

28 January 2021

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



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QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

- Diamond drilling campaign confirms highly prospective nature of Lantern nickel sulphide prospect
- Assay results:
 - 22.66 metres @ 0.19% nickel & 0.14% copper from 132.67m, including:
 - 5.95 metres @ 0.36% nickel & 0.29% copper from 134.82m
- First occurrence of nickel and copper rich massive sulphides over 7cm section of drill core with assays of:
 - 4.6% nickel, 2.2% copper, 0.15% cobalt & 0.7 g/t palladium from 136.2m (LARC013D)
- Electromagnetic (EM) survey work identifies prospective conductors at Lantern and Green Moon prospects
- Surveying work continues to develop database of EM conductive zones across the project
- Next drilling campaign scheduled for mid-February 2021 to test targets at the Lantern prospects

Corporate

- Well-funded to continue exploration programs with approximately \$6.9 million in cash as at 31st December 2020

Galileo Mining Ltd (ASX: GAL, "Galileo" or the "Company") is pleased to provide a summary of activities for the quarter ending 31 December 2020, in which the Company received results from its first diamond drilling campaign at the Lantern prospect, within the Fraser Range nickel project in Western Australia.

Commenting on the recent activities Galileo Managing Director Brad Underwood said:

"It has been another important period of exploration for Galileo Mining as we continue to actively drill for discoveries in the prolific Fraser Range nickel belt."

"During the quarter the Company received assays from our first ever diamond drilling campaign completed in the northern portion of our Fraser Range project, revealing a small section of primary massive sulphide."

This means we have identified a mineralised system that can produce high grade nickel and copper. Our job now is to focus on those areas that have the potential to host large accumulations of economic nickel-copper sulphides.

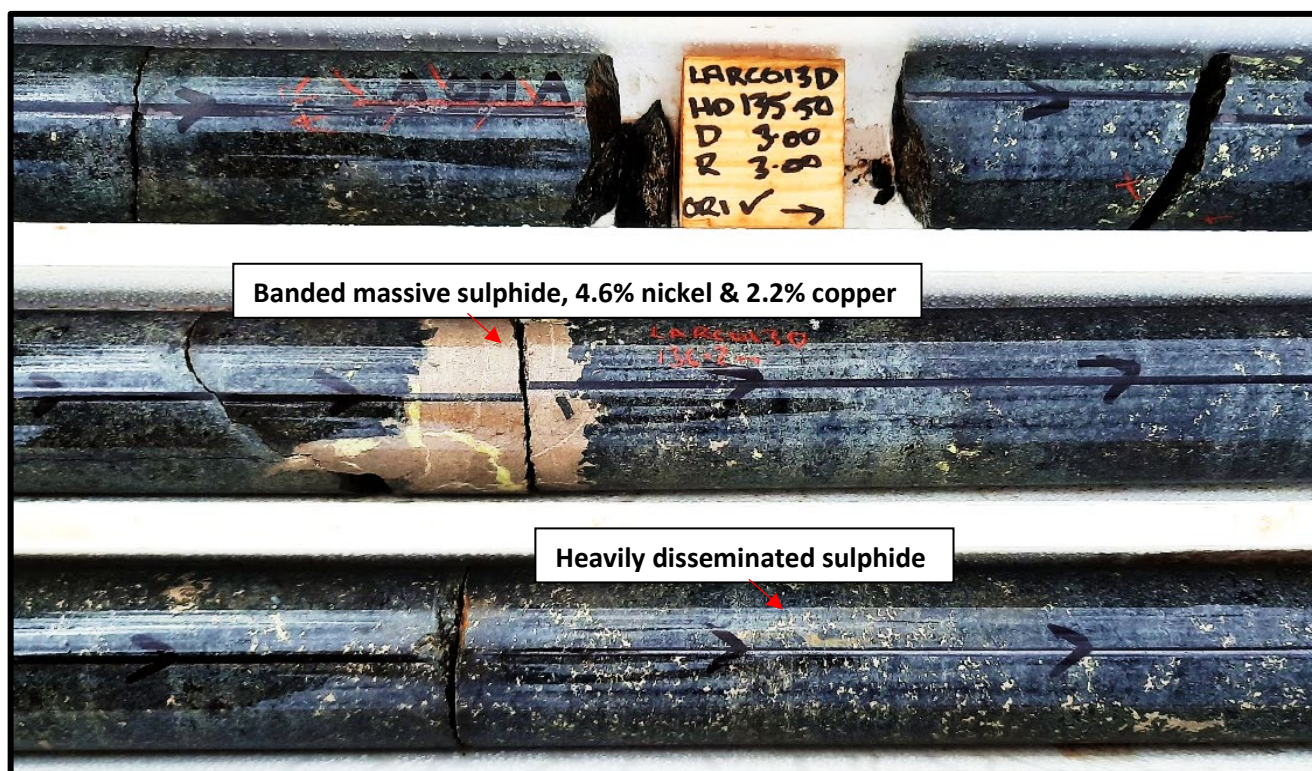
“Our large-scale EM surveying work has also been an important feature of the quarter, helping to identify further conductive targets for drilling. This work has continued into the new year and remains ongoing, as we develop a database of project-wide EM data.”

Diamond drilling at Galileo’s Lantern prospect intersected significant sulphide mineralisation within hole LARC013D, which targeted disseminated sulphide mineralisation along strike from previously reported RC drill hole LARC003 at the Lantern South prospect.

23m of heavily disseminated, blebby and banded nickel-copper sulphides in ultramafic host rock were intercepted in the diamond drill hole. Assays from this section averaged 0.19% nickel and 0.14% copper.

Of great importance was the intersection of a 7cm band of primary, massive sulphide (see Figure 1). This section assayed 4.6% nickel, 2.2% copper and 0.15% cobalt and demonstrates the ability of the mineralising system at the Lantern Prospect to create high grade nickel and copper sulphides.

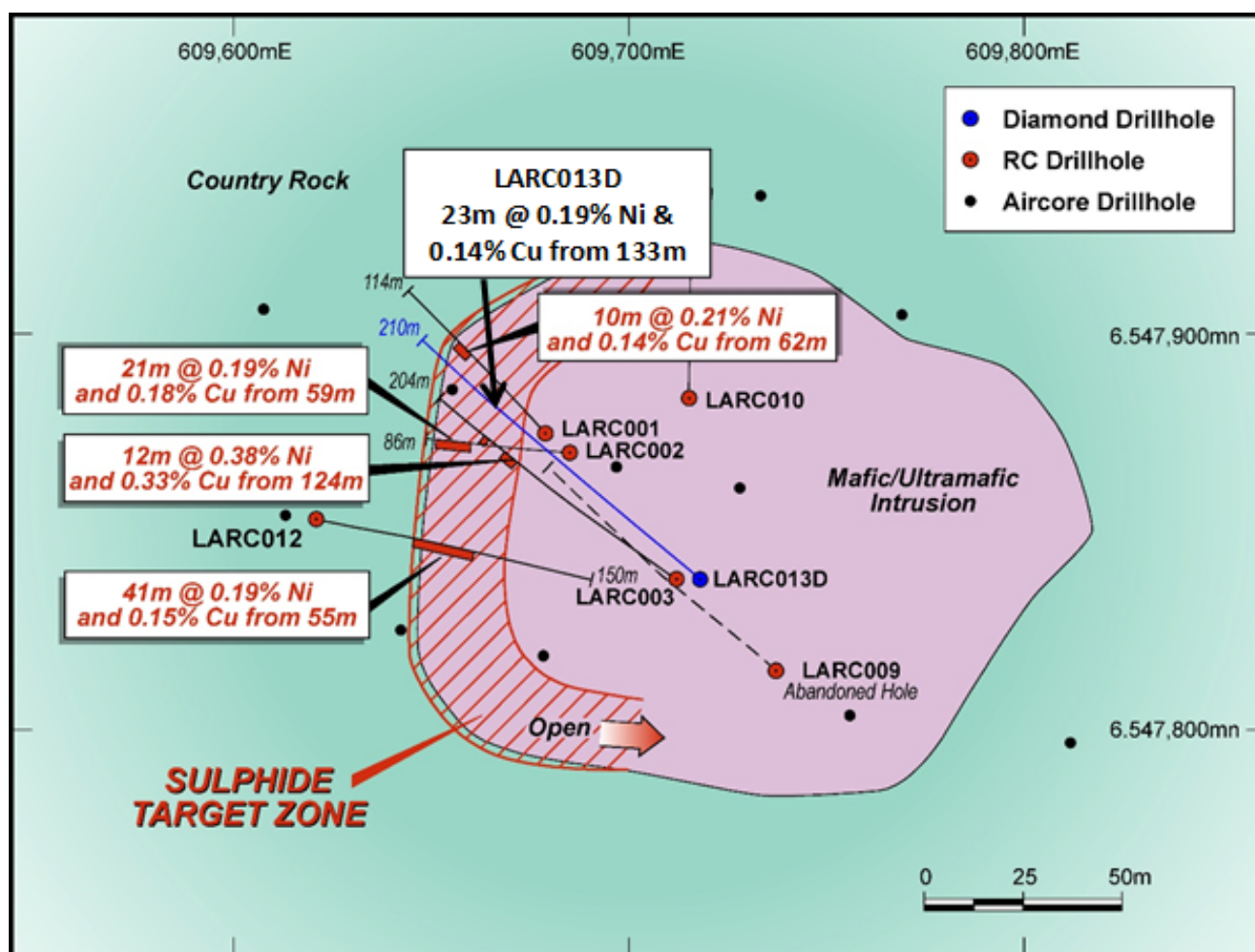
Figure 1 – Disseminated, blebby and banded sulphide mineralisation in drill hole LARC013D (downhole depth 135m to 138m, HQ core diameter 6.35cm)



Only a limited amount of drilling has been undertaken at the Lantern prospects with Galileo the first company to explore the area for bedrock mineralisation. No previous nickel exploration has occurred on Galileo's northern Fraser Range tenure which provides the Company with a first mover advantage on a virgin greenfields property in a new nickel belt.

Downhole EM surveying of RC drill holes adjacent to LARC013D were previously completed with results limited to near surface effects due to weathered regolith and cover material. RC drilling and diamond drill core logging suggest that the best potential for further mineralisation at Lantern South is towards the south of the intrusion where the projected sulphide zone wraps around the intrusion (Figure 2).

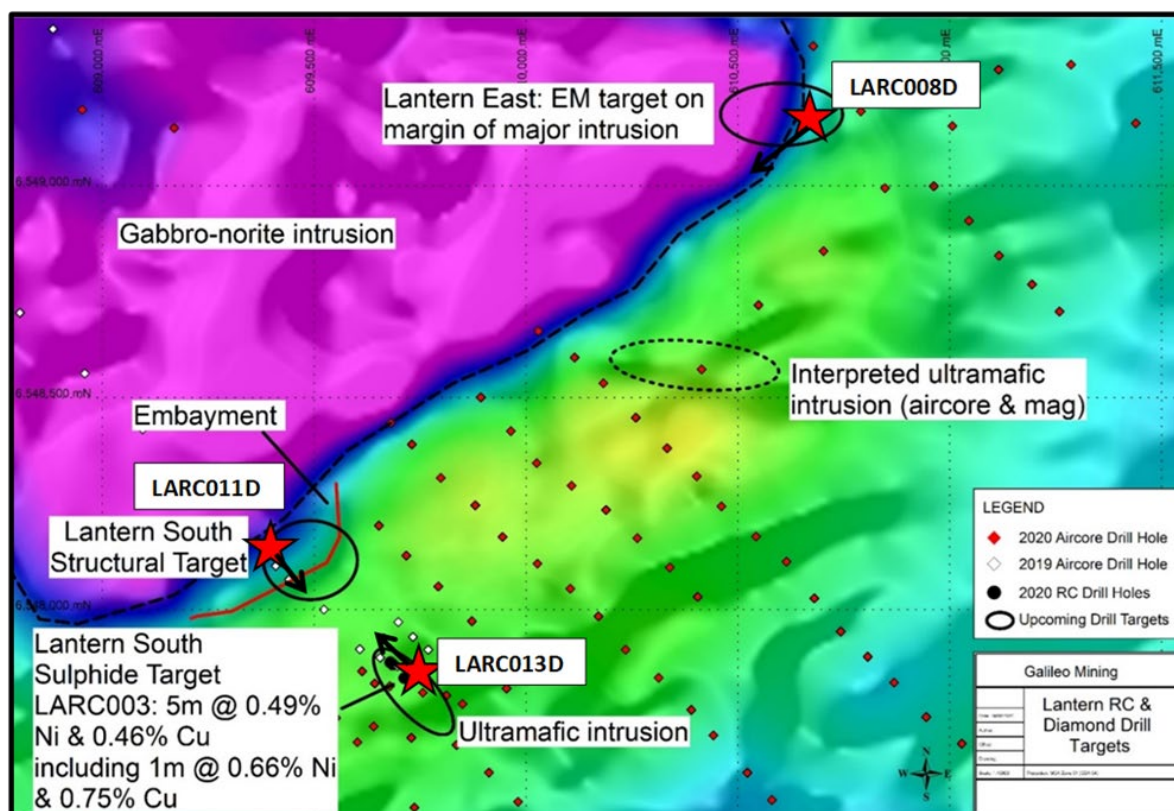
Figure 2 —Lantern South Prospect Plan View of RC Drilling showing Sulphide Target Zone and Drill Hole LARC013D



Additional RC drilling has been planned beneath and to the south of LARC012 to expand the footprint of mineralisation and to identify those areas with the greatest capacity for higher grade mineralisation.

In addition to drilling at Lantern South the Company undertook diamond drilling at the Lantern East Prospect. LARC008D targeted an EM conductor on the margin of a major gabbro-norite intrusion at the Lantern East prospect (see Figure 3). LARC008D intersected a suite of mafic intrusions with minor mafic granulite and pegmatite units. The dominant mafic intrusions are various types of gabbro-norite with the disseminated and blebby sulphide mineralisation (predominantly pyrrhotite, with lesser chalcopyrite-pentlandite) occurring in the upper parts of the hole. In total, sulphides are present over 108.5 metres between 204m and 312.5m downhole. Maximum nickel and copper levels in drill hole LARC008D were approximately 300ppm reflecting the predominance of pyrrhotite at this location. The lower part of the drill hole from 312.5m intersected the regionally large gabbro-norite intrusion and did not contain sulphide minerals.

Figure 3 — Diamond Drill Holes at Lantern South & Lantern East Prospects (over Magnetic Image)



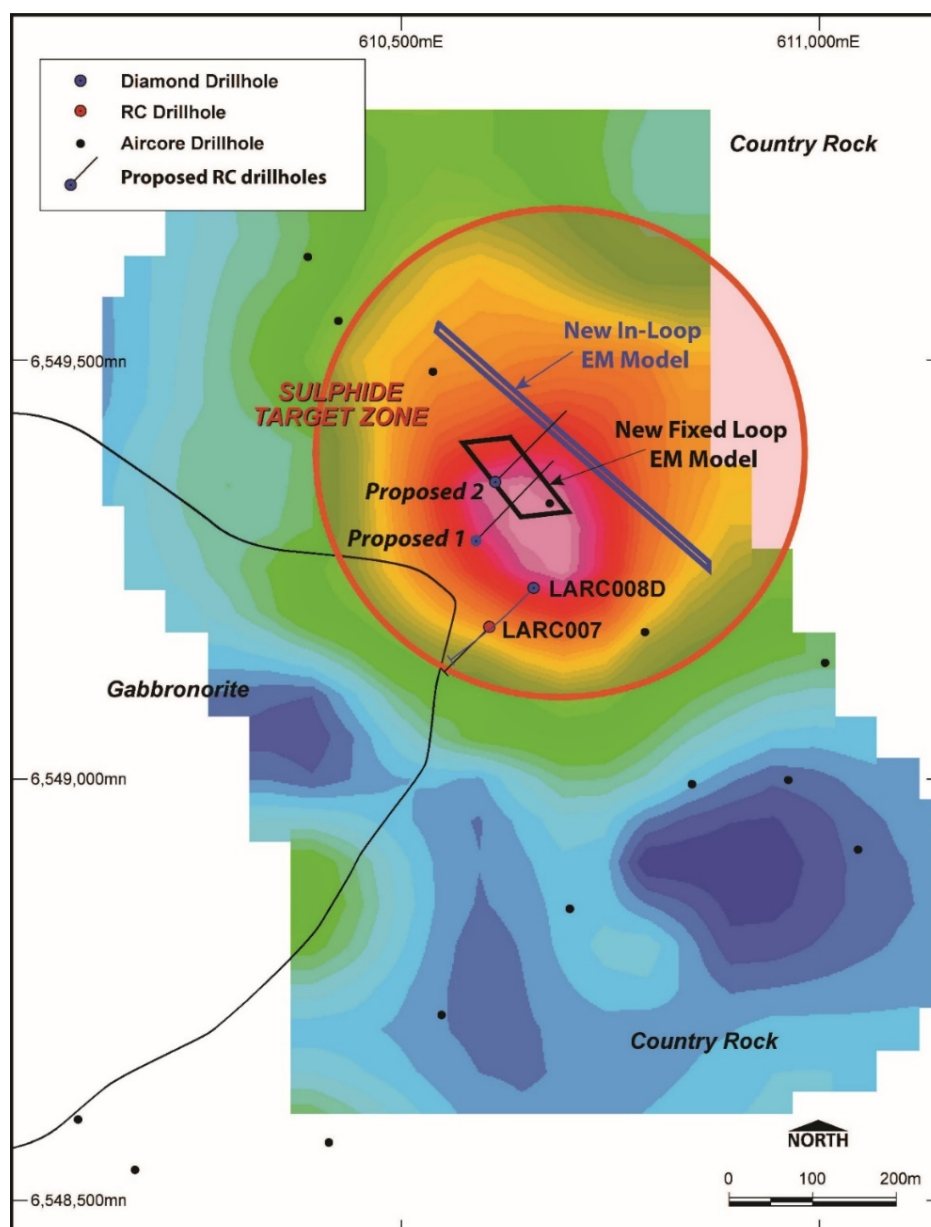
LARC008D targeted an EM conductor with the top of the model at 225m below surface. The drill hole pierced the model at approximately 320m down hole and no conductive source was identified. The blebby and disseminated sulphides intersected between 204 and 312 metres are not conjoined or abundant enough to produce a conductive response. Initial downhole EM surveying has been performed using a one loop

configuration. This did not identify a conductor able to explain the responses observed from surface moving loop and fixed loop EM surveys.

EM Surveying

Additional EM surveying was undertaken after the drilling and the modelling revised based on the updated data sets. The new in-loop moving loop survey data has been modelled as a subvertical 430 metre long body, striking approximately 310 degrees, with a strong conductance of 2,500 Siemens. The depth below surface to the top of the body is 140 metres (Figure 4).

Figure 4 – New EM Models at the Lantern East Prospect with Initial Drillholes (LARC007 and LARC008D) and Proposed RC Drillholes over EM Background (Ch 32, in-loop survey)



The revised fixed loop EM model has been created with a similar strike orientation but offset to the south of the in-loop model. The new fixed loop model has a shorter strike length of 145m and a stronger conductance of 3,925 Siemens. The depth below surface of this model is approximately 180m.

The occurrence of sulphide in LARC008D is highly encouraging as it may represent a halo zone proximal to much greater sulphide accumulation associated with the EM conductive models 150 metres north of the current drilling. No graphitic or sulphidic sediments have been encountered and any conductive response represents a high priority target as it is more likely to be associated with sulphide bearing intrusive rock units.

Given the significant occurrence of nickel and copper mineralisation Galileo has accelerated plans to develop more regional prospects into drill targets. During the period Galileo completed surveying at the Green Moon prospect, approximately six kilometres from the Lantern Prospect, where a large and strong conductor has been identified (see Figure 5).

Table 1: Modelled parameters of conductors:

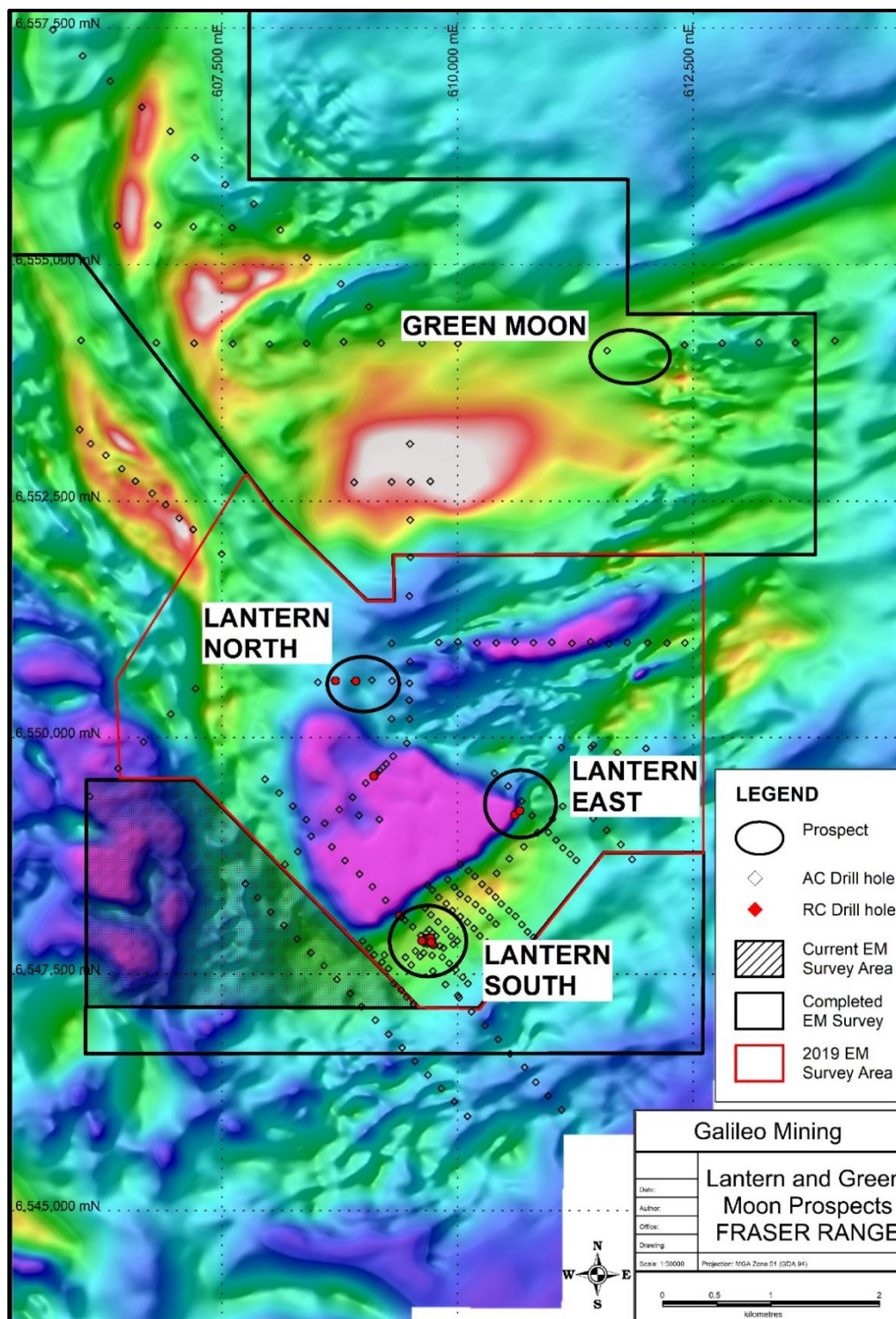
Prospect	Conductance	Length	Height	Depth to Top
Green Moon	4,000S	300m	400m	545m
Lantern East (moving-loop survey)	2,500S	430m	60m*	140m
Lantern East (fixed loop survey)	3,925S	145m	66m*	177m
Lantern North ³	1,200S	400m	200m	340m

* Down-dip extents of sub-vertical conductive bodies are broad estimates only as the EM surveys preferentially respond to the upper part of the conductor.

The conductor coincides with an area where aircore drilling has previously defined mafic intrusive rock types prospective for magmatic nickel-copper deposits (see ASX Announcement dated: 19th May 2020). Modelling of the Green Moon anomaly shows a strong conductor of 4,000 Siemens with a strike length of 300 metres at

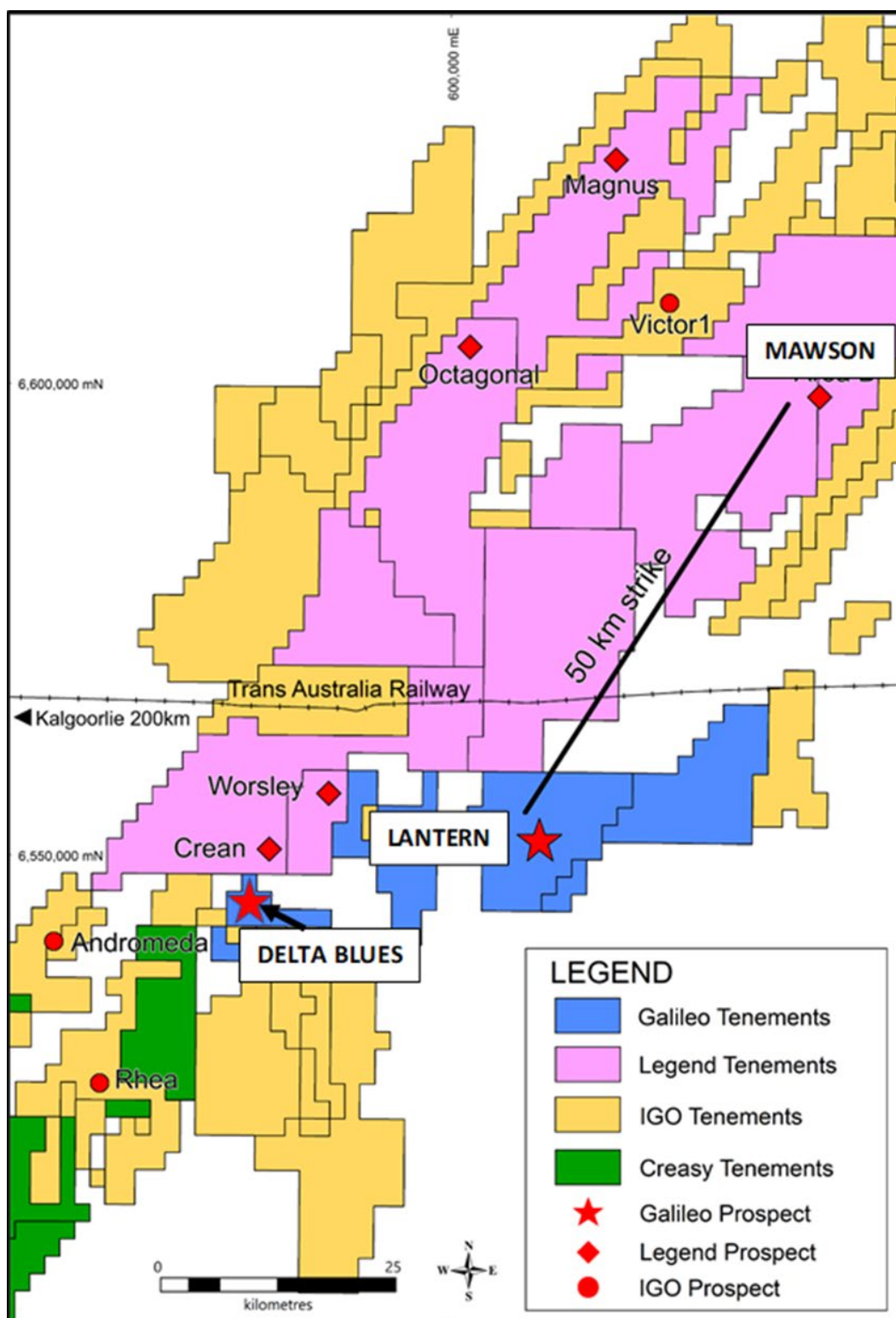
a depth of 545 metres below surface. Table 1 shows the parameters of the new conductor at Green Moon along with the existing conductors at adjacent prospects.

Figure 5 – EM Surveying and Prospect Locations Surrounding Galileo’s Lantern Prospect in the Fraser Range (TMI magnetic background imagery)



Post the end of the quarter the Company commenced EM surveying at the Delta Blues prospect where aircore drilling in 2019 showed nickel prospective intrusive rocks with weathered sulphides observed in petrographic samples (see ASX Announcement dated 3rd December 2019 and Figure 6 for prospect location).

Figure 6 – Delta Blues Prospect location with other key prospects in the northern Fraser Range

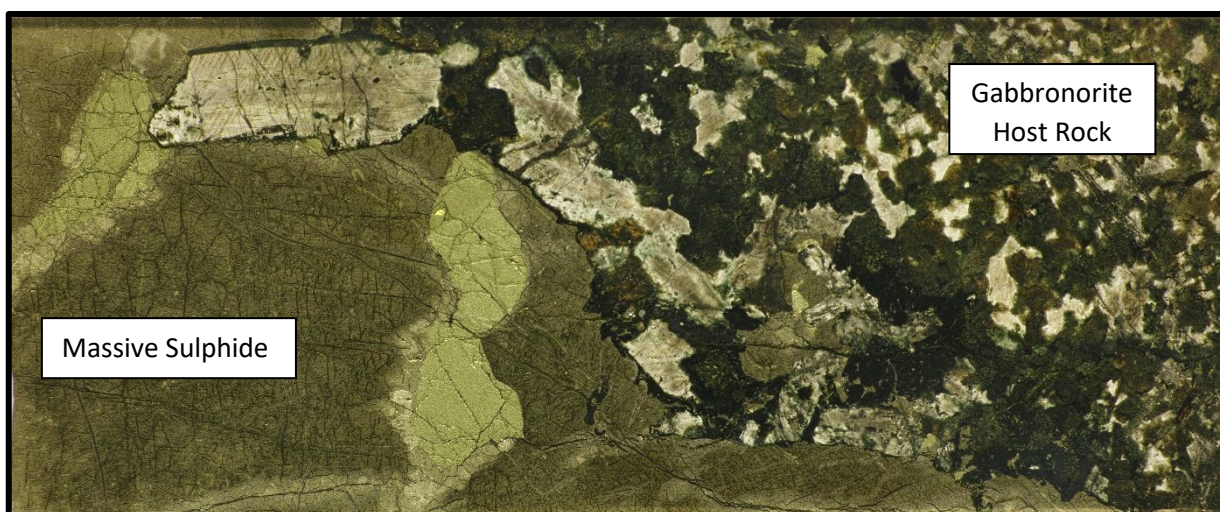


Massive Sulphide Petrographic Analysis

During the quarter, Galileo completed petrographic analysis of diamond drill core recovered from hole LARC013D, which encountered heavily disseminated, blebby and banded nickel-copper sulphides in ultramafic host rock (Figure 7).

Petrography results showed that the massive sulphide consisted mainly of very coarse pyrrhotite with chalcopyrite and pentlandite forming veins, stringers and masses within the massive pyrrhotite. The host rock is gabbro-norite with plagioclase, orthopyroxene and hornblende being the dominant host rock minerals (Figure 7).

Figure 7 – Massive Pyrrhotite-Chalcopyrite-Pentlandite Sulphide Mineralisation in Lantern South Diamond Drill Core (scale: height of slide = 26mm, from 136.2m downhole, LARC013D)



The petrography data has confirmed high tenor sulphide mineralisation at Lantern South in a typical magmatic sulphide setting. These results support the concept that if larger accumulations of massive sulphide exist at the Lantern prospect then there is a strong likelihood that the sulphides will be of high nickel tenor.

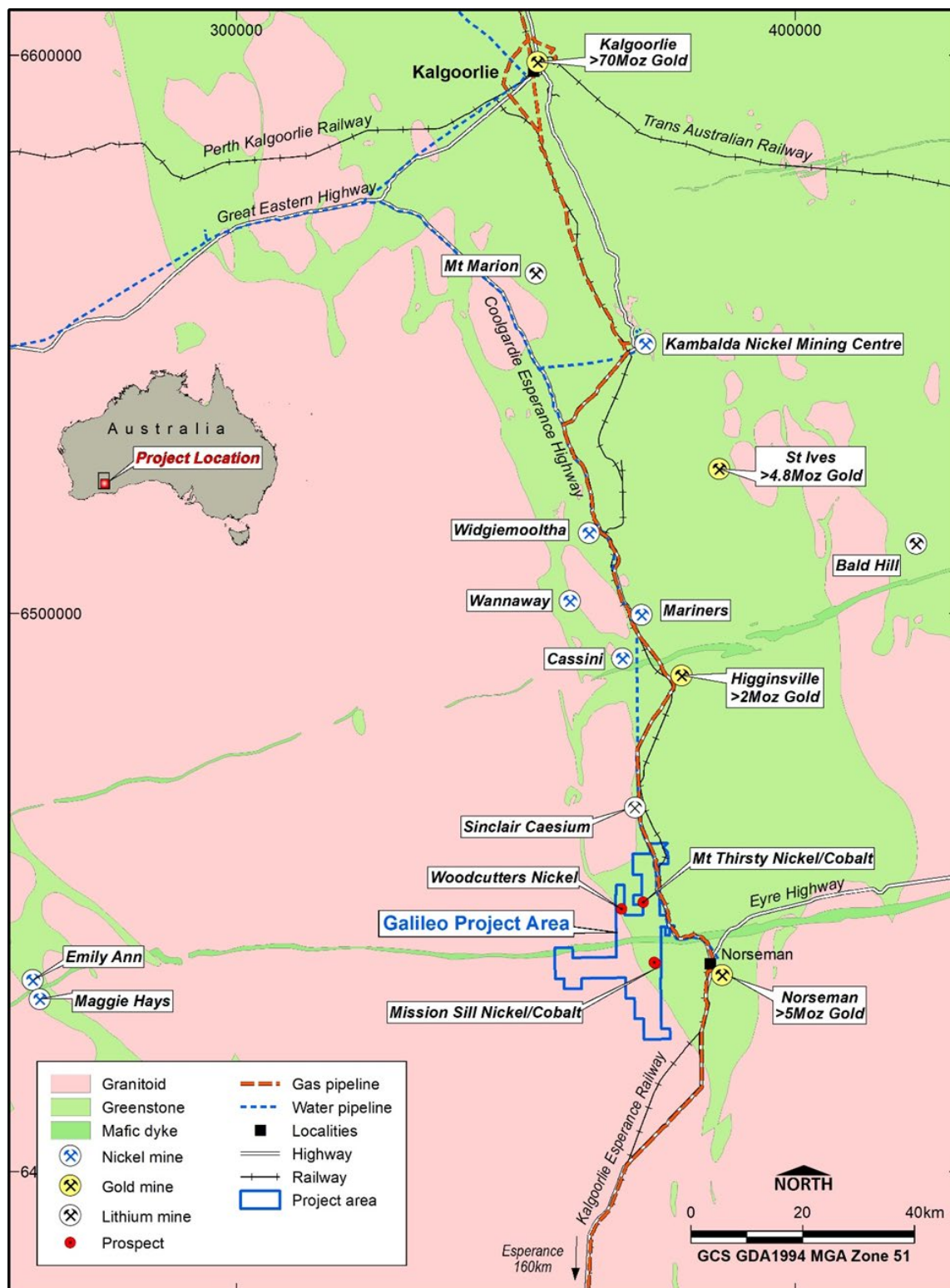
The analysis has assisted in developing additional drill ready targets at Lantern South, with the Company to accelerate exploration into the following quarter.

Norseman Project, WA

While Galileo has been focussed on developing its Fraser Range project, during the period the Company also advanced exploration at its Norseman nickel-copper-cobalt project, which occurs at the southern end of the Norseman-Wiluna greenstone belt. 1,726 soil samples have recently been collected targeting areas with strong

potential for nickel. Results from this campaign have been lodged post quarter-end (see ASX announcement dated: 13 January 2021).

Figure 8 – Norseman Project Location Map with Selection of Regional Mines and Infrastructure



A specialist remote sensing company was contracted over the quarter to collect hyperspectral data and to integrate the new mineral mapping information with existing data sets, including the recently received soil assays. The initial phase of this contract has been completed with the collection of the airborne data. Data interpretation utilising machine learning and Artificial Intelligence (AI) software is ongoing.

A follow up exploration program will be devised upon the completion of all data integration and analysis. This is expected to occur in late February with the results to be utilised in the planning of drill programs scheduled for Q2 2021.

Corporate

Galileo is well funded to continue exploration with approximately \$6.9 million in cash as of 31 December 2020. This puts the Company in a secure position to undertake all its planned exploration programs.

Estimated expenditure for the upcoming March 2021 Quarter is approximately \$1.0 million. Please refer to the attached Appendix 5B report for the period ended 31 December 2020 for further information.

ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation expenditure during the quarter was \$613,000 representing approximately 79% of cashflows from operating and investing activities. Full details of exploration activity during the December 2020 Quarter are set out in this report.
2. ASX Listing Rule 5.3.2: There was no substantive mining production and development activities during the Quarter.
3. Rule 5.3.5: – Payments to related parties of the Company and their associates during the Quarter (as detailed in Section 6 of the accompanying Appendix 5B) totalling \$140,000 was paid to Directors and Associates for salaries, superannuation, and director and consulting fees. Please see the Remuneration Report in the 2020 Annual Report for further details on Directors' remuneration.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled 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.

Authorised for release by the Galileo Board of Directors

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About Galileo Mining:

Galileo Mining Ltd (ASX: GAL) is focussed on the exploration and development of cobalt and nickel resources in Western Australia. GAL holds tenements near Norseman with over 26,000 tonnes of contained cobalt, and 122,000 tonnes of contained nickel, in JORC compliant resources (see Figure 9 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 9: 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 2020

Project	Tenement reference & Location	Interest at beginning of Quarter	Interest at end of Quarter	Nature of Interest As at end of Quarter
NORSEMAN PROJECT	All tenements are in Western Australia			
	E63/1041	100%	100%	Active
	E63/1764	100%	100%	Active
	P63/2053	100%	100%	Active
	P63/2105	100%	100%	Active
	P63/2106	100%	100%	Active
	P63/2107	100%	100%	Active
	P63/2108	100%	100%	Active
	P63/2109	100%	100%	Active
	P63/2110	100%	100%	Active
	P63/2111	100%	100%	Active
	P63/2112	100%	100%	Active
	P63/2113	100%	100%	Active
	P63/2114	100%	100%	Active
	P63/2115	100%	100%	Active
	P63/2116	100%	100%	Active
	P63/2117	100%	100%	Active
	P63/2118	100%	100%	Active
	P63/2123	100%	100%	Active
	P63/2136	100%	100%	Active
	P63/2137	100%	100%	Active
	M63/671	100%	100%	Active
	L63/83	100%	100%	Active
	L63/85	100%	100%	Active
	L63/86	100%	100%	Active
	L63/87	100%	100%	Active
	L63/88	100%	100%	Active
FRASER RANGE PROJECT	All tenements are in Western Australia			
	E28/2064	67%	67% NSZ ⁽¹⁾	Active
	E28/2912	100%	100%	Active
	E28/2949	100%	100%	Active
	E63/1539	67%	67% FSZ ⁽²⁾	Active
	E63/1623	67%	67% FSZ ⁽²⁾	Active
	E63/1624	67%	67% FSZ ⁽²⁾	Active

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

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

Appendix 5B

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

Name of entity

Galileo Mining Ltd

ABN

70 104 114 132

Quarter ended ("current quarter")

31 December 2020

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	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(48)	(90)
	(e) administration and corporate costs	(158)	(251)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	11	32
1.5	Interest and other costs of finance paid	(1)	(2)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	12	67
1.8	Other (provide details if material)	18	41
1.9	Net cash from / (used in) operating activities	(166)	(203)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(613)	(1,514)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Security Deposit refunded)	-	-
2.6	Net cash from / (used in) investing activities	(613)	(1,514)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Lease Payments)	(30)	(59)
3.10	Net cash from / (used in) financing activities	(30)	(59)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,730	8,697
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(166)	(203)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(613)	(1,514)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(30)	(59)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	6,921	6,921

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	44	28
5.2	Call deposits	6,877	7,702
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,921	7,730

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	59
6.2	Aggregate amount of payments to related parties and their associates included in item 2	81

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

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

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(166)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(613)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(779)
8.4	Cash and cash equivalents at quarter end (item 4.6)	6,921
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	6,921
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	8.88
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A		

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

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

Compliance statement

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

27 January 2021

Date:

By the Board

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.