



FINANCIAL REPORT

For the Half-Year Ended 31 December 2020

GALILEO MINING LTD

ABN 70 104 114 132

CONTENTS

DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	14
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	15
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	16
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	17
CONSOLIDATED STATEMENT OF CASH FLOWS	18
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	19
DIRECTORS' DECLARATION.....	24
INDEPENDENT AUDITOR'S REVIEW REPORT.....	25

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

The directors present their report on the Company and the Group (consisting of the Company and the entities it controlled during the period) for the half-year ended 31 December 2020.

DIRECTORS

The following directors have been in office since the start of the financial year to the date of this report unless otherwise stated:

- Richard (Brad) Underwood (Chairman and Managing Director)
- Noel O'Brien (Non-executive Director)
- Mathew Whyte (Non-executive Director)

The Company Secretary is Mr Mathew Whyte.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the period was mineral exploration.

FINANCIAL RESULTS AND FINANCIAL POSITION

The net loss of the Group for the half-year after providing for income tax amounted to \$220,767 (2019: \$496,471).

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

At the end of the financial period the Group had cash on hand, including deposits of \$6,921,931 (30 June 2020: \$8,697,061) and Net Assets of \$19,658,753 (30 June 2020: \$19,944,176).

REVIEW OF OPERATIONS

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

1. The Fraser Range Project with exploration tenements prospective for nickel-copper-cobalt deposits, and
2. The Norseman Nickel-Cobalt Project with a JORC compliant nickel-cobalt resource.

During the half-year ended 31 December 2020, the Group's main activities were on exploration at the Fraser Range Project through a series of diamond and reverse circulation (RC) drilling campaigns, electromagnetic (EM) surveying and other exploration activities.

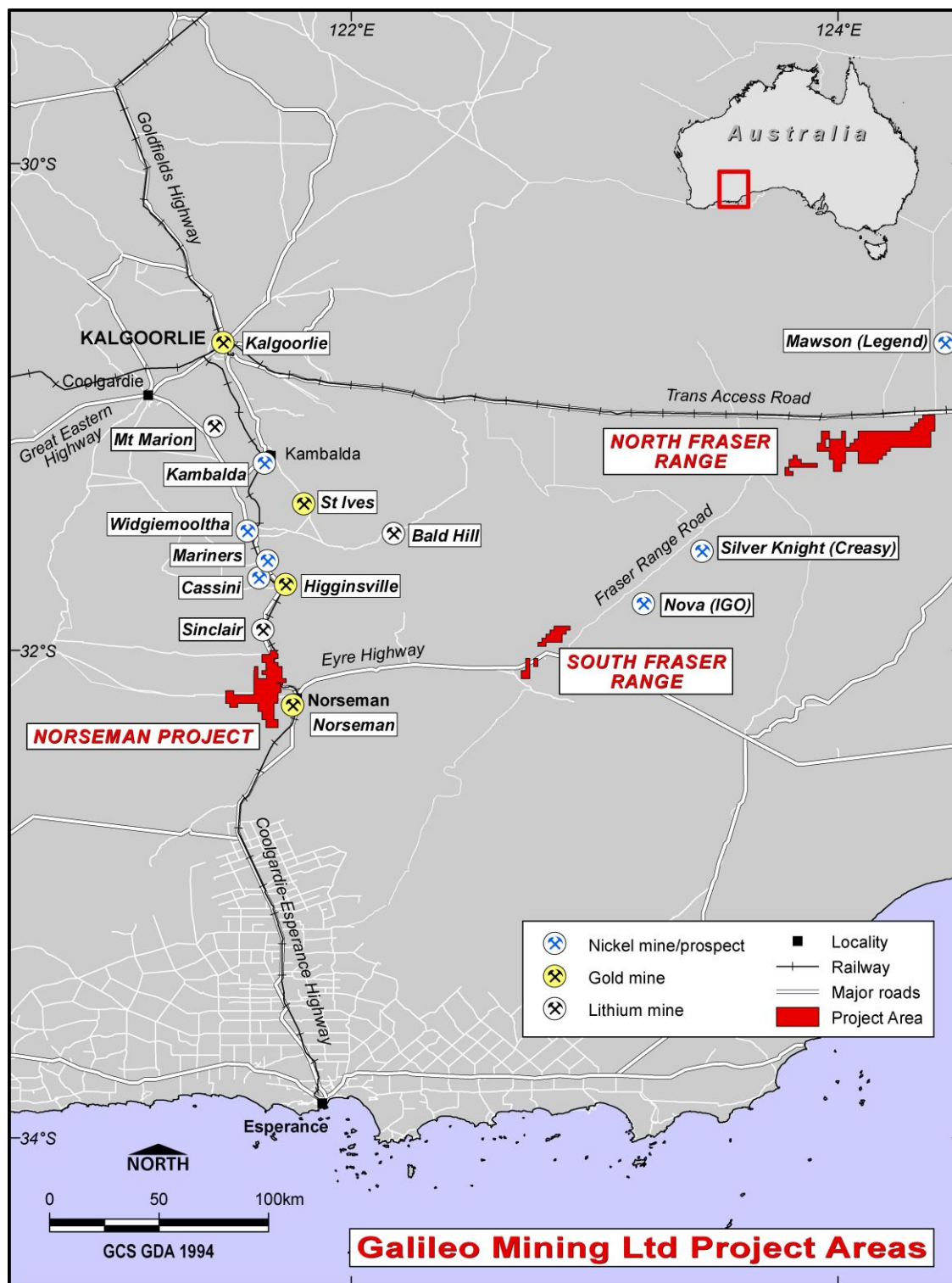
While Galileo has been focused on developing its Fraser Range project, the Company also advanced exploration at its Norseman Project, which occurs at the southern end of the Norseman-Wiluna greenstone belt.

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The strong results from exploration efforts during the half-year period has set the Company up for further significant exploration success in the second half of the financial year as Galileo continues to progress exploration campaigns at the Fraser Range and Norseman Projects.

Figure 1: Galileo Mining's Project Areas



The Group's exploration activities during the half-year have set the foundation for the next round of drilling and exploration of tenements at Fraser Range and Norseman projects. Highlights from the half-year include:

Fraser Range Project (67% Galileo Mining/33% Creasy Group JV)

- RC drilling campaign completed in August to test mineralisation and establish diamond drilling pre-collars with assay results expanding nickel-copper footprint at the Lantern South prospect with: ¹
 - 41 metres @ 0.19% nickel & 0.14% copper from 55m (LARC0012), including 10 metres @ 0.26% nickel & 0.23% copper from 78m; and
 - Anomalous gold (max 88ppb), platinum (75ppb) & palladium (max 88ppb) associated with nickel and copper interval
- Diamond drilling campaign completed in September to test deeper nickel prospective targets beneath shallow cover
- Assay results confirmed highly prospective nature of Lantern nickel sulphide prospect:²
 - 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)²
- Comprehensive Moving Loop EM surveying at the Lantern area continues to develop database of EM conductive zones across the project
- Surveys are designed to detect zones of nickel sulphide mineralisation associated with mafic/ultramafic intrusions identified by aircore drilling
- New surveys covering an area of 46km², over two times larger than the current exploration footprint

Norseman Project (100% owned)

- Nickel sulphide exploration at Norseman is progressing well with large soil sampling program undertaken (1,726 samples in total)
- Interpretation and evaluation of results is ongoing with a 52-element, raw geochemical data set for each sample
- Integration of new hyperspectral data with existing data sets is expected to generate focus areas for nickel targeting

Corporate

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

¹ Refer to ASX announcement dated 29 September 2020

² Refer to ASX announcement dated 28 October 2020

During the half-year, Galileo undertook significant exploration programs at the Lantern Prospect in the Fraser Range.

Only a limited amount of drilling has been undertaken at the Lantern prospects and Galileo is 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.

Assays from LARC012 showed anomalous nickel and copper over 41 metres from the shallow depth of 55 metres downhole (see Figure 2). Importantly, nickel and copper were also associated with anomalous gold, platinum and palladium which are significant indicators of magmatic nickel-copper systems.

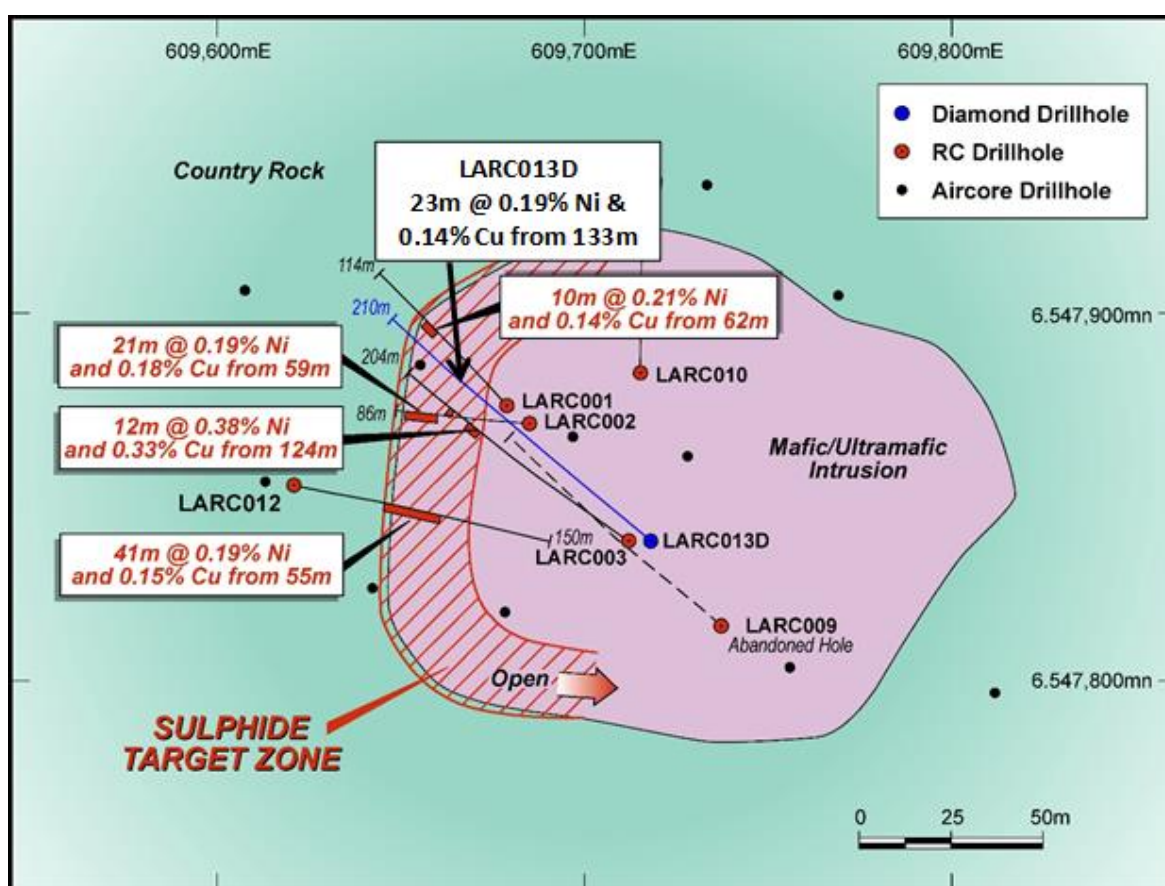


Figure 2 —Lantern South Prospect Plan View of RC Drilling showing Sulphide Target Zone

Previous nickel and copper intersected at a similar depth in LARC002 was found to be related to sulphide mineralisation at depth in LARC003 and LARC013D. This strongly suggests that sulphide mineralisation will exist beneath LARC012. The sulphide target zone on the western margin of the ultramafic unit continues to be open further to the south as shown.

Downhole EM surveying of RC drill holes adjacent to LARC013D were 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).

A diamond drilling exploration campaign was subsequently completed at the Lantern prospect in September. Three significant nickel targets were drilled, and Figure 3 shows the relative locations of Lantern East EM target (LARC008D), the structural target (LARC011D), and the disseminated sulphide target at Lantern South (LARC013D).

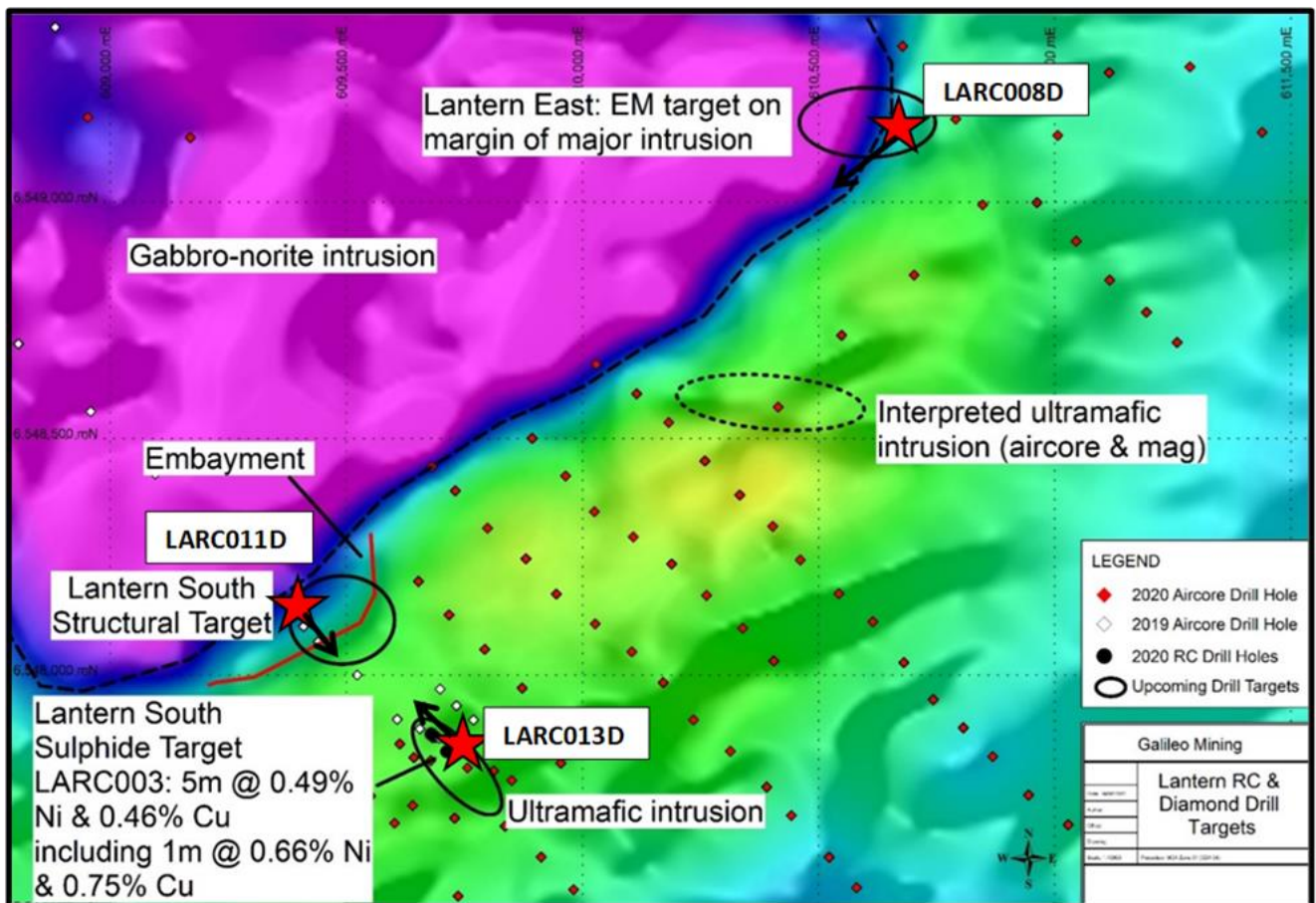


Figure 3 – Diamond Drill Holes at Lantern South & Lantern East Prospects (over Magnetic Image)

The diamond drilling at Lantern intersected further 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 4). This section assayed 4.6% nickel, 2.2% copper and 0.15% cobalt and demonstrates the ability of the mineral system at the Lantern Prospect to create high grade nickel and copper sulphides.

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 (see Figure 4).

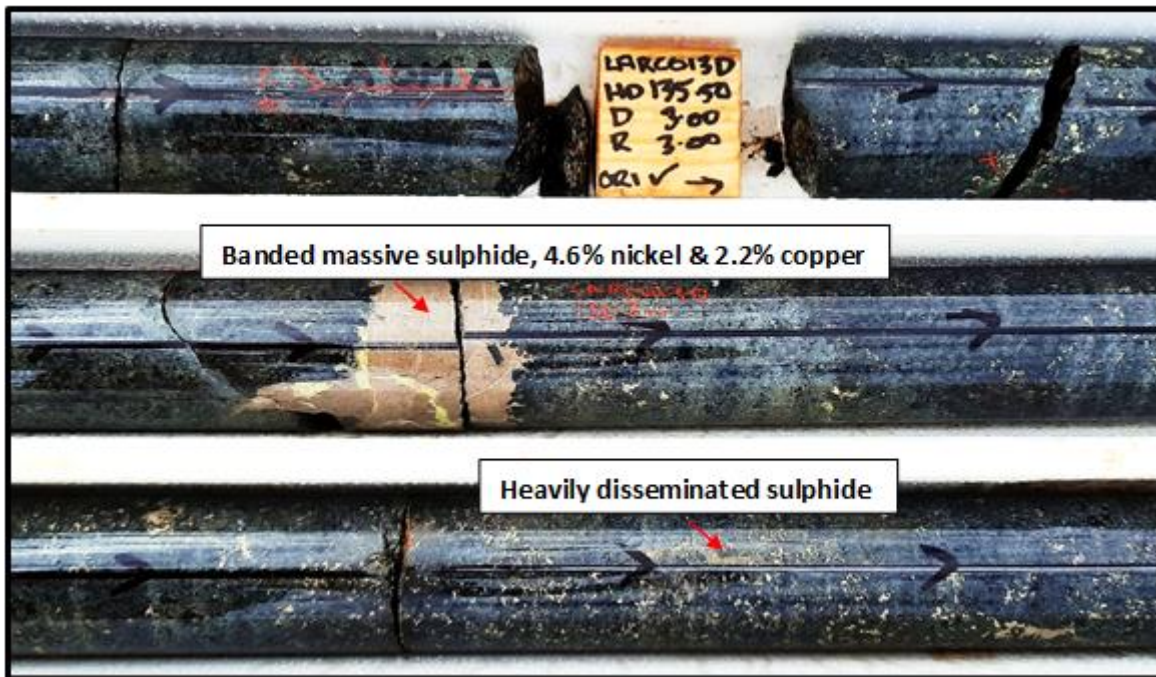


Figure 4 – Disseminated, blebby and banded sulphide mineralisation in drill hole LARC013D (downhole depth 135m to 138m, HQ core diameter 6.35cm)

Petrography results showed the massive sulphide consists mainly of very coarse pyrrhotite. Chalcopyrite and pentlandite form 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 5).

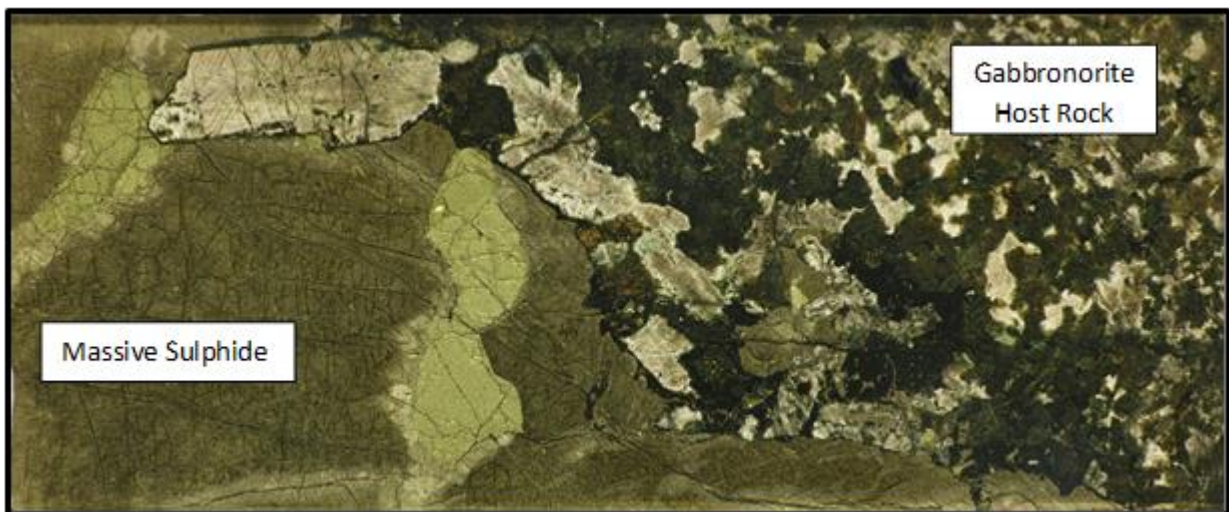


Figure 5 – Massive Pyrrhotite-Chalcopyrite-Pentlandite Sulphide Mineralisation in Lantern South Diamond Drill Core (scale: height of slide = 26mm, from 136.2m downhole, LARC013D)

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 assisted in developing additional drill targets at Lantern South, with the Company planning for additional rounds of drilling to expand the footprint of mineralisation and to identify those areas with the greatest capacity for higher grade mineralisation.

Lantern East

In addition to drilling at Lantern South, the Company also completed diamond drilling at the Lantern East Prospect during the half year. LARC008D (see Figure 3) targeted an EM conductor on the margin of a major gabbro-norite intrusion at the Lantern East prospect.

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.

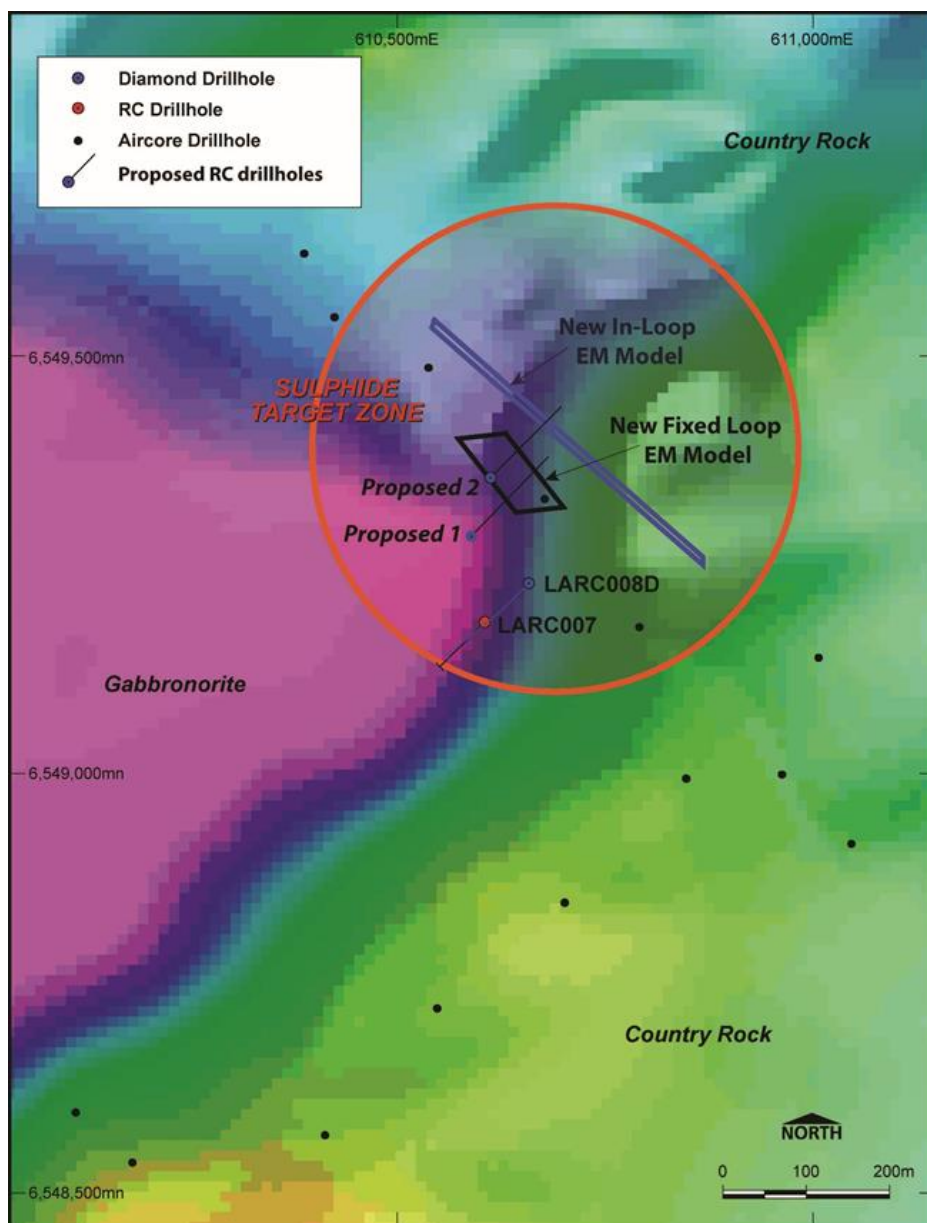


Figure 6 - EM Models at the Lantern East Prospect with Initial Drillholes (LARC007 and LARC008D) and Proposed RC Drillholes over Magnetic Background (TMI Image)

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

Additional EM surveying has since been undertaken 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 6).

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.

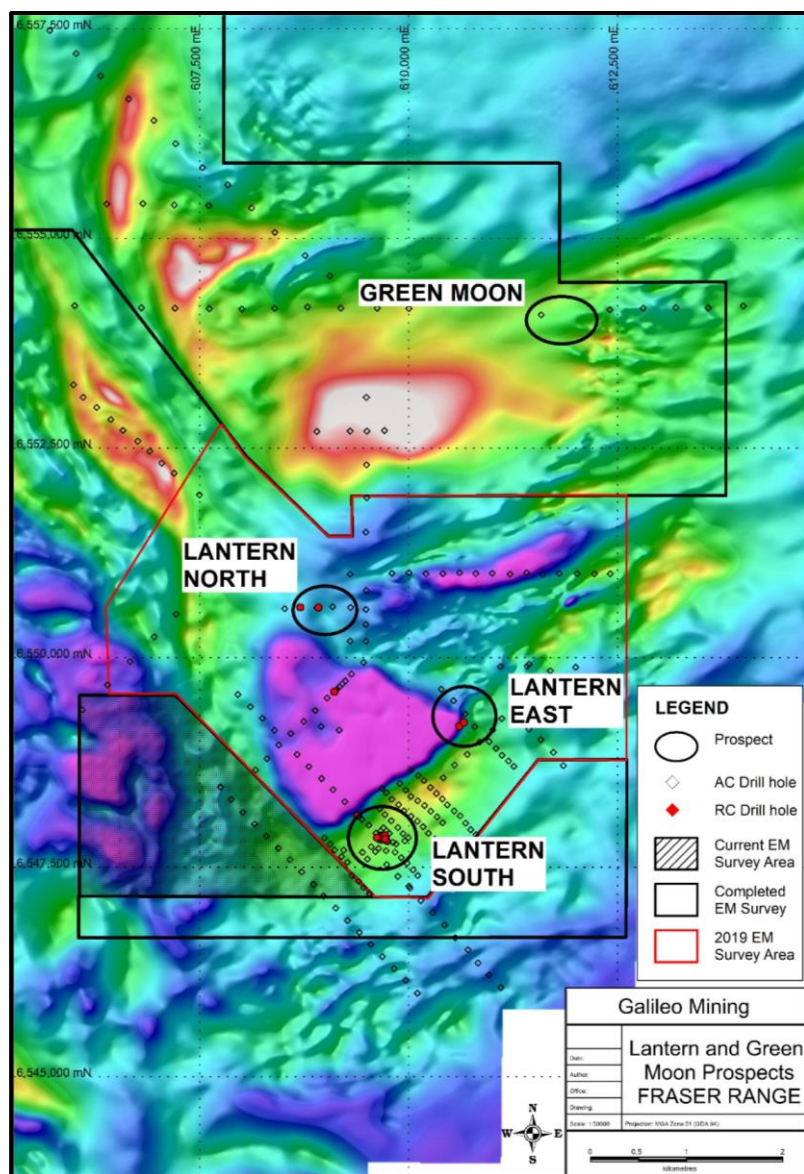


Figure 7 – EM Surveying and Prospect Locations Surrounding Galileo's Lantern Prospect in the Fraser Range (TMI magnetic background imagery)

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 was able to complete surveying at the Green Moon prospect, approximately six kilometres from the Lantern Prospect, where a large and strong conductor has been identified (see Figure 7).

The conductor coincides with an area where aircore drilling has previously defined mafic intrusive rock types prospective for magmatic nickel-copper deposits³. 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.

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	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.

Norseman

While Galileo has been focused on developing its Fraser Range project, during the half-year 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 (1,620 unique sample locations) targeting areas with potential for nickel were recently collected. Soil sampling at Norseman was primarily undertaken to identify areas with prospectivity for nickel sulphide mineralisation. Integration of soil sampling data with geophysical data, hyperspectral data, geological data, topographical data, and satellite imagery will now be undertaken to give the sample assays context and meaning.

³ Refer to ASX Announcement dated 19 May 2020

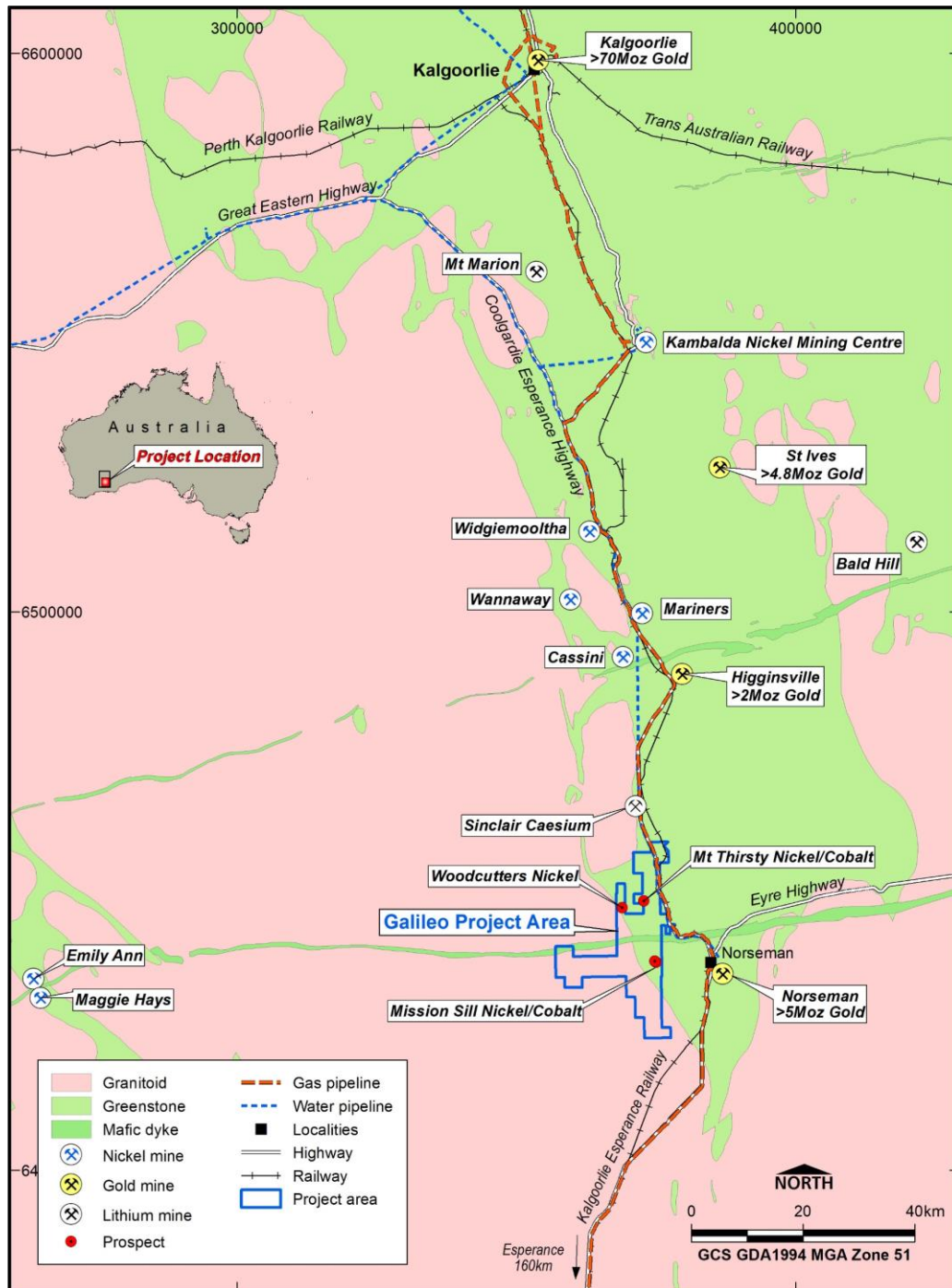


Figure 8 – Norseman Project Location Map with Selection of Regional Mines and Infrastructure

A specialist remote sensing company has been contracted 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 used in the planning of drill programs scheduled for Q2/Q3 2021.

Capital structure

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

Quoted Securities:

Number	Class
143,101,205	Ordinary Fully Paid Shares

Un-Quoted Securities

Number	Class
2,272,727	Unquoted Options exercisable at \$0.44 expiring 29 April 2022
12,500,000	Class A Options exercisable at \$0.20 expiring 31 January 2023
1,100,000	Performance Rights expiring 31 January 2023 subject to vesting conditions

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There has not arisen in the interval between the end of the financial period 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 Group in future financial years.

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 Group during the reporting period.

AUDITOR INDEPENDENCE

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.

Signed in accordance with a resolution of directors.

For and on Behalf of the Board of Directors



Mr Brad Underwood
Chairman/Managing Director
Perth, 9 March 2021



AUDITORS' INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Galileo Mining Ltd for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, which appears to read 'D I Buckley'. The signature is stylized with a large, sweeping 'B' and a long horizontal stroke at the end.

Perth, Western Australia
9 March 2021

D I Buckley
Partner

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

GALILEO MINING LTD

ABN 70 104 114 132

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Notes	31 December 2020 \$	31 December 2019 \$
Other income	4	92,825	54,142
Employee benefits and director fees expense		(83,468)	(153,132)
Consulting fees		(126,677)	(154,458)
Share-based payment (expense)/reversal		64,658	(59,747)
Depreciation expense		(46,988)	(51,880)
Exploration & evaluation refunds		18,802	26,168
Legal and audit expenses		(17,888)	(47,778)
Other expenses		(122,031)	(109,786)
Loss before income tax expense		(220,767)	(496,471)
Income tax expense		-	-
Net loss after income tax		(220,767)	(496,471)
Other comprehensive income		-	-
Total comprehensive loss for the year		(220,767)	(496,471)
Loss per share (cents per share)		¢	¢
Basic loss per share for the year		(0.15)	(0.41)
Diluted loss per share for the year		(0.15)	(0.41)

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

GALILEO MINING LTD
ABN 70 104 114 132

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	31 December 2020 \$	30 June 2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents		6,921,931	4,192,061
Cash on term deposits		-	4,505,000
Trade and other receivables	5	55,480	104,355
Other		11,633	32,332
Total Current Assets		<u>6,989,044</u>	<u>8,833,748</u>
Non-Current Assets			
Property, plant and equipment		6,695	13,713
Right-of-use assets	6	39,971	79,941
Exploration and evaluation expenditure	7	12,819,785	11,387,156
Other assets		26,071	26,071
Total Non-Current Assets		<u>12,892,522</u>	<u>11,506,881</u>
TOTAL ASSETS		<u>19,881,566</u>	<u>20,340,629</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	8	104,373	235,157
Lease liabilities	9	41,911	83,187
Provisions		51,182	53,079
Total Current Liabilities		<u>197,466</u>	<u>371,423</u>
Non-Current Liabilities			
Provisions		25,349	25,030
Total Non-Current Liabilities		<u>25,349</u>	<u>25,030</u>
TOTAL LIABILITIES		<u>222,815</u>	<u>396,453</u>
NET ASSETS		<u>19,658,751</u>	<u>19,944,176</u>
ACCUMULATED EQUITY			
Issued capital	10	22,929,035	22,929,035
Reserves		855,910	920,568
Accumulated losses		(4,126,194)	(3,905,427)
TOTAL EQUITY		<u>19,658,751</u>	<u>19,944,176</u>

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

GALILEO MINING LTD

ABN 70 104 114 132

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Issued capital	Share based payment reserve	Accumulated losses	Total
	\$	\$	\$	\$
As at 1 July 2020	22,929,035	920,568	(3,905,427)	19,944,176
Loss for the year	-	-	(220,767)	(220,767)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(220,767)	(220,767)
Share based payments	-	47,164	-	47,164
Share based payments cancelled	-	(111,822)	-	(111,822)
As at 31 December 2020	22,929,035	855,910	(4,126,194)	19,658,751
As at 1 July 2019	18,411,245	593,719	(3,048,917)	15,956,047
Loss for the year	-	-	(496,471)	(496,471)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(496,471)	(496,471)
Share based payments	-	59,747	-	59,747
Share based payments cancelled	-	(56,051)	56,051	-
As at 31 December 2019	18,411,245	597,415	(3,489,337)	15,519,323

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	31 December 2020 \$	31 December 2019 \$
Cash Flow From Operating Activities		
Payments to suppliers and employees	(364,122)	(456,721)
Interest received	33,025	55,817
Net GST refunded	41,175	16,466
Other Income	67,500	-
Interest on right-of-use assets	(1,767)	(4,119)
Net cash used in operating activities	(224,189)	(388,557)
Cash Flow From Investing Activities		
Payments for exploration and evaluation expenditure	(1,509,665)	(1,249,828)
Payment for property, plant & equipment	-	(3,295)
Security deposit received/(paid)	-	20,232
Cash transferred from term deposits	4,505,000	4,000,000
Net cash provided by investing activities	2,995,335	2,767,109
Cash Flow From Financing Activities		
Lease payments	(41,276)	(37,670)
Net cash used in financing activities	(41,276)	(37,670)
Net increase in cash held	2,729,870	2,340,882
Cash at the beginning of the half-year (i)	4,192,061	3,070,456
Cash at the end of the half-year (i)	6,921,931	5,411,338

(i) Excludes cash held on term deposits with maturity greater than three months.

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 HALF-YEAR ENDED 31 DECEMBER 2020**

1. CORPORATE INFORMATION

The financial report of Galileo Mining Ltd for the half-year ended 31 December 2020 was authorised for issue in accordance with a resolution of directors on 9 March 2021.

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 half-year was mineral exploration. Major exploration activities during the period are outlined in the Review of Operations as contained in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of preparation**

This half-year financial report for the half-year ended 31 December 2020 is a condensed general purpose financial report prepared in accordance with applicable accounting standards including AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 Interim Financial Reporting.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

For the purpose of preparing the financial report, the Group is a for-profit entity. The half-year financial report should be read in conjunction with the most recent annual financial report for the year ended 30 June 2020.

It is also recommended that the half-year financial report be considered together with any public announcements made by Galileo Mining Ltd during the half year ended 31 December 2020 in accordance with the continuous disclosure obligations arising under the ASX Listing Rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report and are consistent with Australian Accounting Standards except for the impact (if any) of the new and revised standards and interpretations outlined in (c) below. The financial statements have been prepared on a historical cost basis, except for the valuation of certain non-current assets and financial instruments.

The Company is domiciled in Australia and all amounts are presented in Australian dollars which is the functional currency.

(b) Statement of compliance

The financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

GALILEO MINING LTD

ABN 70 104 114 132

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

(c) Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2020

In the period ended 31 December 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2020. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

(d) Significant accounting estimates and judgements

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2020, except for the impact of the new Standards and Interpretations effective 1 July 2020 as disclosed above.

3. 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.

4. OTHER INCOME

	6 months to 31 December 2020 \$	6 months to 31 December 2019 \$
Interest revenue	25,325	54,142
Other income	67,500	-
Total other income	92,825	54,142

GALILEO MINING LTD

ABN 70 104 114 132

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	31 December 2020 \$	30 June 2020 \$
5. TRADE AND OTHER RECEIVABLES		
Current		
Accrued Interest	544	8,244
Net GST receivable	54,936	96,111
	<u>55,480</u>	<u>104,355</u>

6. RIGHT-OF-USE ASSETS

Right of use assets – Office lease	159,882	159,882
Accumulated depreciation	(119,911)	(79,941)
	<u>39,971</u>	<u>79,941</u>

7. EXPLORATION AND EVALUATION EXPENDITURE

Costs carried forward in respect of:		
Exploration and evaluation phase – at cost	12,819,785	11,387,156

	6 months to 31 December 2020 \$	Year to 30 June 2020 \$
Reconciliation		
Opening balance	11,387,156	9,003,810
Incurred during the year	1,432,629	2,383,346
Total exploration and evaluation expenditure	<u>12,819,785</u>	<u>11,387,156</u>

The ultimate recoupment of the Group'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.

	31 December 2020 \$	30 June 2020 \$
8. TRADE AND OTHER PAYABLES		
Current		
Trade creditors	104,373	235,157

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.

9. LEASE LIABILITIES

Current		
Lease liabilities	41,911	83,187

GALILEO MINING LTD

ABN 70 104 114 132

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	31 December 2020 \$	30 June 2020 \$
10. ISSUED CAPITAL		
(a) Ordinary shares	22,929,036	22,929,036

Movements of ordinary shares

	6 months to 31 December 2020		Year to 30 June 2020	
	Number	\$	Number	\$
Shares on issue				
Beginning of financial period	143,101,205	22,929,035	120,373,932	18,411,245
Placement	-	-	22,727,273	5,000,000
Less capital raising costs	-	-	-	(482,210)
As at the end of the period	143,101,205	22,929,035	143,101,205	22,929,035

11. RELATED PARTY TRANSACTIONS

- Whypro Corporate Services a business of which Mathew Whyte is principal, provided company secretarial, corporate administration and CFO services to the Company totalling \$51,000 (excluding GST) (30 June 2020: \$102,000). As at 31 December 2020, \$9,350 was payable to Whypro Corporate Services.

12. SHARE-BASED PAYMENTS

(a) Options

There were no options issued in the reporting period to 31 December 2020.

The following table illustrates the number and weighted average exercise prices (WAEP) and movements in employee share options during the period.

	6 months to 31 December 2020		Year to 30 June 2020	
	Number	WAEP \$	Number	WAEP \$
Outstanding at the beginning of the period	17,272,727	0.23	15,000,000	0.20
Granted during the period	-	-	2,272,727	0.44
Exercised during the period	-	-	-	-
Expired or Cancelled during the period	2,500,000	0.20	-	-
Outstanding at the end of the period	14,772,727	0.23	17,272,727	0.23
Exercisable at reporting date	2,272,727	0.44	2,272,727	0.44

(a) Performance Rights

During the period or previous period there were no performance rights granted to directors and officers. On 30 October 2020 the company announced 500,000 unlisted performance rights were cancelled.

GALILEO MINING LTD

ABN 70 104 114 132

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Movement of Performance Rights:

	6 months to 31 December 2020 Number	Year to 30 June 2020 Number
Outstanding at beginning of the period	1,600,000	2,200,000
Cancelled during the period	(500,000)	(600,000)
Outstanding at the end of the period	1,100,000	1,600,000

13. FINANCIAL INSTRUMENTS

Risk Management Activities

The risk management activities are consistent with those of the previous financial year unless otherwise stated.

Financial Instruments

Set out below is an overview of financial instruments held by the Group:

	31 December 2020 \$	30 June 2020 \$
Financial assets:		
Cash and cash equivalents	6,921,931	4,192,061
Term deposits (greater than 3 months)	-	4,505,000
Trade and other receivables – at amortised cost	544	82,244
Total	6,922,475	8,705,305
Financial liabilities:		
Trade and other payables – at amortised cost	104,373	235,157
Total	104,373	235,157

Fair Values

Due to the nature of the Company's financial instruments, carrying value is considered to approximate fair value for all classes of financial instruments at 31 December 2020.

14. EVENTS SUBSEQUENT TO BALANCE DATE

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

15. GUARANTEES AND CONTINGENT LIABILITIES

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

GALILEO MINING LTD

ABN 70 104 114 132

DIRECTORS' DECLARATION FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

In the opinion of the Directors of Galileo Mining Ltd (the 'Company'):

- a. the accompanying interim financial statements and notes are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year then ended; and
 - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- c. the interim financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration is signed in accordance with a resolution of the board of Directors.



Mr Brad Underwood
Chairman/Managing Director
Perth, 9 March 2021



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Galileo Mining Ltd

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Galileo Mining Ltd ("the company") which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Galileo Mining Ltd does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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*Responsibility of the directors for the financial report*

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

A handwritten signature in blue ink that reads 'D I Buckley'.

D I Buckley
Partner

Perth, Western Australia
9 March 2021