non-Executive Director of ASX listed company Aurora Labs Ltd (ASX:A3D).

As at 31 December 2019, the Company had cash of approximately \$5.4 million.

During the quarter the most significant costs incurred were related to exploration and evaluation with 71% of operating expenditure falling into this category.

Estimated expenditure for the March 2020 Quarter is approximately \$0.9 million. Please refer to the attached Appendix 5B report for the period ended 31 December 2019 for further information.

Capital Structure

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

Quoted Securities

Number	Class
92,279,037	Ordinary Fully Paid Shares (Shares)

Un-Quoted Securities

Number	Class
28,094,895	Shares- held in escrow for 24 months from 29 May 2018
15,000,000	Class A Options Ex @\$0.20 Exp 31/1/2023- held in escrow for 24 months from 29/5/2018 Vesting condition 60-day VWAP > \$0.60
2,200,000	Performance Rights Vesting @ \$1.00/ Exp 31/1/2023 Vesting condition 10-day VWAP > \$1.00

Competent Person Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Brad Underwood, a Member of the Australasian Institute of Mining and Metallurgy, and a full time employee of Galileo Mining Ltd. Mr Underwood has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). Mr Underwood consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

With regard to the Company’s ASX Announcements referenced in the above Announcement, the Company is not aware of any new information or data that materially affects the information included in the Announcements.

Authorised for release by the Galileo Board of Directors.

Investor information: phone Galileo Mining on + 61 8 9463 0063 or email info@galmining.com.au

Media:

David Tasker
Managing Director
Chapter One Advisors
E: dtasker@chapteroneadvisors.com.au
T: +61 433 112 936

About Galileo Mining:

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

Figure 5: JORC Mineral Resource Estimates for the Norseman Cobalt Project (“Estimates”) (refer to ASX “Prospectus” announcement dated May 25th 2018 and ASX announcement dated 11th December 2018, accessible at <http://www.galileomining.com.au/investors/asx-announcements/>). Galileo confirms that all material assumptions and technical parameters underpinning the Estimates continue to apply and have not materially changed).

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

Appendix 1: Galileo Mining Tenement Schedule as at 31 December 2019

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

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

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

GALILEO MINING LTD

ABN

70 104 114 132

Quarter ended ("current quarter")

31 DECEMBER 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(580)	(1,253)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(94)	(143)
	(e) administration and corporate costs	(185)	(353)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	44	56
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other - Net GST (paid)/refunded	(7)	17
1.9	Net cash from / (used in) operating activities	(822)	(1,676)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(3)	(3)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Security Deposit refunded/(paid))	-	20
2.6	Net cash from / (used in) investing activities	(3)	17

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

4.	Net increase / (decrease) in cash and cash equivalents for the period	(825)	(1,659)
4.1	Cash and cash equivalents at beginning of period	6,236	7,070
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(822)	(1,676)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	17
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,411	5,411

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	46	35
5.2	Call deposits	5,365	6,201
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,411	6,236

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	123
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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

**Current quarter
\$A'000**

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

-

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

-

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

--

8. Financing facilities available

Add notes as necessary for an understanding of the position

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

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

8.1 Loan facilities

-

-

8.2 Credit standby arrangements

-

-

8.3 Other (please specify)

-

-

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

--

9. Estimated cash outflows for next quarter

\$A'000

9.1 Exploration and evaluation

665

9.2 Development

-

9.3 Production

-

9.4 Staff costs

81

9.5 Administration and corporate costs

162

9.6 Other (provide details if material)

(6)¹

9.7 Total estimated cash outflows

902

¹Includes forecast interest income

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

*Refer to Quarterly Activities Report for Schedule of Tenements.

Compliance statement

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

29 January 2020

Sign here:
(Company secretary)

Date:

Print name:
Mathew Whyte

Notes

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