ANNUAL REPORT

2019

galileo RESOURCES PLC

Contents

Holding Company
Galileo Resources Plc

Country of incorporation and domicile
United Kingdom

Nature of business and principal activities
The Company acts as a holding Company for subsidiary undertakings and investments engaged in the exploration of natural resources.

Corporate Information

Directors	Colin Bird – *Chairman and CEO* Andrew F Sarosi – *Finance and Technical Director* Christopher Molefe – *Non-Executive Director* John Richard Wollenberg – *Non-Executive Director*		
Secretarial Services	Link Company Matters Limited 34 Beckenham Road Beckenham, Kent, BR3 4TU	**Registrars**	Neville Registrars Limited Neville House, Steelpark Road Halesowen, B62 8HD
Registered Office	**United Kingdom** 7/8 Kendrick Mews London, SW7 3HG	**Banker**	National Westminster Bank Plc 186 Brompton Road London, SW3 1XJ
	South Africa 7 Einstein Street Highveld Techno Park Centurion, 0157	**Nominated Advisor**	Beaumont Cornish Limited 10th Floor, 30 Crown Place London, EC2A 4EB
Auditors	Chapman Davis LLP 2 Chapel Court/Borough High St London, SE1 1HH	**UK Solicitors to the Company**	Fladgate LLP 16 Great Queen Street London, WC2B 5DG
Joint Broker	Novum Securities Limited 8-10 Grosvenor Gardens London, SW1W 0DH		
Joint Broker	Shard Capital Partners LLP 23rd Floor, 20 Fenchurch St London, EC3M 3BY		
Incorporation No:	05679987		

Strategic Report –
Chairman's Report

Colin Bird
Chairman

Dear Shareholder

The year under review has been positive for the Company, with the main focus being the Star Zinc Project in Zambia. We announced in June 2018 a conceptual grade tonnage estimate, which suggested a potential exploration target of 485 000 tonnes at 15.4% Zn. This was a very encouraging result based on original estimations from previously reported Chartered Consolidated work.

On the 14th of August 2018, we announced that a second phase of drilling will commence, with a similar size to the first, scheduling about 1 000m of diamond core drilling. The intent being to identify, both east and west extensions to mineralisation, as well as to investigate certain geophysical anomalies.

The programme was very successful and increased the tonnage target to between 600 000-900 000 tonnes with an estimated average grade of 10-12% Zn at above 3% cut off.

Following Jubilee Metals Group Plc's ("Jubilee") acquisition of the Sable Zinc Project at Kabwe, the Company entered into initial discussions for an offtake agreement. The obvious benefits for such an agreement would be that Galileo would not have to build a processing facility at Star Zinc, thus negating the capital cost of such a facility. Additionally, it is assumed that since the high-grade willemite (zinc mineral) ore is easily identified, a selective high-grade pit could be easily operated by contractors, again negating the need for capital expenditure on mining equipment. Thus, processing and mining will require only modest capital expenditure and the operation could be very profitable, since operating costs would be low against projected revenue for high-grade ore feed to the Jubilee's Sable Plant.

We have worked on a number of operational scenarios, and we have selected the base case scenario to be a 6-year mine life at approximately 60 000 tonnes per annum of high grade ore being mined by an open cast mining contractor and transported by road to the Kabwe facility.

The Glenover Phosphate Project has been the subject of a mining right application, which was submitted 15 November 2017. We await the grant of the mining right. The prospects for western-produced rare earths, has improved due to the trade tensions between China and America. It has become apparent that rare earth supply being confined to China presents major risk to the free world, and if one considers that a good proportion of rare earth use is for military purposes, then the concern is justified. This concern was very conspicuous in 2011-2013, but for no apparent reason faded into the background resulting in the demise of many junior mining companies with a rare earth focus.

The Glenover Rare Earth Project, had good financial and technical fundamentals and nothing has changed in this regard. The objective, however, is to commence operations on a phosphate operation, utilising the stockpiles and primary ore sources for a relatively long-life project. The rare earths will not be lost and will be recovered from the sludge of a phosphate process plant. Should there be new demand in the western markets for rare earth products, then Galileo will re-assess its strategy and processing circuits to address this new situation.

We look forward to the issuance of the mining right, which will allow us to enter into definitive plans for the development of this project.

During the period under review, we have not utilised our resources on the Nevada based Ferber Project, since Star Zinc placed great demand on all our available resources, both financial and people. However, we remain convinced that the exploration project is well above average and relative to that, we have maintained the property in good standing for the year ahead commencing 1 September 2019. The gold exploration activity in Nevada has increased with many junior and major mining companies sourcing quality projects. The Ferber position and recent history makes it one of the more attractive areas for gold exploration in Nevada and we consider our holding to be highly prospective for future joint venture or own work.

The general investment climate for junior resource companies deteriorated during the period under review and at the time of writing this report the situation has deteriorated even further. A combination of trade wars, Brexit and geopolitical tension has caused this small company aversion, particularly small resource companies. The paradox is that major markets continue to break records, defying the global uncertainties that historically have led to sharp corrections and occasionally crashes.

I remain very confident, despite the aforementioned, that metal prices will improve, quite dramatically in the coming decade and that the small mining resource companies will have a long-awaited positive run. Exploration discoveries have been few and far between and major mining companies' metal inventories are being depleted without replacement. This situation generally leads to intense acquisition activity, which changes the fortunes of the junior explorer, with some being acquired and most, finding funds easier for their exploration activities.

The Group reported a loss per share of 0.14 pence compared to 0.45 pence for the comparative period (2018).

I would like to thank my fellow directors and employees for their efforts and contribution during a difficult, but positive period. We assure shareholders that we will apply best efforts to enhance shareholder value to our portfolio of projects and look forward to the challenge.

Colin Bird
Chairman
23 August 2019

Strategic Report –
Operations Report

Highlights
Period under review
Star Zinc Project Zambia (or "Project")

- Independent conceptual tonnage grade models ("CGT Model") for Star Zinc deposit developed from the 2-phase drilling programme(1)
- CGT Model defines specific high grade willemite (>20% Zinc (Zn)) domain areas within the deposit, which potentially could be selectively mined as direct ore feed to process
- The Project's large-scale exploration licence 19653-HQ-LEL was renewed on 24 August 2018 for a further three years(2)

Kashitu Zinc Prospect ("Kashitu")

- **Kabwe Residual Rights**, which includes the **Kashitu Prospect**, conditionally acquired from BMR Group plc, ("BMR")(3). Potential for Kashitu to be larger than Star Zinc

Glenover Phosphate Project

- Glenover completed the Environmental Impact Assessment (EIA)/EMP Management Programme ("EMP") in respect of it Mining Right Application ("MRA"). The Department of Mineral Resources ("DMR") formally accepted the EIA on 31 May 2018

Post period under review
Star Zinc

- Completed, 21 June 2019, an independent initial **inferred** resource estimate ("IRE") for the Star Zinc project in accordance with JORC 2012
- The IRE reports Inferred zinc resources with reasonable prospects of future economic extraction of approximately **500 000 tonnes at 16% Zn or 77 000 tonnes of contained metal** above a cutoff grade of **2% Zn**, including approximately **340 000 tonnes at 21% Zn for 72 000 tonnes of metal** above a cutoff grade of **8% Zn**
- Negotiations commenced with Jubilee Metals Group plc ("JMG" or "Jubilee") for an off-take agreement to supply future ore from Star Zinc(4)
- Raised £500 000 in placing, before expenses, to advance Star Zinc
- Acquired unconditionally from BMR Group plc ("BMR"), the remaining 15% of the shares that the Company did not hold in Enviro Zambia Ltd, thereby increasing the Company's ownership in the Star Zinc Project to 95% with the Zambian government holding the other 5%(5)

Andrew Sarosi
Finance and Technical Director

Kashitu Zinc Prospect ("Kashitu")

- **Kabwe Residual Rights**, which includes the **Kashitu Prospect**, acquired unconditionally from BMR(5)

Glenover Phosphate Project

- On 5 October 2018, the DMR requested a Record of Decision ("ROD") from the Department of Water and Sanitation ("DWS") with regard to the MRA related Waste Management Licence Application. The ROD is pending final discussions by Glenover Consultants with DWS in this regard(6)
- South African major fertilizer producer ("MFP") completed the first phase of a 2-phase pilot plant flotation study to produce a bulk phosphate flotation concentrate for testing in MFP's fertilizer processing plant(7)

Notes

(1) CGTs in this report are not reported in compliance with any AIM Standard, including JORC (Joint Ore Reserves Committee) 2012/CIM NI (Canadian Institute of Mining, Metallurgy & Petroleum National Instrument) 43-101 or similar CRIRSCO. A formal Mineral Resource Estimate has not been prepared at this time and there is no Standard being reported to in this regard in this Review. The potential quantity and grade expressed in is conceptual in nature and, at this stage, there is insufficient exploration data to estimate a Mineral Resource Estimate in accordance with any Standard and it is uncertain whether further exploration will result in the estimation of Mineral Resources.

(2) Galileo holds 100% interest in Enviro Zambia Ltd ("EZL"), which in turn holds 95% of its Zambian subsidiary Enviro Processing Zambia Limited ("EPZL"). Completion of the proposed transfer of Star Zinc's large-scale exploration licence 19653-HQ-LEL to EPZL, held by BMR's wholly owned subsidiary Enviro Processing Limited is outstanding and remains subject to Zambian regulatory approval.

(3) Pursuant to a Binding Term Sheet – AIM RNS announcement 31 August 2017. ***Kabwe Residual Rights*** *forms part of BMR's large scale Kabwe Mining Licence (6990-HQ-LML), but excludes within it, BMR's small-scale mining licence 7081-HQ-SML, held by BMR's JV with Jubilee Metals Group plc ("JMG") on JV's Kabwe Tailings Project.*

(4) JMG's acquisition of Glencore's Sable zinc refinery for its Kabwe Tailings project in Zambia facilitated commencement of negotiations- AIM RNS 21 March 2019.

(5) Galileo unconditionally acquired – AIM RNS – the Kabwe Residual Rights, which includes the Kashitu prospect, and the Sale Shares; being the 15% of the shares in Galileo's subsidiary Enviro Zambia Limited that it previously did not own, by way of issue of 24 615 385 Galileo ordinary shares of par 0.1p ("Ordinary Share"). The Sale Shares increases the Company's beneficial interest in the Star Zinc project to 95% (from previous 80.75%) with the Zambian government holding 5%.

(6) *The ROD remains the outstanding issue for the DMR's decision to grant Glenover a mining right.*

(7) *Pursuant to the terms of a Heads of Agreement, Glenover to formalize a Definitive Supply Agreement (offtake agreement) AIM – RNS 5 February 2019.*

Operations

ZAMBIA

Star Zinc Project ("Star Zinc")

The Star Zinc deposit is located approximately 20km NNW of the Zambian capital Lusaka. The project is accessible via the tarred Great North road with a journey time of approximately 30 minutes.

The project was discovered and explored historically in the 1960s by Chartered Exploration Ltd. Fifty-nine diamond drill holes totaling 2 578.5m were drilled. Historic small-scale mining was reported, from a small apparent open pit working present on site. The Company believes this open pit may be a collapsed dome.

To date the Company's exploration on the deposit comprises a two phase 56-hole diamond core drilling programme (total 2 220 metres) to depths of 60m. The Company has executed two independent conceptual tonnage grade ("CGT") models of the drilling results and completed an independent initial inferred resource estimate ("IRE"). The IRE is **500 000 tonnes gross**, grading **16% Zn** at 2% Zn cut-off and hosting **77 000 t Zn**. The IRE at similar grade and cut-off, attributable to Galileo is **475 000 t** and **73 150 t Zn**.

The local geology of Star Zinc is complex and forms a varied stratigraphic sequence of argillite, limestone, massive willemite (zinc silicate mineral) zinc ore, massive limestone and dolomites (Cheta and Lusaka Formations). A broad west-east trending mineralised dome is the main structural feature of Star Zinc.

Period under review

- The Company commissioned an independent conceptual tonnage grade ("CGT") model of the Phase 1 drilling results – for Star Zinc, which demonstrated at nominal 3% Zn cut-off a potential deposit target of 485 000 tonnes grading 15.4% Zn grade 1
- This CGT model represents an 80% increase in deposit tonnage with a 14% decrease in grade when compared to previous CGT modelling ("conservative case") in 2015 based on historical exploration data 2
- Based on positive recommendations, the Company undertook and completed a Phase 2 drilling programme, comprising 26 diamond drill holes that targeted open-ended areas east-, north-east and southeast of the known mineralised zone 3

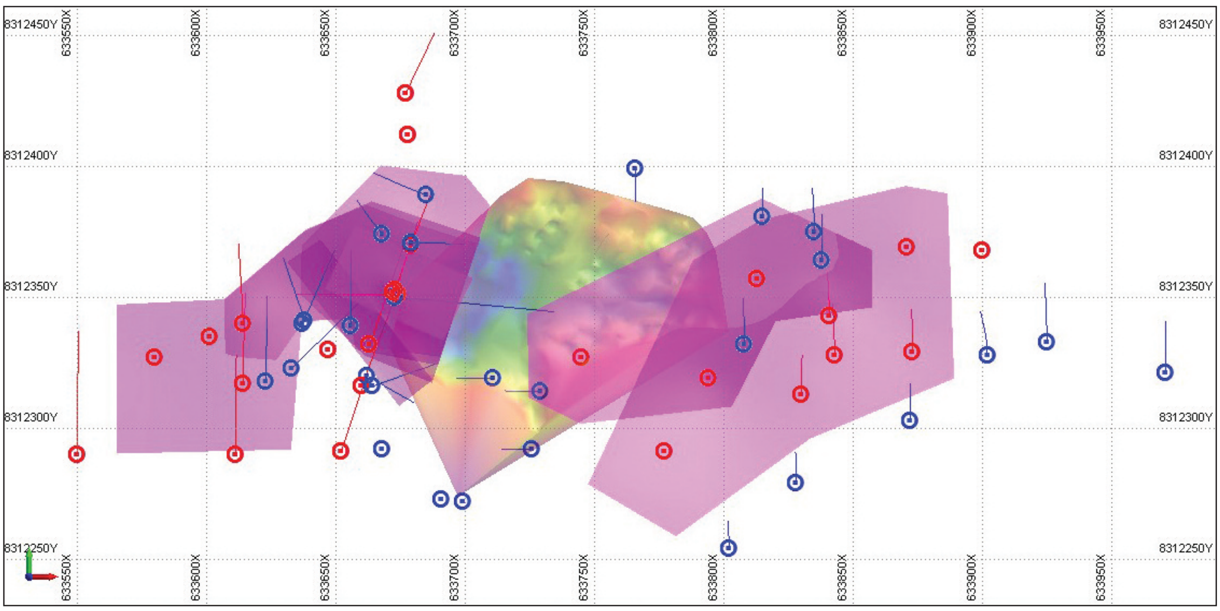

Figure 1: Simple Collar Plan of Star Zinc Depicting entire Phase I (Red Circles) and Phase II (Blue Circles) with Conceptual Grade Tonnage wireframes after completion of Phase I drilling

AMS completed modeling the second CGT (block model) estimate; AMS's in-house CGT at various cut-off grades are presented in Table 1. **This CGT (block model) is not reported in compliance with JORC2012/CIM NI 43-101 or similar CRIRSCO aligned reporting code.** AMS issued its CGT estimate on 8 November 2018, details of which and recommendations made therein, can be found in the Company's RNS announcement of 14 November 2018.

The highlights of this second CGT included:

- Phase 2 drilling increased significantly Star Zinc's non-JORC CGT estimate over that published on 4 June 2018. Wireframe models of the deposit suggest the mineralisation remains potentially open ended to east/south east

- A second independent CGT block model estimate using the chemical analyses from Phase 1 and pXRF (portable X-ray Fluorescence) spectrometry data from Phase 2 drilling

- Exploration Target at above 3% Zn cut off is estimated as being **between 600 000 and 900 000 t with an estimated average grade of 10% to 12% Zn, containing an estimated 90 000 to 110 000 t Zn metal**

- The new Model applied bulk density measurements to specific Zn grade and not to a global value as previous CGT modeling had done, which has resulted in a more realistic grade-tonnage relationship

- Additional specific domains created by the Model identified areas for potential to mine selectively high grade Willemite

Table 1 Summary of ASM In-House Grade Tonnage Estimate*

Cutoff Grade (COG) Zn%	Volume	Tonnes	Density	Grade Zn%	Zn Metal (tonnes)
30	4 000	13 000	3.63	33	4 000
20	25 000	90 000	3.63	26	24 000
15	45 000	160 000	3.25	23	35 000
12	65 000	220 000	3.25	20	44 000
10	85 000	290 000	3.25	18	51 000
5	210 000	670 000	3.15	12	78 000
3	270 000	840 000	2.83	10	85 000
2	300 000	930 000	2.83	9	88 000
1	320 000	980 000	2.81	9	88 000
0	320 000	1 000 000	2.81	9	88 000

** Volume, tonnes and metal are rounded to 2 significant figures. Density in t/m^3.*

Table 2 Phase 1 drill programme results (mineralised holes)

Hole_ID	Dip	From (m)	To (m)	Width (m)	Approx. True Width (m)	Zn% (wtd. ave.)	Ge ppm (wtd. Ave.)	Ag ppm (wtd. ave.)
SZDD001	-90	0	1	1	1	0.8	2	2
SZDD002	-90	0	46	46	46	15.8	16.65	10.69
		20	36	16	18	38.86	38.13	13.1
		38.7	41	2.3	2.3	23.37	30.35	31.65
SZDD003	-90	0	4	4	4	0.61	0.9	4
		32	33	1	1	0.72	0.5	10
		37	39	2	1	0.59	0.5	1
SZDD004	-90	0	2	2	2	2.69	4.5	4.25
		8	20.5	12.5	12.5	11.03	11.72	8.63
		9	15	6	6	21.28	21.5	12.92

Hole_ID	Dip	From (m)	To (m)	Width (m)	Approx. True Width (m)	Zn% (wtd. ave.)	Ge ppm (wtd. Ave.)	Ag ppm (wtd. ave.)
SZDD005	-90	0	19	19	19	3.22	5.42	***173***
		0	1	1	1	21.69	24	6
		5	6	1	1	10.85	11	4
SZDD006	-90	12	21	9	9	14.6	8.66	23.9
		14	20	6	6	20.82	12.33	24.5
SZDD007	-90	26	50	24	24	2.54	3.29	9.38
		30	31	1	1	18.7	2.2	7
SZDD008	-90	0	20	20	20	1.62	1	22.35
		11	12	1	1	16.77	14	11
SZDD009	-90	4	11	7	7	0.53	1.86	5.86
		47	54	7	7	6.4	8.86	21.86
		49	52	3	3	11.96	17.33	41.67
SZDD010	-90	9	17	8	8	3.25	2.5	19
SZDD012	-55	0	5	5	4.8	0.59	2	2.6
		11	14	3	2.9	2.74	4.33	9.33
		23	45	22	21.1	23.54	22.27	20.41
		27	43	16	15.4	30.85	29	26
SZDD013	-55	0	8	8	7.7	0.57	2.25	3.5
		41	48	7	6.7	1.08	0.57	5.14
SZDD014	-55	0	7	7	6.7	0.6	1.57	3.86
		29	54	25	24.0	21.73	18.96	16.48
		31	52	21	20.2	25.1	21.67	17.76
SZDD015	-55	0	3	3	2.9	0.75	1.16	2.33
		25	32	7	6.7	10.65	11.57	29.28
		26	27	1	1.0	11.38	14	29
		29	32	3	2.9	20.28	20.6	48.7
SZDD016	-55	0	18	18	17.3	2.23	3.39	5.86
		22	37	15	14.4	19.82	26.13	37.8
		22	33	11	10.6	23.95	29.64	35.36
SZDD017	-50	0	3	3	2.6	0.41	1.16	2.66
		5	15	10	8.7	4.36	7.35	29.6
		29	56	27	23.6	9.94	11.8	17.8
		7	8	1	0.9	12.94	23	28
		9	11	2	1.7	12.31	22	96.5
		35	37	2	1.7	28.76	51	30.5
		41	50	9	7.9	20	21.7	36.7
SZDD019	-55	0	9	9	8.6	0.59	1.55	4.89
		44	59	15	14.4	2.03	1.67	2.33
SZDD020	-55	0	4	4	3.8	0.51	2.5	6.25
		31	55	24	23.0	6.21	9.29	13.4
		32	40	8	7.7	14.3	18.9	20.66

Hole_ID	Dip	From (m)	To (m)	Width (m)	Approx. True Width (m)	Zn% (wtd. ave.)	Ge ppm (wtd. Ave.)	Ag ppm (wtd. ave.)
SZDD021	-55	1	8	7	6.7	0.56	2	4
		28	33	5	4.8	2.63	6	23
		48	49	1	1.0	0.74	0.5	3
SZDD022	-55	61	63	2	1.9	3.6	1.25	47
SZDD023	-60	0	26	26	22.5	4.86	1.75	5.34
		13	22	9	7.8	10.69	2.7	8.6
SZDD024	-60	3	24	21	18.2	5.02	2.19	8.04
		13	14	1	0.9	11.24	2	7
		17	20	3	2.6	10.8	3.33	11.3
SZDD025	-60	0	29	29	25.1	8.29	5.53	11.69
		14	27	13	11.3	15.4	8.85	18.69
SZDD026	-60	0	4	4	3.5	1.78	3.75	4
		12	27	15	13.0	4.72	1	10.4
		18	20	2	1.7	10.45	2	6.5

Analysis by Accredited Intertek Genalysis Laboratory Services: Zn and Ge by Peroxide fusion finish with ICP-OES/MS; Ag by 4-Acid digestion with MS. Analyses subject QA/QC quality assurance/checks

Table 3 Phase 2 drill programme results (mineralised holes)

Hole_ID	Dip	From (m)	To (m)	Width (m)	Approx. true width (m)	Zn_%	Ge_ppm	Ag_ppm
SZDD029	80	3	4	1	1.0	0.51	0.5	11
SZDD029		7	8	1	1.0	0.43	2	13
SZDD029		12	13	1	1.0	0.41	1	6
SZDD030	55	0	10	10	8.2	4.27	6.45	6.8
SZDD030		14	37	23	18.8	15.47	14.39	4.39
SZDD030		21	33	12	9.8	26.21	23.16	5.25
SZDD031	60	0	2	2	1.7	0.45	2	4.5
SZDD031		5	30	25	21.7	2.98	1.92	8.96
SZDD031		18	19	1	0.9	10.78	8	33
SZDD032	60	0	5	5	4.3	0.46	2.8	3.8
SZDD032		10	22	12	10.4	14.32	14.96	16.66
SZDD032		12	19	7	6.1	22.69	24.28	22.14
SZDD033	50	0	12	12	9.2	1.4	2.625	6.08
SZDD034	60	11.5	17	5.5	4.9	9.38	9.55	8.18
SZDD034		13	15	2	1.7	23.1	23	7.5
SZDD035	60	16	21	5	4.3	2.4	0.5	2.75
SZDD036	60	0	1	1	0.9	1.45	3	3
SZDD036		7.4	8.65	1.25	1.1	0.97	2	12
SZDD036		13	26	13	11.4	6.7	11.05	18.69
SZDD036		18	21	3	2.6	23.59	45.4	12.66
SZDD038	55	35	52	17	16.4	11.93	10.82	9.28
SZDD038		35.7	44.7	9	8.7	21.12	18.78	13.81

Hole_ID	Dip	From (m)	To (m)	Width (m)	Approx. true width (m)	Zn_%	Ge_ppm	Ag_ppm
SZDD039	55	0	5.4	5.4	4.4	0.6	1.41	3.88
SZDD039		35	52	17	15.5	14.28	13.42	12.62
SZDD039		44	50.25	6.25	5.7	33.85	31.58	21.33
SZDD040	55	0	7	7	5.7	1.87	2.75	3.49
SZDD040		14	17	3		0.97	2	1.33
SZDD040		23	43	20	16.7	20.11	15.2	11.05
SZDD040		25	38	13	10.9	29.02	21.92	14.92
SZDD041	55	13	22	9	7.4	4.45	6.37	13.8
SZDD041		34	49	15	12.3	17.94	22.84	21.84
SZDD041		36	48	12	9.8	21.82	27.58	23.36
SZDD042	65	0	7	7	6.3	1.56	3.29	5.28
SZDD042		23	32	9	8.2	12.04	17.65	105.41
SZDD042		23.93	31	7.07	6.4	14.74	22.12	89.09
SZDD043	55	0	4	4	3.3	0.78	2.75	3.75
SZDD043		15	34	19	15.6	11.48	12.06	14.96
SZDD043		17.33	24	6.67	5.5	29.9	28.45	16.23
SZDD044	55	0	3.6	3.6	2.9	1.65	4.22	4.44
SZDD044		30.45	32.07	1.62	1.3	18.09	26.46	5.62
SZDD044		31	32.07	1.07	0.9	26.06	38	8
SZDD045	55	0	6.3	6.3	5.2	0.711	3.16	5.48
SZDD045		16	29	13	10.6	5.13	7.92	9.92
SZDD045		17	20	3	2.5	18.05	26	17.67
SZDD046	80	0	3.22	3.22	3.2	3.96	10.76	3.93
SZDD046		0	1	1	1.0	11.21	27	7
SZDD047	60	0	2	2	1.7	7.23	15.5	5.5
SZDD047		0	1	1	0.9	13.59	25	5
SZDD047		3.25	11	7.75	6.7	27.49	40.16	14.23
SZDD047		3.25	11	7.75	6.7	27.49	40.16	14.23
SZDD047		11	12	1	0.9	3.88	5	2
SZDD048	55	0	4.2	4.2	3.4	0.69	2.76	4.52
SZDD048		27	48	21	17.2	21.7	20.57	20.81
SZDD048		32	47	15	12.3	29.73	27.8	25.87
SZDD049	55	0	6.6	6.6	5.4	1.05	3.03	4.15
SZDD049		24	33	9	7.4	0.67	0.56	1.44
SZDD050	60	0	25	25	21.7	12.41	12.12	1.846
SZDD050		10	23	13	11.3	21.84	18.38	1.31
SZDD051	60	0	21	21	18.2	1.048	1.32	1.91
SZDD052	60	0	3	3	2.6	2.06	5.93	4.27
SZDD052		3	11.8	8.8	7.6	3.17	8.25	5.19
SZDD052		11.8	27	15.2	13.2	5.66	5.87	6.57
SZDD052		21	22	1	0.9	10.32	11	4

Diamond core drilling

Very coarse grained massive/semi-massive willemite
with hematite (specularite) and calcite

A portion of the western face of the open pit

The Company commissioned an independent consultant ("Consultant") to develop a conceptual tonnage grade ("CGT") model based on the Company's drilling results. The CGT model demonstrated a potential deposit target of 485 000 tonnes grading 15.4% Zn grade and at a nominal 3% Zn cut-off – (see table 4 and Consultant cautionary note below)

The CGT model represents an 80% increase in deposit mass with a 14% decrease in grade when compared to previous CGT modelling ("conservative case") in 2015 based on historical exploration data (see table 5).

Statistical analysis of the drill data and field reports indicated a mixed mineralised population: a population of medium grade ("MG") material 3% to 20% Zn and a population of high grade ("HG") >20% Zn material. The HG material was dominated by massive willemite material logged in drill holes.

The HG domain (see Figure 2) forms a core of high-grade material in both the east and west limb of the deposit. Five MG and two HG domains were modeled; MG1-5 and HG1-2 respectively.

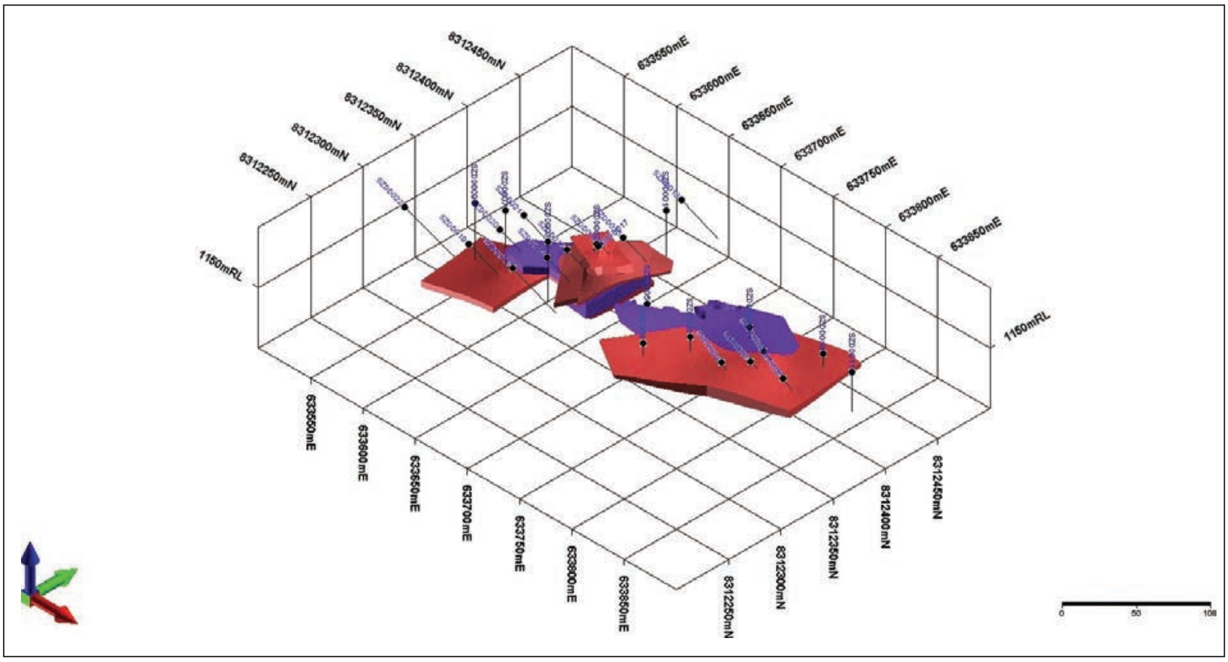

**Figure 2: Domain wireframes in 3D, viewed obliquely towards the northwest.
HG domains in purple, MG domains in red**

Table 4: Conceptual grade tonnage model

Domain	Tonnes t	Grade Zn %
MG5	9 000	5.1
MG4	9 000	8.3
MG3	188 000	8.4
MG2	83 000	7.4
MG1	30 000	13.2
HG2	104 000	31.2
HG1	61 000	24.8
TOTAL	**485 000**	**15.4**

Volume and tonnes are rounded to 3 significant figures; metal is rounded to 2 significant figures. Note: the above CGT calculation has not been prepared in accordance with any Reporting Standard and therefore should be treated with caution at this stage and should not be relied upon.

Table 5: Comparison between 2015 and 2018 conceptual model results (at a nominal 3% Zn cut-off)

	Tonnes t	Grade % Zn
2015 Conservative Case[a]	269 081	18.0
2015 Pragmatic Case[a]	386 278	17.6
2018 CGT	485 000	15.4
% difference from Conservative case 2015	80%	-14%
% difference from Pragmatic case 2015	26%	-13%

Note a: The conceptual Grade tonnage work completed in 2015 produced two models, representing "conservative" and "pragmatic" cases.

Consultant Cautionary note: *A formal Mineral Resource Estimate has not been prepared at this time and in this regard, there is no Standard being reported in this Review. The potential quantity and grade expressed in this review is conceptual in nature and, at this stage, there is insufficient exploration data to estimate a Mineral Resource Estimate in accordance with any Standard and it is uncertain whether further exploration will result in the estimation of Mineral Resources.*

The Company commissioned Namibian-based independent Earthmaps Consulting cc ("Earthmaps") to review Star Zinc's historical **geophysics gravity** data ("Review") over selected profiles across the Star Zinc deposit with the following aims:

i. to test whether the willemite-franklinite zinc mineralisation recently intersected in the drilling programme has a response in the gravity data; and

ii. to identify any additional zinc exploration targets either beneath the mineralisation already known to date or in the immediate vicinity of the Star Zinc deposit.

The Review highlighted new drillhole positions to test gravity highs to the west, northeast and southeast of the Star Zinc mineralised domain for zinc mineralisation.

Post Period Under Review

In May 2019, the Company and independent consulting group Addison Mining Services Ltd ("AMS") completed an initial inferred resource estimate[(a)] on Star Zinc. The Inferred estimate utilized data for all drill holes completed by Galileo with the final drillhole being completed on the 9th of December 2018. The final drillhole database used for estimation included 52 drill holes for 2 220m of drilling of which 1 412m were assayed over 1 433 samples. All drill core was logged for geology, core recovery and rock quality designation.

The estimated grade tonnage curves and tabulations for the in-pit material are shown in Figure 3, Table 6 and Table 7. Material below a 2% Zn cut off grade is not considered to have a reasonable prospect of economic extraction and is not considered part of the Resource.

The Inferred Resource block model ranges from surface to approximately 40m below surface over a length of approximately 300m from east to west and 20m to 100m from north to south. Thickness is typically between 5m and 25m. Figure 4 to Figure 5, show the Inferred Resource blocks, in cross section and in plain view.

Table 6: Summary of Resources by Status

Category	Gross			Net Attributable			Operator
	Tonnes (millions)	Grade (g/t)	Contained Metal	Tonnes (millions)	Grade (g/t)	Contained Metal	
Mineral resources per asset							
Measured							
Indicated							
Inferred	500 000	16	77 000	475 000	16	73 150	Galileo
Sub-total							
Total	500 000	16	77 000	475 000	16	73 150	

1. *Mineral resources are reported using a 2% Zn cut-off. Figures may not sum due to rounding. The contained metal is determined by the estimated tonnage and grade.*
2. *Source: Mr J.N. Hogg, MSc. MAIG Principal Geologist for AMS, an independent Competent Person within the meaning of the JORC (2012) code and qualified person under the AIM guidance note for mining and oil & gas companies.*

Star Zinc – Grade Tonnage Curves

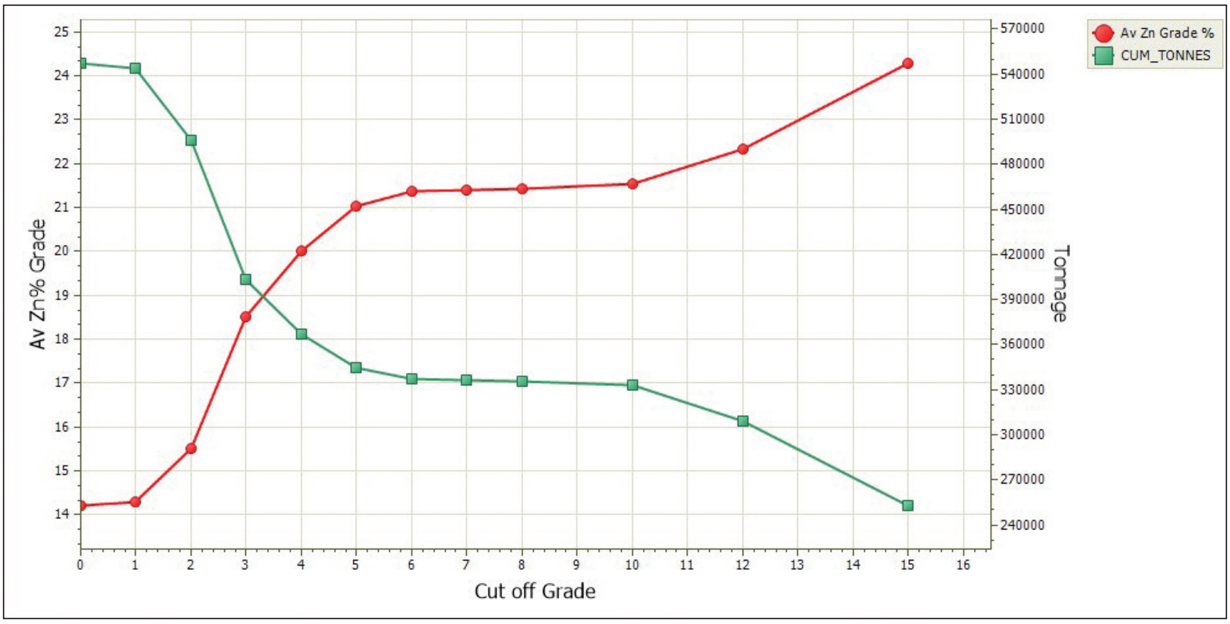

Figure 3: Star Zinc, estimated grade tonnage curves for material inside conceptual pit shell.

Table 7: Gross grade tonnage tables for material inside conceptual pit shell. Material below a Cut-off grade of 2% Zn is not considered to have a reasonable prospect of economic extraction and is not considered part of the Resource. See notes below for further explanation.

Star Zinc Gross Inferred Resource Grade Tonnage Table

Cut-off grade	Volume	Tonnes	Density	Av Zn Grade %	Contained Zn Metal
15	73 000	250 000	3.5	24	61 000
12	91 000	310 000	3.4	22	69 000
10	98 000	330 000	3.4	22	72 000
8	99 000	340 000	3.4	21	72 000
7	100 000	340 000	3.4	21	72 000
6	100 000	340 000	3.4	21	72 000
5	100 000	340 000	3.4	21	72 000
4	110 000	370 000	3.3	20	73 000
3	120 000	400 000	3.3	19	75 000
2	**160 000**	**500 000**	**3.2**	**16**	**77 000**
1	170 000	540 000	3.1	14	78 000
0	170 000	550 000	3.1	14	78 000

1. *All material is classified as Inferred Category. Numbers are rounded to reflect that fact that an estimate has been made, and as such totals may vary.*
2. *Zn grades are in situ grades, no estimation of reserves have been made, resources which are not reserves do not have demonstrated economic viability.*

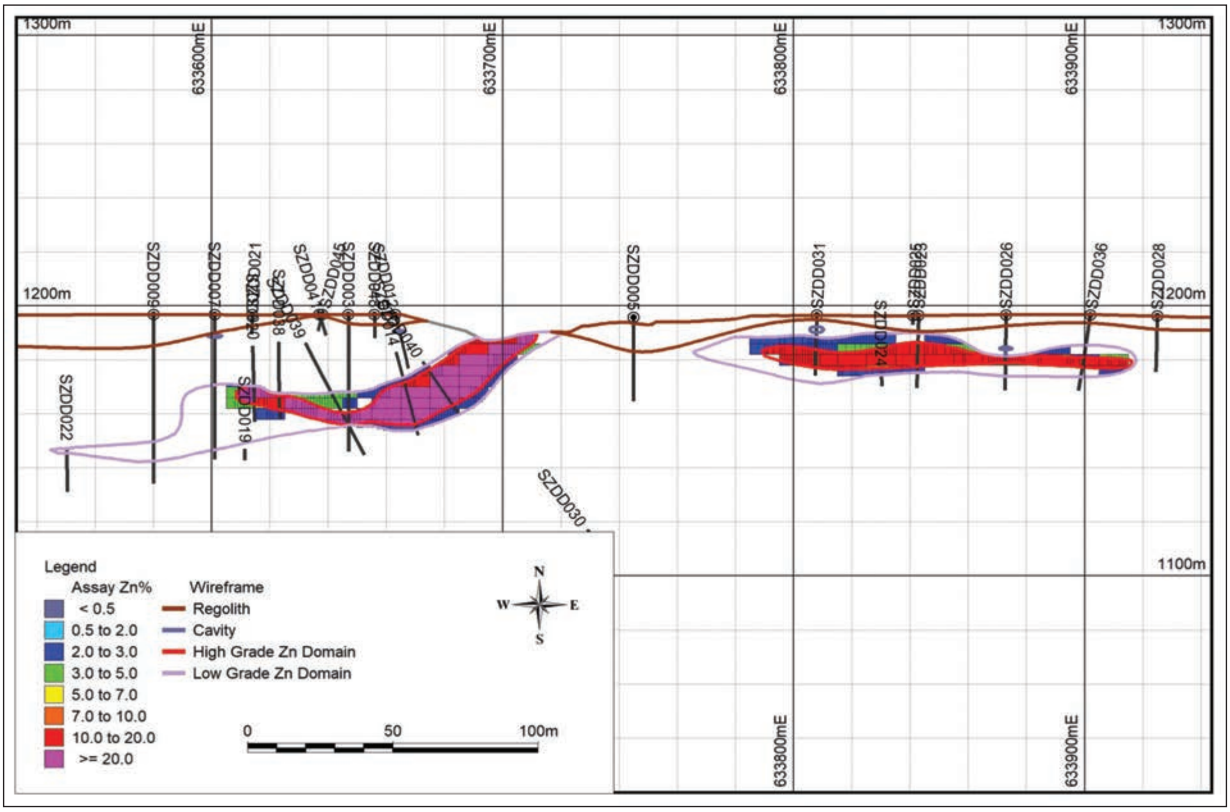

Figure 4: Inferred Resource blocks, cross section looking north.

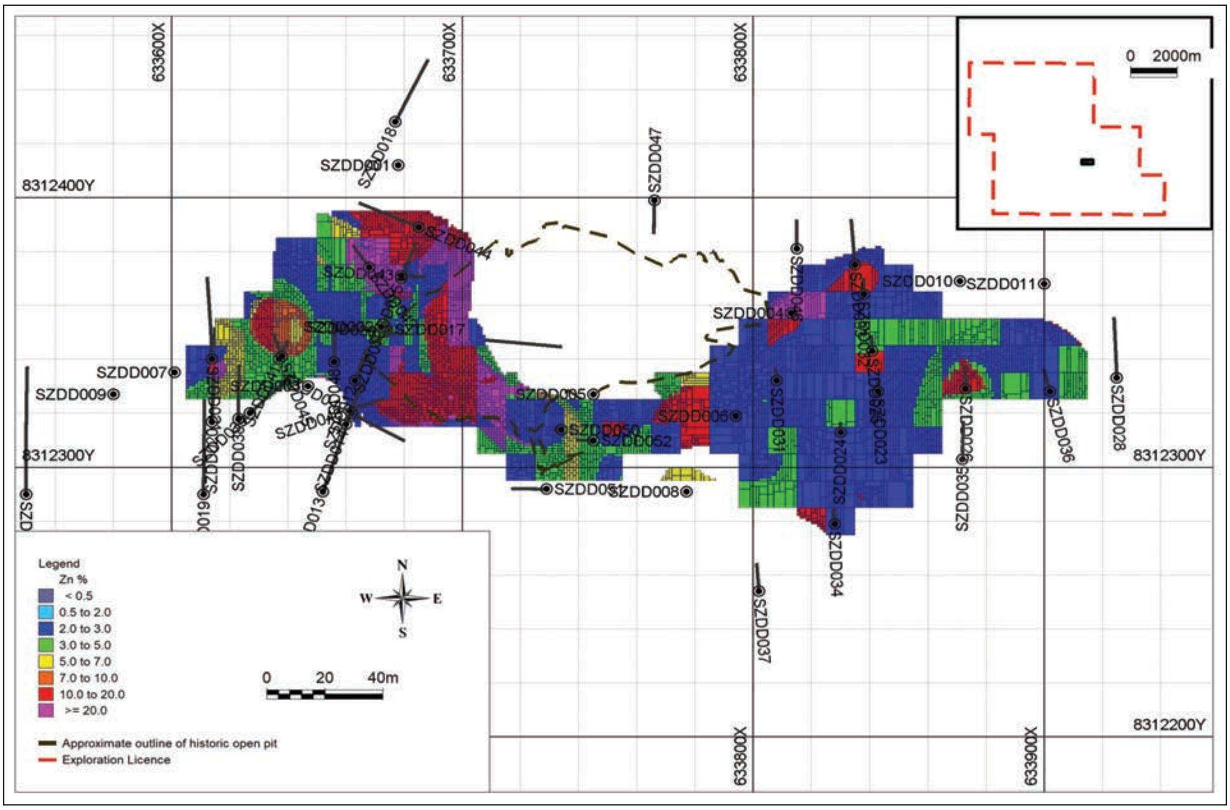

Figure 5: Inferred Resource blocks, plan view.

The estimate, using a preliminary open-pit optimisation method, highlighted a high grade hypogene Inferred Zn resource with reasonable prospects of economic extraction of approximately **500 000 tonnes at 16% zinc for 77 000 tonnes of contained metal above a cutoff grade of 2% Zinc. This included approximately 340 000 tonnes at 21% zinc for 72 000 tonnes of metal above a cutoff grade of 8%.**

The Company believes the resource of **500 000 tonnes at 16% zinc**, is potentially suitable for direct shipping material as Run Of Mine ore to the zinc process/refinery facility at Kabwe, located approximately 120km north of the Project.

The resource model defined a clear boundary between a high-grade (>8% Zn) domain (see Figure 6) and a low-grade (<8% Zn) zone. All the +8% Zn high grade resource blocks, fell within the preliminary pit shell generated for the purpose of outlining resources with reasonable prospects of economic extraction.

This clear division of high-grade and low-grade domains confirmed the previously announced (14 November 2018) indications of the occurrence of a distinct core of high grade massive willemite (zinc silicate) mineralisation in both the eastern and western limbs of the deposit.

Mineralised hypogene material outside of the preliminary pit shell remains an Exploration Target[(b)] estimated as being **between approximately 85 000 and 180 000 tonnes with an estimated average grade of 3% to 5% Zn**.

Similarly, a portion of the mineralised near surface secondary supergene material remains an Exploration Target estimated as being **between approximately 13 000 and 77 000 tonnes with an estimated average grade of 3% to 5% Zn**.

The Company is encouraged to fast track the Project development and intends to apply in due course for a mining permit to include among other things, undertaking requisite economic and engineering studies for a shallow open-pit mining operation and finalising an off-take agreement for direct shipping ore.

(a) *reported in accordance with JORC 2012.*

(b) *Potential grade of the Exploration Target is conceptual in nature: there is insufficient processing and ore sorting data to report as a Mineral Resource at this time. It is uncertain if further technical studies and exploration will result in the estimation of a Mineral Resource.*

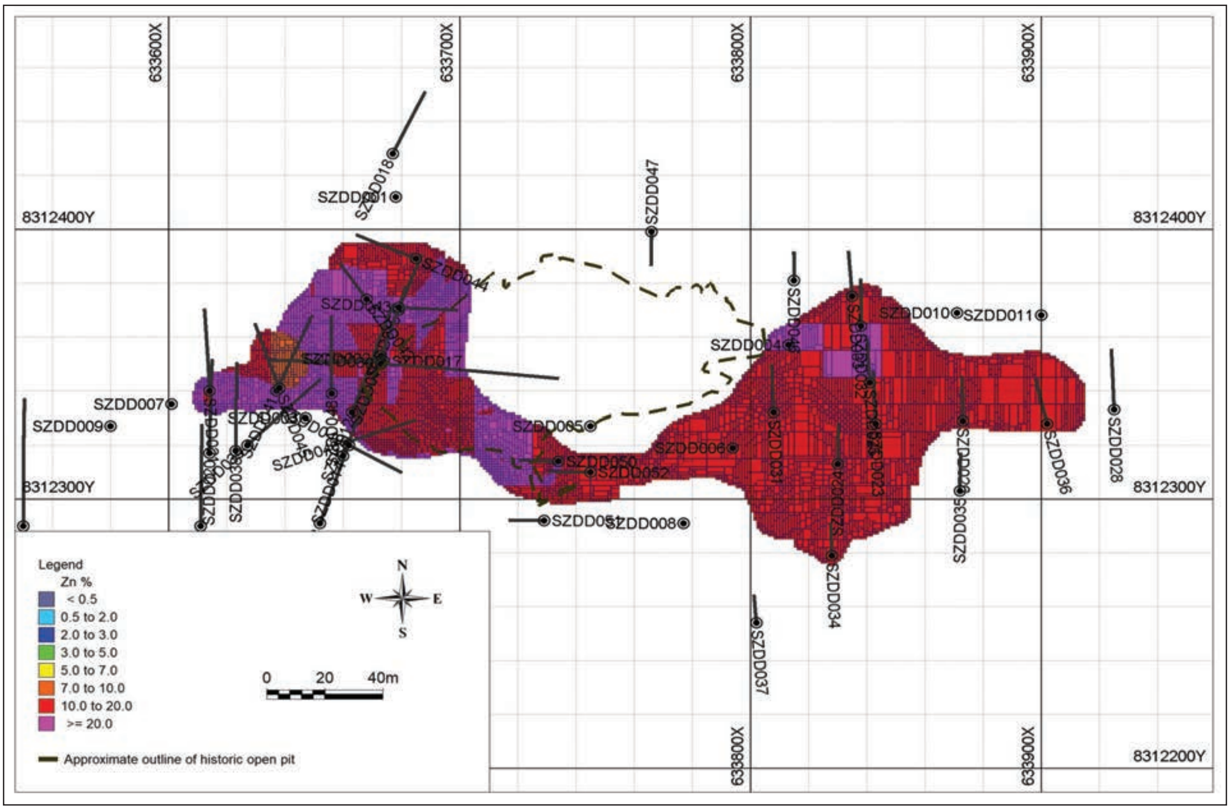

Figure 6: Inferred Resource blocks >8%, plan view.

Kashitu Prospect ("Kashitu")

Kashitu is located in the SE corner of BMR's 100% owned Kabwe ML site in Zambia. The area is considered prospective, due to elevated zinc-in-soil values, which could be amenable to zinc extraction via leaching technologies, similar to that proposed for Kabwe Tailings Recovery Project. Historical soil sampling by Billiton (now BHP) has recorded zinc values greater than 15 000 ppm Zn (1.5% Zn) over a 1.2km by 0.3km NW verging area, which is in close proximity to the historical workings. Reportedly high-grade surficial willemite was extracted from the historical workings and fed in to the main historical Kabwe Mine plant, during its operation.

An interpretation of existing RAB (Rotary Air Blasting), RC (Reverse Circulation) and diamond drilling has refined the area of potential interest and is likely associated with an ENE-trending structure containing steeply dipping, high-grade willemite veins.

Operations

Period Under Review

The Company executed a binding and exclusive Heads of Terms ("**Kashitu Agreement**")[a], to acquire, conditionally, from BMR Group plc ("BMR"), 1) the **Kabwe Residual Rights**, which includes Kabwe Mining Licence (6990-HQ-LML) ("**Kabwe ML**") but excludes BMR's small-scale licence 7081-HQ-SML ("Kabwe Tailings Recovery Project") situated within Kabwe ML, and 2) the remaining 15% of the shares, that Galileo currently did not hold in BMR's subsidiary Enviro Zambia Ltd ("EZL"). EZL owns 95% of Enviro Processing Zambia Ltd, the entity to which the Star Zinc project licence is still to be transferred from the holder, BMR's subsidiary Enviro Processing Limited (the "**Acquisition**").

The Kabwe Residual Rights include the **Kashitu Zinc willemite** exploration prospect ("**Kashitu**").

a *Shareholders are referred to the Company's RNS of 13 September 2018 for details of the Kashitu Agreement.*

Post Period Under Review

Pursuant to the **Kashitu Agreement**, the Company, on 24 June 2019, served a Notice of Completion of the Conditions Precedent to Complete the Acquisition ("Completion") and issued 9 615 385 Galileo ordinary shares at 0.52p in lieu of the cash consideration of £50 000 payable on Completion.

South Africa

Glenover Project (or "Project")

The Glenover Project is situated in the Limpopo Province of the Republic of South Africa.

The Project deposit is a complex circular carbonatite/pyroxenite plug intruded into sedimentary shale and arenite rocks of the Waterberg Group and is prominently visible as a major circular feature on satellite images of the area. The majority of the mineral assets are located on the farm Glenover 371 LQ. This includes a large open pit mine and various stockpiles of high, medium and low-grade phosphate-bearing material. Historical exploitation of the phosphate content in the Glenover deposit resulted in the formation of a series of stockpiles, which contain high levels of phosphate and varying amounts of rare earth elements ("REEs").

Period Under Review

Glenover completed and submitted the EIA/EMP, which the DMR accepted on 31 May 2018 and has up to 107 days from date of acceptance in which to evaluate the submission.

Glenover executed a Heads of Agreement ("Heads") with a major fertiliser producer ("MFP") for the supply of phosphate rock ("Phosphate Rock") for testing in MFP's phosphate production facility ("Testing"). The terms of the Heads include among other things, MFP agreeing to undertake a 2-phase pilot plant phosphate flotation study ("Study") on Glenover ore in order ultimately produce a bulk phosphate flotation concentrate ("Phosphate Rock") for testing.

This Study is pursuant to the terms of the Heads of Agreement with a major fertilizer producer agreeing to undertake the Study in order to ultimately produce a bulk phosphate flotation concentrate for testing in its fertilizer processing plant.

The first phase of the Study (in two parts) comprising ore variability flotation and flotation water tests, were completed during the period under review with satisfactory results.

On the basis of the results, the MFP provisionally offered and Glenover accepted an offtake agreement ("Provisional Offtake Agreement") for future Glenover Phosphate Rock. A definitive offtake agreement is still subject to satisfactory outcome of second phase of the Study.

In the meantime, the MFP continued to review the results in relation to the logistics and options for transport of the phosphate rock to their processing facility, before committing to second phase of the Study.

On 5 October 2018, the DMR requested, in respect of Glenover's MRA, a Record of Decision ("ROD") from the Department of Water and Sanitation ("DWS") in terms of Section 49 (2) of the National Environmental Management: Waste Act, 2008 for waste related activities which overlaps with some of Section 21(g) water uses for which a Water Use Licence application was submitted in terms Section 40 of the National Water Act, 1998. This ROD remains the outstanding issue for the DMR's adjudication on granting a Mining Right for the Project.

Concordia Copper Project ("Concordia" or "Project")

Period Under Review

The Company retains a 15% holding in the Project. The majority owner and operator of the Project namely SHIP Copper Pty Ltd carried out no exploration on the Project.

USA Nevada

Ferber Property

The Ferber property is a historic producer of gold and copper. It hosts widespread gold and copper mineralisation. The Ferber intrusion-centered gold system is broadly similar to productive gold deposits elsewhere in north-central Nevada, where Carlin-style gold mineralisation and gold skarn mineralisation are genetically related to Late Eocene intrusions similar in age to the Ferber stock. This large district requires a broad approach aimed at recognizing geochemical zoning, delineating district-scale structure and understanding the stratigraphy. Integrating these three components should serve as a vector to quality exploration targets.

Period under Review

The Company carried out no exploration on the property and continued to seek JV/farm-out partners for the project.

Project Descriptions

Star Zinc

The Star Zinc project is a historical, high-grade zinc ("Zn") open pit mine that operated intermittently in the 1950s to 1990s. The Zn mineral is predominantly willemite (zinc silicate) hosted in mainly limestone and dolostone (dolomitic rock).

An independently verified non-JORC compliant hard rock resource statement has estimated 275 166 tonnes @ **20.2% Zn** with **a cut-off grade of 14% Zn** ("pragmatic case") based on approximately 59 historical diamond drill holes totalling 2 578m. At a cut-off grade of 12% Zn, the non-JORC resource tonnage increases by 18% to 325 941 tonnes @19.1% Zn (11% increase in Zn metal).

In addition, karstic fill deposits and red soil are locally heavily mineralised with detrital willemite and supergene zinc minerals, which may provide further potential increase to the known resource.

Mineralisation is interpreted to form two shallowly dipping lenses east and west of the open pit, mineralisation of which is around 40m deep, based on the independent model used for the resource calculation.

A number of sub vertical structures recognised in pit outcrop suggests possibility of both vertical and horizontal control of Zn mineralisation. The Willemite at Star Zinc, fluoresces a bright green in short wave UV light, a mineral characteristic that may find an application in optical sorting. Willemite is denser (3.9 g/cm^3) than the dolomitic (2.9 g/cm^3) host rock, a characteristic that could have an application in heavy medium separation process, with the potential for reducing the acid consuming dolomite in the ore.

Preliminary metallurgical testwork indicates that the ore is amenable to acid leaching with more than 90% of the zinc leached into solution.

The Company has committed to undertake an 18-month work programme ("Programme") at a cost of US$250 000 using reasonable endeavours to complete a preliminary economic assessment of Star Zinc ("PEA"). This expenditure was exceeded during the period under review and consequently Galileo has earned in an 85% direct interest in the Project.

Kashitu

The Kashitu prospecting area ("Kashitu" or "Area") is located in the SE corner of Zambia and within BMR Group plc's (BMR) larger prospecting licence 6990-HQ-LML, at its 100% owned Kabwe site in Zambia (Figure 7).

Kashitu is considered prospective, due to elevated zinc-in-soil values, which could be amenable to zinc extraction via beneficiation and innovative leaching technologies, currently being deployed in a new re-processing plant through a JV between Jubilee Metals Group plc and BMR at the Kabwe mine for Kabwe mine tailings.

Historical soil sampling by BHP Billiton has recorded zinc values greater than 15 000 ppm (1.5%) Zn, over a 1.2 kilometre (km) by 0.3km NW verging area and in close proximity to historical workings (Figure 8).

It is understood that high grade surficial Willemite was extracted from the historical workings and fed in to the main Kabwe plant, during its operation.

An interpretation of existing RAB, RC and diamond drilling has defined the area of potential interest and is likely associated with an ENE-trending structure containing steeply dipping, high-grade willemite veins.

The Acquisition includes access to a very large exploration data base, including all historic exploration drilling on KLM/Kashitu by Zamanglo, Billiton (now BHP) and Teal. This historical exploration identified a central 300m x 400m mineralised core in **Kashitu** with grades of up to **40% Zn and 17g/t silver**.

BMR (2016) **auger sampling** (183 holes) on **Kashitu** to 2m depths, delineated three open ended distinct surficial (unconsolidated surface) mineralised zones to the S, E and W of the mineralised core, with samples assaying up to **21% Zn** in a 400m x 130m high-grade zone consistently assaying >2.5% Zn in every sample.

Galileo intends to use this database and most recent exploration to focus, initially amongst other things, on developing a geological and mineralisation model for further exploration.

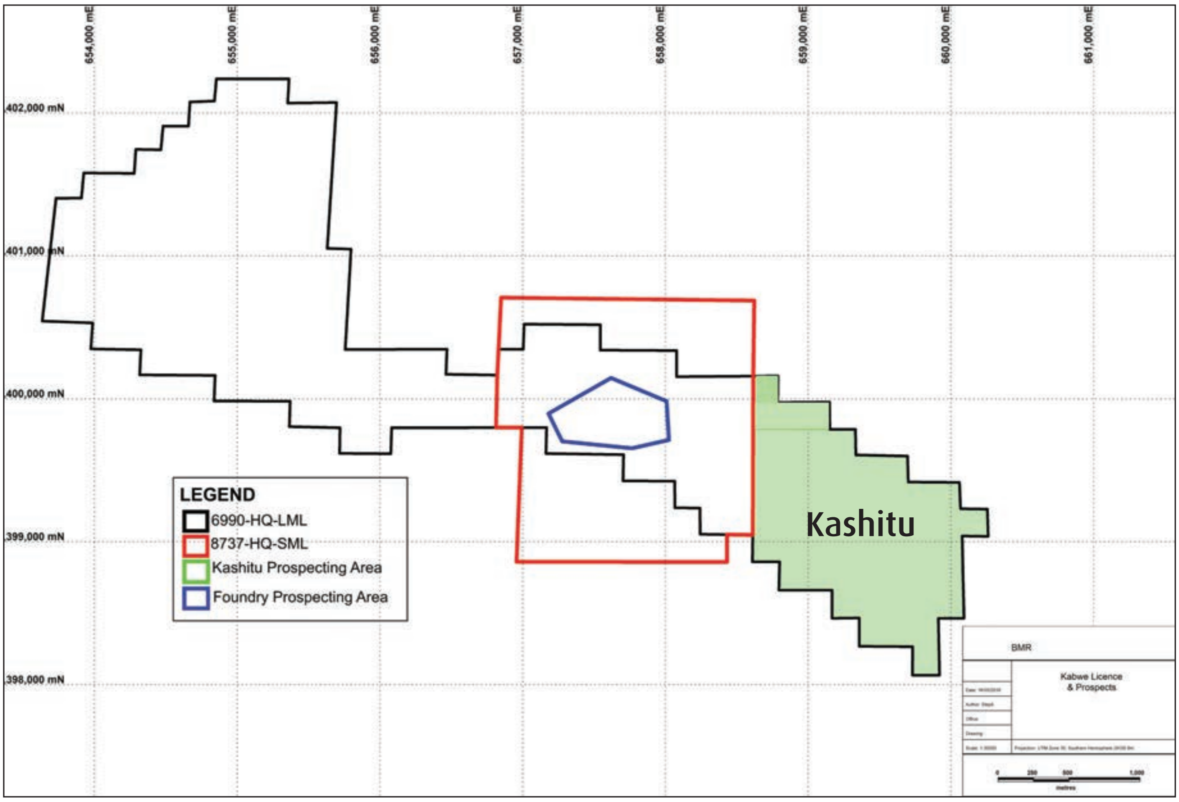

Figure 7 Location Kashitu within 6990-HQ-LML

Figure 8. The above historical prospecting on Kashitu highlights: a) BHP RAB drilling – orange dots, b) BHP RC drilling – green dots, c) historic diamond drilling – orange triangles, d) Zn-in-Soil anomalism – red outline > 15 000 ppm Zn, and, old workings – black outline. Current objective includes defining an area of near-surface anomalism within the target area highlighted by the soil-geochemistry

Kashitu & Mining Potential

There are three targets at Kashitu, in possible order of preference:

- Lateritic enrichment at the soil-rock interface (which may or may not come to surface)
- Vein-style willemite with possible inclusions of zinc sulphides, mainly sphalerite
- Massive pipe-like ore bodies, such as Kabwe

Lateritic enrichments have been exploited at the project in the past, at the near-by Foundry/Airfield prospect, historical open- cut mining with a pit measuring 235m long x 30m wide x 3m deep exploited a 0.5-2m thick, near-surface, supergene residual accumulation of Zinc oxides up to 15-20% Zinc, mainly smithsonite and hemimorphite, at the close of the Kabwe mine operation.

Glenover Phosphate

The Glenover Project is located approximately 88km north of Thabazimbi in the Limpopo Province of South Africa. The prospecting right covers a surface area of 15 802ha. The majority of the mineral assets are located on the farm Glenover 371 LQ. This includes a large open pit mine as well as various stockpiles of high, medium and low-grade phosphate bearing material. Historical exploitation of the phosphate content in the Glenover deposit resulted in the formation of a series of stockpiles, which contain high levels of phosphate and contain varying amounts of rare earth elements ("REEs"). The presence of these elements has been confirmed by sampling programmes undertaken by Gold Fields of South Africa Limited ("GFSA") and by Fer-Min-Ore (Pty) Ltd ("FMO").

The Glenover carbonatite is a complex circular carbonatite/pyroxenite plug intruded into sedimentary shale and arenite rocks of the Waterberg Group and is prominently visible as a major circular feature on satellite images of the area. Thickness estimates for the Waterberg Group range from 2 700m to more than 7 000m. The deposit comprises a central iron rich breccia surrounded by a pyroxenite plug in to which carbonatite has intruded as a series of dykes and cone sheets. The iron rich breccia has been mined out.

Exploitation has historically focused on the phosphate content of the deposit and the potential of the surrounding deposits. The primary apatite is a solid solution of fluoro-apatite and a form of iron known as martite, which is hydrothermally modified magnetite. Martite is partially magnetic and is less soluble in acid than magnetite. The primary apatite varies in colour from light grey to dark grey as the concentration of martite varies. The second volcanic event fragmented the primary apatite core into small pieces and injected secondary apatite into the fissures. The secondary apatite is considered to be the pure form of apatite and is light pink in colour. Other visible minerals occurring in the ore body, including magnetite and silica, are found in lower concentrations.

Ferber

Geology and Mineralisation

The Ferber property is underlain by a stratigraphic sequence of Pennsylvania-Permian age carbonate units thought to include the Rib Hill Formation, Riepe Spring Formation, Ferguson Mountain Formation, and possibly the Pequop Formation. The sedimentary units are intruded and domed by a multi-phase diorite-quartz monzonite Tertiary-aged igneous complex. The intrusive complex has an exposed footprint of 6.1km east-west by 1.6km north-south. A contact metamorphic marble and calc-silicate zone are found at the margin of the intrusive complex. The project area is intersected by a number east west, north-northwest and northeast trending faults. Copper and gold mineralisation occur in the following styles: calc-silicate skarn near the intrusive contact, as replacement zones in the marble, in silicified shear zones and veins near contacts, along structures and horizons in silicated marble and as disseminations in the stock. Reported historic drilling by Royal Gold in the 1990s encountered the following intercepts on lands at Ferber:

- 10.8 m of 0.53 g/t Au in marble with iron oxides
- 4.6 m of 2.15 g/t Au in oxidized intrusive
- 4.6 m of 0.72% Cu (oxide) in intrusive
- 26.2 m of 0.41% Cu (oxide) in contact zone
- 12.3 m of 0.83% Cu (oxide) in contact zone

Andrew Sarosi
Finance and Technical Director

23 August 2019

Directors' Report

1. REVIEW OF ACTIVITIES

The Group's main activities are contained in this annual report. Details of the likely future developments of the Group have been addressed in the Chairman's report and the Operations report.

Principal activities

Galileo Resources Plc (AIM: GLR) is an opportunity driven company whose model is to acquire large data bases generated by major companies and abundant for strategic, corporate, technical and other reasons, which do not necessarily reflect the potential value of the project. The current main focus is on the Star Zinc project in Zambia close to Lusaka. Significant zinc intersections have been made in a recent drilling Programme and the fundamentals point towards a developing zinc mine.

Business review

The function of the business review is to provide a balanced and comprehensive review of the Group's performance and developments during the year and its position at the year-end. The review also covers the principal risks and uncertainties faced by the Group. At this stage in the Group's development, the key performance indicators that the directors monitor on a regular basis are management of liquid resources, which are cash flows and bank balances. The results of the Company and the Group for the year are set out in the audited financial statements on pages 34 to 61.

A review of the Group's operations during the year ended 31 March 2019 and future developments are contained in the Strategic Report on pages 3 to 21.

Financial review

The Group reported a net loss of £416 784 (2018: loss of £1 026 891) before and after taxation. Basic loss is 0.14 pence (2018: loss of 0.45 pence) per share.

Risk review

The board and the executive committee keep the risks inherent in an exploration business under constant review. The principal risks for an exploration company and the measures taken by the Company to mitigate them are detailed below:

Political risk

Political risk is the risk that assets will be lost through expropriation and unrest or war. The Group minimises political risk by operating in countries with relatively stable political systems, established fiscal and mining codes and a respect for the rule of law. The Company has instigated a black economic empowerment policy to comply with the South African mining charter, code of practice and black economic legislation.

Commodity risk

Commodity risk is the risk that the price earned for minerals will fall to a point where it becomes uneconomic to extract them from the ground and process. The principal metals in the Group's portfolio are gold, copper, rare earth elements (REEs) and phosphorus (as phosphate). The prices of these elements have been volatile during the year but an uptrend is in place. The potential economics of all the Group's projects are kept under close review on a regular basis.

Financial risk

The three main types of financial risk faced by the Group are credit risk, liquidity risk and currency risk. Liquidity risk is the risk of insufficient working and investment capital. The Group's goal is to finance its exploration and activities from operational cash flow from operations but in the absence of such cash flow, the Group relies on the issue of equity share capital to finance its activities. Galileo secured additional funds by way of a placing during the year under review, to advance exploration activities in order to further develop a mineral resource estimate, advance metallurgical test work and continue with a Preliminary Economic Assessment ("PEA") of the Company's Glenover Project.

The Group finances its overseas operations by purchasing South African Rand and US Dollar with Pound Sterling in the United Kingdom and transferring it to meet local operating costs. The Group does not hedge its exposure and is therefore exposed to currency fluctuations between these three currencies and local currencies but this policy will be reviewed from time to time. The Group maintains tight financial and budgetary control to keep its operations cost effective to mitigate these financial risks.

Strategic risk

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, the Group may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that the Group will acquire any interest in additional operations that would yield reserves or result in commercial mining operations. The Group expects to undertake sufficient due diligence where warranted to help ensure opportunities are subjected to proper evaluation.

Funding risk

The Group has raised funds via equity contributions from new and existing shareholders and asset disposal, thereby ensuring the Company remains a going concern until such time that it enters into an offtake agreement/debt financial arrangement. The directors regularly review cash flow requirements to ensure the Company can meet financial obligations as and when they fall due.

Exploration risk

Exploration risk is the risk of investing cash and resources on projects, which may not provide a return. The Group addresses this risk by using its skills, experience and local knowledge to select only the most promising areas to explore. Mineral exploration and development of the Group's mineral exploration properties is speculative in nature and is contingent upon obtaining satisfactory exploration results. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able adequately mitigate. The degree of risk reduces substantially when a Group's properties move from the exploration phase to the development phase.

Operational risk

Exploration and subsequent mining operations are subject to hazards normally encountered in exploration, development and production. Although it is intended to take adequate precautions during each stage of development to minimise risk, there is a possibility of a material adverse impact on the Group's operations and its financial results. The Group will develop and maintain policies appropriate to the stage of development of its various projects. Recruiting and retaining skilled and qualified personnel are critical to the Group's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. While the Group has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations, which may be introduced by the relevant governmental authorities. Adverse changes in such legislation may have a material adverse effect on the Group's business, results of operations and financial condition. Members of staff are encouraged to discuss with management matters of interest to the employees and subjects affecting day-to-day operations of the Group.

Mining risk

There is no guarantee that the minerals contained in the various assets can be mined either practically, technically or at a cost less than the realisable value of the contained minerals. The cost of development and access may preclude the development of the mine. Should a mine be developed there is no assurance that operations can continue since operations are dependent on product prices, direct operating cost and the cost of "stay in business" capital. Mining operations are often challenged by difficult mining and/or slope stability conditions, variability of grade, excess water and small faulting. All of these factors could adversely affect mining production rate and therefore profitability.

Processing risk

REEs are relatively difficult to process and as such require complex chemistry solutions to gain satisfactory recovery and quality. The recovery of one element may be at the sacrifice of another rare-earth element and no assurance can be given that the ultimate suite of elements that can be recovered can be done so economically. Should the Company elect to progress to recovery only to concentrate, then there is no assurance that a global market exists for the concentrate. Shareholders and investors should be aware that the cost of building a rare-earth processing plant is considerably higher than other mineral processing plants and that the Company may not be able to raise sufficient finance to build such a plant.

Political stability

The Group is conducting its activities in South Africa, Zambia and the United States of America. The directors believe that the government of South Africa supports the development of natural resources by foreign investors and actively monitors the situation. However, there is no assurance that future political and economic conditions in South Africa will not result in the government of South Africa adopting different policies regarding foreign development and ownership of mineral resources. Any changes in policy affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, may affect the Group's ability to develop the projects. The Company is complying with current South African mining charter code of practice and black economic empowerment legislation (refer to the directors' report). The politics of the USA are well understood and transparent with full democracy. Federal law could change in the USA thereby affecting the cost of mineral concession ownership. Nevada Mining Law could change to the detriment of future mining development.

Uninsurable risks

The Group may become subject to liability for accidents, pollution and other hazards, which it cannot insure or against which it may elect not to insure because of premium costs or for other reasons, such as in amounts, which exceed policy limits.

Security of tenure

The Group investigates its rights to explore and extract minerals from all of its material properties and, to the best of its knowledge; those rights are expected to be in good standing. However, no assurance can be given that the Group will be able to secure the grant or the renewal of existing mineral rights and tenures on terms satisfactory to it, or that governments in the jurisdiction in which the Group operates will not revoke or significantly alter such rights or tenures or that such rights or tenures will not be challenged or impugned by third parties, including local governments or other claimants. Although the Group is not aware of any existing title uncertainties with respect to any of its future material properties, there is no assurance that such uncertainties, if negative, will not result in future losses or additional expenditures, which could have an adverse impact on the Group's future cash flows, earnings, results of operations and financial condition.

Market perception

Market perception of mining and exploration companies may change, which could impact on the value of investors' holdings and impact on the ability of the Company to raise further funds by issue of further shares in the Company.

Environmental factors

All mining operations have some degree of an environmental risk. Although the directors have made reasonable assessment, no assurance can be given that no outstanding or intended claims against disturbance of the environment exist. Rare earths are often associated with radioactivity and the Glenover project has amongst other minerals, radioactive thorium present in the ore. The directors have considered the significance of this and what potential problems may be presented due to the presence of radioactive minerals. They have concluded that the potential radioactivity will not prevent operations but no assurance can be given that the presence of radioactivity will impact on either capital or operating cost or both. In addition, the Group will also be subjected to, where appropriate, clean-up costs and for any toxic or hazardous substances, which may be produced as a result of its operation. Environmental legislation and permitting are evolving in a non-mining supportive manner, which could result in onerous standards and enforcement with the risk of consequential fines, penalties and closure. As the Company develops, the directors intend to carry out the appropriate environmental base-line studies with experts outsourced from independent environmental consultancies.

Reserve and resource estimates

The Group's future reported reserves and resources of Glenover are only estimates. No assurance can be given that the estimated reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral and metal reserve and resource estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative. Mineral and metal reserve and resource estimates may require revision (either up or down) based on actual production experience or further sampling. Any future reserve and/or resource figures will be estimates and there can be no assurance that the minerals are present, will be recovered or can be brought into profitable production. Furthermore, a decline in the market price for natural resources that the Group may discover or invest in could render reserves containing relatively lower grades of these resources uneconomic to recover and may ultimately result in a restatement of reserves.

2. GOING CONCERN

The Group has sufficient financial resources to enable it to continue in operational existence for the foreseeable future, to continue the current development programme and meet its liabilities as they fall due. Up to the date of this report the Group raised £ 500,000 before expenses and the Company has no external debt or overdrafts. The directors have further reviewed the Group's cash flow forecast, and in light of this review and the financial position at the date of this report, they are satisfied that the Company and Group have access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors consider it appropriate to continue to adopt the going-concern basis in preparing these financial statements. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. EVENTS AFTER THE REPORTING PERIOD

Other than the events described in the Chairman's and Operations Report and the transactions described below, the directors are not aware of any matter or circumstances arising that should be disclosed since the end of the financial year. Refer to note 11 and 31 for details on subsequent events.

4. DIRECTORS' SHAREHOLDING ANALYSIS

Directors' direct and indirect interests in the ordinary shares of the Company as at period end were as follows:

	At 31 March 2019		At 31 March 2018	
Beneficial owner	Shares	% holding	Shares	% holding
Colin Bird	49 435 000	16.23	49 435 000	19.42
Andrew Sarosi	10 000	0.00	10 000	0.00
John Richard Wollenberg	5 221 341	1.71	5 221 341	2.05
The Cardiff Property Plc*	900 000	0.30	900 000	0.35

**John Richard Wollenberg and his family are 45.22% shareholders in the Cardiff Property Plc*

Directors' direct and indirect interests in the ordinary shares of the Company as at the date of this report were as follows:

Beneficial owner	Shares	% holding
Colin Bird	55 435 000	12.81
Andrew Sarosi	10 000	0.00
John Richard Wollenberg	5 821 341	1.35
The Cardiff Property Plc*	900 000	0.21

Colin Bird holds 55 435 000 ordinary shares of 1 pence each or 12.81% of the Company's issued share capital. This makes him a majority shareholder in Galileo with potentially significant influence over the affairs of the Company.

Directors' interests in the Company's share option scheme at year end and at the date of this report were as follows:

	At 31 March 2019	At 31 March 2018
Beneficial owner	Options	Options
Colin Bird	5 000 000	5 000 000
Andrew Sarosi	3 000 000	3 000 000
John Richard Wollenberg	750 000	750 000
Chris Molefe	250 000	250 000

Refer to note 27 for directors' emoluments.

5. CAPITAL STRUCTURE AND MAJOR SHAREHOLDERS

The Company did not issue any new ordinary shares during the period under review. Post the period under review the Company issued new ordinary shares as follows:

Date	Number of ordinary shares	Issue price	Purpose of issue
2 May 2019	100 000 000	0.50p	Placing for cash
27 June 2019	15 000 000	1.15p	Acquisition*
27 June 2019	9 615 385	0.52p	Acquisition*
27 June 2019	3 600 000	0.50p	Settlement of debt

**Acquisition of further interest in (EZL) subsidiary*

Allotment of shares

As ordinary business at the annual general meeting, a resolution will be proposed to renew the power of your directors to allot equity securities, pursuant to section 551 of the Companies act 2006, such power being to equity securities having an aggregate nominal value of £100 517. This authority may be renewed for five years but, in common with modern corporate governance practice, it is your directors' intention that the resolution be limited to one year and that its renewal be proposed at each annual general meeting.

Pre-emption rights

As special business at the annual general meeting, a resolution will be proposed to renew for a further year the power of your directors to allot equity securities for cash without first offering such securities to existing shareholders. The aggregate nominal amount of equity securities, which may be allotted in this way shall not exceed £304 597.

Major shareholders

The Directors are aware of the following substantial shareholdings of 3% or more of the share capital of 304 596 562 ordinary shares at 31 March 2019:

Ordinary shares of 1p each	Number	%
Colin Bird	49 435 000	16.23
Peel Hunt Holdings Limited	45 901 653	15.07
Jim Nominees Limited	29 623 092	9.73
Hargreaves Lansdown (Nominees) Ltd	17 881 993	5.87
Interactive Investor Services Nominees Ltd	14 838 821	4.87
Hargreaves Lansdown (Nominees) Ltd	11 492 772	3.77
Barclays Direct Investing Nominees Ltd	11 285 858	3.71
Wealth Nominees Ltd	10 173 138	3.34
HSDL Nominees Ltd	9 686 877	3.18
HSBC Global Custody Nominee (UK) Ltd	9 348 667	3.07

6. DIVIDENDS

No dividends were declared or paid to shareholders during the year under review.

7. DIRECTORS

There were no changes to the board during the period under review or up to the date of this report. The directors of the Company during the year and to the date of this report are disclosed under Corporate Information on page 2 of this report.

8. SECRETARY

The secretary of the Company is Link Company Matters Limited, a division of Link Asset Services with address; 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

9. AUDITORS

A resolution proposing the appointment of the auditors, Chapman Davis LLP, will be put to vote at the annual general meeting.

10. DISCLOSURE OF INFORMATION TO AUDITORS

The directors, who held office at the date of approval of this directors' report, confirm that as far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

11 Corporate Governance

The QCA Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Company applies each of the principles:

Principle One

Business Model and Strategy

The Board has concluded that the highest medium and long-term value can be delivered to its shareholders by the adoption of a single strategy for the Company. The Company is developing its portfolio of resource companies in South Africa, Zambia and USA. The Company continues to hold significant stakes in these projects and companies and remains actively involved with their development. The Company will continue to seek to grow the businesses organically and will seek out further complementary acquisitions that create enhanced value.

Principle Two

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company keeps its private shareholders and institutional investors informed with regular RNS statements and its executive directors meet with shareholders during the year with opportunities to discuss issues and provide feedback. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company through its website, http://www.galileoresources.com/ and via Colin Bird, Chairman/CEO who is available to answer investor relations enquiries.

Principle Three

Considering wider stakeholder and social responsibilities

The Board recognises that the long term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. There is an open and confidential dialogue with each person in the Company.to help ensure successful two-way communication with agreement on goals, targets and aspirations of the employee and the Company. This feedback process helps to ensure the Company can respond to new issues and opportunities that arise to further the success of employees and the Company. The Company has on-going relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company.

Principle Four

Risk Management

In addition to its other roles and responsibilities, the Audit and Compliance Committee is responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company. The risk assessment matrix below sets out those risks, and identifies their ownership and the controls that are in place. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. The Audit and Compliance Committee reviews the risk matrix and the effectiveness of scenario testing on a regular basis. The following principal risks and controls to mitigate them, have been identified:

Activity	Risk	Impact	Control(s)
Management	Recruitment and retention of key staff	Reduction in operating capability	Stimulating and safe working environment Balancing salary with longer term incentive plans
Regulatory adherence	Breach of rules	Censure or withdrawal of authorisation	Strong compliance regime instilled at all levels of the Company
Strategic	Damage to reputation	Inability to secure new capital or clients	Effective communications with shareholders and out joint venture partners.
	Inadequate disaster recovery procedures	Loss of key operational and financial data	Robust compliance Secure off-site storage of data
Financial	Liquidity, market and credit risk	Inability to continue as going concern Reduction in asset values	Robust capital management policies and procedures Appropriate authority and investment levels as set by the Board and Investment Policies
	Inappropriate controls and accounting policies	Incorrect reporting of assets	Audit and Compliance Committee
Exploration	Investing cash and resources in projects which may not provide a return	Reduction in asset value. The degree of risk reduces substantially when a project moves from the exploration phase to the development phase.	Management addresses this risk by using its skills, experience and local knowledge to select with best endeavours to explore the most promising areas

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the executive directors. However, the Board will continue to monitor the need for an internal audit function. The Board works closely with and has regular ongoing dialogue with the Company's financial manager, Ms C de Beer and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

Principle Five

A Well Functioning Board of Directors

As at the date hereof the Board comprises, the Chairman and CEO Colin Bird, Technical and Finance Director, Andrew Sarosi and two non-Executive Directors, Christopher Molefe and Richard Wollenberg of whom the latter is independent. The Company's portfolio of natural resource projects is not extensive. The present scale of corporate activity in this regard would not justify the separation of the roles of chairman and CEO and the Company considers its two non-executive directors are sufficient for its current range of activities. However, the Company reviews its governance policy annually having due regard to the intent of Principle 5 and the Company's development. Biographical details of the current Directors are set out on within Principle Six below. Executive and non-executive directors are subject to re-election at intervals of no more than three years. The letters of appointment of all Directors are available for inspection at the Company's registered office during normal business hours. All the Non-Executive Directors are considered to be part time but are expected to provide as much time to the Company as is required. The Board elects a Chairman to chair every meeting: normally this would be Colin Bird.

The Board endeavours to meet on a monthly basis. It has established an Audit and Compliance Committee and a Remuneration Committee, particulars of which appear hereafter. The Board has agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee. The non-executive Directors are considered to be part time but are expected to provide as much time to the Company as is required. The Board considers that this is appropriate given the Company's current stage of operations. It shall continue to monitor the need to match resources to its operational performance and costs and the matter will be kept under review going forward. The Board notes that the QCA recommends a balance between executive and non-executive Directors and recommends that there should be two independent non-executives. As noted above the Board will review annually further appointments as the Company's scale and operational complexity grows.

Attendance at Board and Committee Meetings

The Company reports annually on the number of Board and committee meetings held during the year and the attendance record of individual Directors. To date in the current financial year the Directors have a near 100% record of attendance at such meetings. The Directors meet formally and informally both in person and by telephone.

Principle Six

Appropriate Skills and Experience of the Directors

The Board currently consists of four directors. In addition, the Company has employed the outsourced services of Link Company Matters Limited to act as the Company Secretary.

The Company believes that the current balance of skills in the Board as a whole reflects a very broad range of commercial and professional skills across geographies and industries and each director has experience in public markets.

The Board recognises that it currently has a limited diversity and this will form a part of any future recruitment consideration, if the Board concludes that replacement or additional directors are required.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

Colin Bird

Executive Chairman & Chief Executive Officer

Colin Bird has a Diploma in Mining Engineering, is a Fellow of the Institute of Materials, Minerals and Mining and is a certified mine manager both in the UK and in the United States of America. The formative part of his career was spent with the National Coal Board in the UK and thereafter he moved to the Zambia Consolidated Copper Mines and then to South Africa to work in a management position with Anglo American Coal. On his return to the UK he was Technical and Operations Director of Costain Mining Limited, which involved responsibility for gold mining operations in Argentina, Venezuela and Spain.

In addition to his coal mining activities he has been involved in the management of mining nickel, copper, gold and other diverse mineral operations. He has founded and floated several public companies in the resource sector and served on resource company boards in the UK, Canada and South Africa. Notably he was on the board of Kiwara Plc which was successfully sold to First Quantum Plc in February 2010. In addition, he currently serves as Chairman (non-executive) of Jubilee Metals Group Plc, – an AIM listed platinum exploration company with operations in South Africa and Zambia – and of other several publicly quoted resource companies.

Andrew Francis Sarosi

Executive Director – Finance & Corporate Development

Technical Director

B.Sc. Metallurgy, M.Sc. (Eng.) University of the Witwatersrand, MIMMM

Andrew holds a B.Sc. Metallurgy and M.Sc. Engineering, University of Witwatersrand and is a member of The Institute of Materials, Minerals and Mining. He has more than 10 years corporate and 30 years operational experience.

Andrew is a mineral processing engineer and consultant with 40 years experience in mineral processing research and development, process and plant design, management of pilot to full scale operations and troubleshooting in gold, silver, tungsten, tin, copper, and zinc and diamond ore processing in Saudi Arabia, Ethiopia, South Africa, Botswana and the United Kingdom.

Between 1978 and 1985 Andrew was the senior metallurgist for the Amax Hemerdon Tungsten-Tin project in the UK (currently in production under Wolf Minerals plc). In 1986 and 1995 he was mill superintendent at Mahd Ad' Dahab Gold Silver Copper Zinc Mine in Saudi Arabia including research and process design of the zinc flotation extension to the mine. From 1990 to 1992 he consulted for Mackay and Schnellmann Limited as adviser to the Ethiopian Mineral Resources Development Corporation's Lega Dembi Mine Project. From 1996 he set up as an independent consultant. Since 2002 he has served on several resource company's Boards in UK, South Africa, Canada and Australia including Jubilee Metals Group plc (formerly Jubilee Platinum plc) the latter to June 2018

J Richard Wollenberg

Non-Executive Director

Richard Wollenberg, was, between 1981 and 1996, an investment consultant with Brown Shipley Stockbroking Limited and has over the past 25 years, been actively involved in a number of corporate acquisitions, mergers and capital re-organisations of public and private companies.

Mr Wollenberg is currently Chairman and Chief Executive Officer of The Cardiff Property Plc, a quoted property investment and development company and is a non-executive director of Aquila Services Group Plc.

He was also a non-executive director of Kiwara Plc alongside Colin Bird.

Christopher (Chris) Molefe

Non-Executive Director

B.Com (Unin); Post graduate diploma (University of Cape Town)

Mr. Molefe was formerly the Chief Executive of Royal Bafokeng Resources (Pty) Limited and is presently the Non-Executive Chairman of Merafe Resources Limited, a publicly listed company on the JSE Securities Exchange, a non-executive Director of Capital Oil (Pty) Ltd and Jubilee Metals Group Plc.

Mr. Molefe has held several positions in corporate banking and industry for the previous 20 years.

He commenced his career as Group Human Resource Manger at Union Carbide Africa Corporation. His subsequent positions include being the Manager of Corporate Affairs at Mobil Oil Southern Africa (Pty) Limited; an Executive Director at Black Management Forum; a Financial Analyst at Chase Manhattan Bank; the Marketing Manager at African Bank Limited; an Executive Manager at Transnet (Propnet) (Pty) Limited; and an Executive Director at Dipapatso Media (Pty).

Principle Seven

Evaluation of Board Performance

Internal evaluation of the Board, the Committee and individual Directors is to be undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance in various as well as the Directors' continued independence.

The results and recommendations resulting from the appraisals for the directors shall identify the key corporate and financial targets that are relevant to each Director and their personal targets in terms of career development and training. Progress against previous targets shall also be assessed where relevant.

Principle Eight

Corporate Culture

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long-term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company successfully to achieve its corporate objectives. The Board places great import on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Principle Nine

Maintenance of Governance Structures and Processes

Ultimate authority for all aspects of the Company's activities rests with the Board and the respective responsibilities of the chairman and chief executive officer (currently a combined role) arising as a consequence of delegation by the Board. The chairman is responsible for the effectiveness of the Board, while the Board has delegated management of the Company's business and primary contact with shareholders to the executive officers of the Company.

Audit and Compliance Committee

The Audit and Compliance Committee is chaired by Christopher Molefe with Richard Wollenberg as the other member of the committee. This committee has responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported. It receives reports from the executive management relating to the interim accounts and from the executive management and auditors relating to the annual accounts and the accounting and internal control systems in use throughout the Company. The Audit and Compliance Committee meets not less than twice in each financial year and it has unrestricted access to the Company's auditors.

Remuneration Committee

The Remuneration Committee comprises Richard Wollenberg as chairman and Christopher Molefe as the other member of the committee. The Remuneration Committee reviews the performance of the executive directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Company's Remuneration Policy.

Nominations Committee

The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

Non-Executive Directors

The Board has adopted guidelines for the appointment of non-Executive directors, which are in place and which are being observed. These provide for the orderly rotation and re-election of the directors in accordance with the articles of association of the Company.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

Principle Ten

Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company keeps its private shareholders and institutional investors informed with regular RNS statements and its executive directors meet with shareholders during the year with opportunities to discuss issues and provide feedback. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company through its website, http://www.galileoresources.com/ and via Colin Bird, Chairman/CEO who is available to answer investor relations enquiries.

The Company, when relevant, shall include in its annual report, any matters of note arsing from the audit or remuneration committees.

12. DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act 2006 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly represent the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the applicable UK laws.

The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong controlled environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The going-concern basis has been adopted in preparing the consolidated annual financial statements. The directors have no reason to believe that the Group will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These consolidated annual financial statements support the viability of the Company. The directors have reviewed the Group's financial position at the balance sheet date and for the period ending on the anniversary of the date of approval of these financial statements and they are satisfied that the Group has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

13. RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in note 25.

14. FINANCIAL INSTRUMENTS

For the period under review the Group held no financial instruments, outside of cash and receivables. Financial risk management policies are disclosed in note 28.

15. POLITICAL AND CHARITABLE CONTRIBUTIONS

The Group made no charitable donations (2018: £Nil) and no political donations (2018: £Nil) during the year.

The Company's independent auditors, Chapman Davis LLP, audited the Group's consolidated annual financial statement, and their report is presented on pages 31 to 33.

The Group and Company annual financial statements set out on pages 34 to 61, which have been prepared on the going-concern basis, were approved by the Board and signed on its behalf by:

Colin Bird
Chairman

23 August 2019

Independent Auditors' Report

TO THE MEMBERS OF GALILEO RESOURCES PLC

Opinion

We have audited the financial statements of Galileo Resources Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2019 which comprise the Group and Parent Company Statements of Financial Position, Statements of Comprehensive Income , Statements of Changes in Equity, Statements of Cash Flows, and the related notes 1 to 31, including the significant accounting policies in note 1.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2019 and of the Group's and the Parent Company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements 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.

Impairment of Non-Current Assets

The Group's various mineral resource projects are carried at cost less any impairment provision in the Statement of Financial Position as Non-Current Assets either as Intangible assets , Investment in Joint Ventures and Associates ,related loans and other financial assets .The Intangible assets comprise of Acquisition and Development Expenditure at the Ferber project in Nevada , USA and the Star Zinc project in Zambia ; the Joint Venture and Associates Assets comprise the Glenover Phosphate Rare-Earth project and the Concordia project in South Africa with other financial assets comprising a further equity share of the Associate and its project portfolio. The combination of these assets represents significant value on the Group statement of financial position as at 31 March 2019.

Management and the Board are required to ensure that only costs which meet the IFRS criteria of an asset and accord with the Group's accounting policy are capitalised within Development Expenditure assets. Additionally in accordance with the requirements of IFRS , Management and the Board are required to assess whether there is any indication of impairment of these assets.

Given the significance of the non-current assets on the Group's statement of financial position and the significant management judgement involved in the determination and the assessment of the carrying values of these assets there is an increased risk of material misstatement.

How the Matter was addressed in the Audit

The procedures included, but were not limited to, assessing and evaluating management's assessment of whether any impairment indicators have been identified within the Group's non-current assets, the indicators being:

- Expiring or imminently expiring concessions, licences or rights;
- Projections of declining gold, copper, phosphates and rare earth minerals prices and/or declining demand;
- Projections of increased future capital costs or operating costs.

In addition, we reviewed, considered and discussed the directors' impairment reviews and the assessment of any impairment charge to be incurred in the accounting period to 31 March 2019.

We further reviewed the potential future plans for the projects in respect of funding, viability and development.

We also assessed the related disclosures included in the financial statements.

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of any misstatements identified. Based on professional judgement, we determined overall materiality for the group financial statements as a whole to be £88,500, this being 1.5% of Group Total Assets.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors 'Report and Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit we have not identified material misstatements in the Directors' Report and Strategic Report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability 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 the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Rowan J Palmer
(Senior Statutory Auditor)

For and on behalf of Chapman Davis LLP
Chartered Accountants and Statutory Auditors
London
United Kingdom

23 August 2019

Statements of Financial Position

as at 31 March 2019

Figures in Pound Sterling

		Group		Company	
	Note(s)	**31 March 2019**	31 March 2018	**31 March 2019**	31 March 2018
Assets					
Non-current assets					
Intangible assets	3	**2,855,856**	1,380,085	**–**	–
Investment in subsidiaries	4	**–**	–	**3,630,567**	2,357,599
Investment in joint ventures	5	**2,156,507**	3,268,236	**–**	797,338
Loans to joint ventures, associates and subsidiaries	6	**444,004**	284,396	**5,388,512**	5,192,154
Other financial assets	7	**402,751**	458,131	**–**	–
		5,859,118	5,390,848	**9,019,079**	8,347,091
Current assets					
Trade and other receivables	9	**42,920**	41,218	**10,624**	10,624
Cash and cash equivalents	10	**1,075**	539,301	**2,804**	425,089
		43,995	580,519	**13,428**	435,713
Total assets		**5,903,113**	5,971,367	**9,032,507**	8,782,804
Equity and liabilities					
Equity					
Share capital	11	**25,440,319**	24,945,319	**25,440,319**	24,945,319
Reserves		**461,554**	729,772	**1,197,614**	1,197,614
Accumulated loss		**(20,580,601)**	(20,163,817)	**(18,685,660)**	(18,356,104)
		5,321,272	5,511,274	**7,952,273**	7,786,829
Liabilities					
Non-current liabilities					
Loans from subsidiaries		**–**	–	**856,081**	838,857
Other financial liabilities	14	**3,846**	3,579	**–**	–
		3,846	3,579	**856,081**	838,857
Current liabilities					
Trade and other payables	15	**577,995**	456,514	**224,153**	157,118
Total liabilities		**581,841**	460,093	**1,080,234**	995,975
Total equity and liabilities		**5,903,113**	5,971,367	**9,032,507**	8,782,804

These financial statements were approved by the directors and authorised for issue on 23 August 2019 and are signed on their behalf by:

Colin Bird **Andrew Sarosi**

Company number: 05679987

Statements of Comprehensive Income

for the year ended 31 March 2019

Figures in Pound Sterling

		Group		Company	
	Note(s)	**31 March 2019**	31 March 2018	**31 March 2019**	31 March 2018
Revenue		**–**	–	**–**	–
Operating expenses	17	**(404,303)**	(624,631)	**(329,705)**	(725,951)
Operating loss		**(404,303)**	(624,631)	**(329,705)**	(725,951)
Investment revenue	18	**3,993**	180	**149**	180
Impairment losses recognised		**–**	(525,870)	**–**	(138,316)
(Loss)/profit from equity accounted investments	5	**(16,474)**	123,430	**–**	–
Loss for the year		**(416,784)**	(1,026,891)	**(329,556)**	(725,771)
Other comprehensive income:					
Exchange differences on translating foreign operations	21	**(268,218)**	(160,288)	**–**	–
Total comprehensive loss for the year		**(685,002)**	(1,187,179)	**(329,556)**	(725,771)
Loss per share in pence (basic)	22	**(0.14)**	(0.45)		

All operating expenses and operating losses relate to continuing activities.

Statements of Changes in Equity

as at 31 March 2019 *Figures in Pound Sterling*

	Share capital	Share premium	Total share capital
Group			
Balance at 1 April 2017	**5,806,508**	**18,076,986**	**23,883,494**
Loss for the year	–	–	–
Other comprehensive income	–	–	–
Total comprehensive loss for the year	**–**	**–**	**–**
Issue of shares net of issue costs	58,723	1,003,102	1,061,825
Total contributions by and distributions to owners of Company recognised directly in equity	**58,723**	**1,003,102**	**1,061,825**
Balance at 1 April 2018	**5,865,231**	**19,080,088**	**24,945,319**
Loss for the year	–	–	–
Other comprehensive income	–	–	–
Total comprehensive loss for the year	**–**	**–**	**–**
Issue of shares net of issue costs	50,000	445,000	495,000
Total contributions by and distributions to owners of Company recognised directly in equity	**50,000**	**445,000**	**495,000**
Balance at 31 March 2019	**5,915,231**	**19,525,088**	**25,440,319**

	Share capital	Share premium	Total share capital
Company			
Balance at 1 April 2017	**5,806,508**	**18,076,986**	**23,883,494**
Loss for the year	–	–	–
Total comprehensive loss for the year	**–**	**–**	**–**
Issue of shares net of issue costs	58,723	1,003,102	1,061,825
Total contributions by and distributions to owners of Company recognised directly in equity	**58,723**	**1,003,102**	**1,061,825**
Balance at 1 April 2018	**5,865,231**	**19,080,088**	**24,945,319**
Loss for the year	–	–	–
Total comprehensive loss for the year	**–**	**–**	**–**
Issue of shares net of issue costs	50,000	445,000	495,000
Total contributions by and distributions to owners of Company recognised directly in equity	**50,000**	**445,000**	**495,000**
Balance at 31 March 2019	**5,915,231**	**19,525,088**	**25,440,319**
Note(s)	11	11	11

Figures in Pound Sterling

Foreign currency transaction reserve	Merger reserve	Share based payment reserve	Total reserves	Accumulated loss	Total equity
(307,554)	**1,047,821**	**149,793**	**890,060**	**(19,136,926)**	**5,636,628**
–	–	(1,026,891)	(1,026,891)	-	-
(160,288)	–	–	(160,288)	–	(160,288)
(160,288)	**–**	**–**	**(160,288)**	**(1,026,891)**	**(1,187,179)**
–	–	–	–	–	1,061,825
–	**–**	**–**	**–**	**–**	**1,061,825**
(467,842)	**1,047,821**	**149,793**	**729,772**	**(20,163,817)**	**5,551,274**
–	–	-	-	(416,784)	(416,794)
(268,218)	–	–	(268,218)	–	(268,218)
(268,218)	**–**	**–**	**(268,218)**	**(416,784)**	**(685,002)**
–	–	–	–	–	495,000
–	**–**	**–**	**–**	**–**	**495,000**
(736,060)	**1,047,821**	**149,793**	**461,554**	**(20,580,601)**	**5,321,272**

Foreign currency transaction reserve	Merger reserve	Share based payment reserve	Total reserves	Accumulated loss	Total equity
–	**1,047,821**	**149,793**	**1,197,614**	**(17,630,333)**	**7,450,775**
–	–	–	–	(725,771)	(725,771)
–	**–**	**–**	**–**	**(725,771)**	**(725,771)**
–	–	–	–	–	1,061,825
–	**–**	**–**	**–**	**–**	**1,061,825**
–	**1,047,821**	**149,793**	**1,197,614**	**(18,356,104)**	**7,786,829**
–	–	–	–	(329,556)	(329,556)
–	**–**	**–**	**–**	**(329,556)**	**(329,556)**
–	–	–	–	–	495,000
–	**–**	**–**	**–**	**–**	**495,000**
–	**1,047,821**	**149,793**	**1,197,614**	**(18,685,660)**	**7,952,274**

13

Statements of Cash Flows

for the year ended 31 March 2019

Figures in Pound Sterling

		Group		Company	
	Note(s)	**31 March 2019**	31 March 2018	**31 March 2019**	31 March 2018
Cash flows from operating activities					
Cash used in operations	23	**(302,518)**	(598,676)	**(262,670)**	(500,546)
Investment Revenue	18	**3,993**	180	**149**	180
Net cash from operating activities		**(298,525)**	(598,496)	**(262,521)**	(500,366)
Cash flows from investing activities					
Additions to intangible assets		**(575,093)**	(67,275)	**–**	–
Sale of intangible asset		**–**	–	**–**	–
Cost of joint ventures acquired		**–**	(797,338)	**(475,630)**	(797,338)
Net movement on group company loans	6	**(159,608)**	(170,236)	**(179,134)**	(254,765)
Net cash flows from investing activities		**(734,701)**	(1,034,849)	**(654,764)**	(1,052,103)
Cash flows from financing activities					
Proceeds from share issues		**495,000**	1,061,825	**495,000**	1,061,825
Net cash flows from financing activities		**495,000**	1,061,825	**495,000**	1,061,825
Total cash movement for the year		**(538,226)**	(571,520)	**(422,285)**	(490,644)
Cash at the beginning of the year		**539,301**	1,110,821	**425,089**	915,733
Total cash at end of the year	10	**1,075**	539,301	**2,803**	425,089

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards IFRIC interpretations issued by the International Accounting Standards Board and the Companies Act 2006. The consolidated annual financial statements have been prepared on the historical cost basis, except for certain financial instruments at fair value, and incorporate the principal accounting policies set out below. Cost is based on the fair values of the consideration given in exchange for assets and they are presented in Pound Sterling. These annual financial statements were approved by the board of directors on 23 August 2019.

1.1 Basis of Consolidation

The consolidated annual financial statements incorporate the annual financial statements of the Company and all entities, including special purpose entities, which are controlled by the Company.

Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions, which result in changes in ownership levels, where the Group has control of the subsidiary both before and after the transaction, are regarded as equity transactions and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt, which are amortised as part of the effective interest, and costs to issue equity, which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity, which arise as a result of the contingent consideration, are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 non-current assets held-for-sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests arising from a business combination, which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRSs.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the Group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

Investment in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in associate is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 non-current assets held-for-sale and discontinued operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate, less any impairment losses.

Losses in an associate in excess of the Group's interest in that associate are recognised only to the extent that the Group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment; however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the Group and an associate are eliminated to the extent of the Group's interest therein.

When the Group reduces its level of significant influence or loses significant influence, the Group proportionately reclassifies the related items, which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

Interests in joint ventures

A joint venture is a contractual agreement whereby the Group and other parties undertake an economic activity that is subject to joint control that is when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control.

Jointly controlled entities

An interest in a jointly controlled entity is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 non-current assets held-for-sale and discontinued operations. Under the equity method, interests in jointly controlled entities are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the jointly controlled entity, less any impairment losses. Profits or losses on transactions between the Group and a joint venture are eliminated to the extent of the Group's interest therein.

When the Group loses joint control, the Group proportionately reclassifies the related items, which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the annual financial statements. Significant judgements include:

Options granted

Management used the ABC model to determine the value of the options issued at listing date and will use the Black Scholes Formula for subsequent options being granted. Additional details regarding the estimates are included in note 12 – share-based payments.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

1.3 Exploration and evaluation costs

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or

(ii) activities in the area of interest have not at the reporting 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 assessed for impairment if:

(i) sufficient data exist to determine technical feasibility and commercial viability; and

(ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units ("CGU") to which the exploration activity related.

Exploration and evaluation assets are carried forward in the balance sheet under intangible assets.

1.4 Investment in subsidiaries

Company annual financial statements

In the Company's separate annual financial statements, investment in subsidiaries are carried at:

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.5 Investment in joint ventures

Company annual financial statements

An investment in a joint venture is carried at cost less any accumulated impairment.

In respect of its interests in jointly controlled operations, the Company recognises in its annual financial statements:

- the assets that it controls and the liabilities that it incurs; and
- the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint venture.

In respect of its interest in jointly controlled assets, the Company recognises in its annual financial statements:

- its share of the jointly controlled assets, classified according to the nature of the assets;
- any liabilities that it has incurred;
- its share of any liabilities incurred jointly with the other venturers in relation to the joint venture;
- any income from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture; and
- any expenses that it has incurred in respect of its interest in the joint venture.

1.6 Investments in associates

Company annual financial statements

An investment in an associate is carried at cost less any accumulated impairment.

1.7 Financial instruments

Classification

The Group classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss designated
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is reassessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instruments.

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments, which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Regular way purchases of financial assets are accounted for at trade date.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the Group's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Loans to/(from) Group companies and Joint Ventures

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to Group companies are classified as loans and receivables.

Loans from Group companies are classified as financial liabilities measured at amortised cost.

Inter-company loans bear no interest.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.8 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.10 Share-capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.11 Share-based payments

Goods or services received or acquired in a share based payment transaction are recognised when the goods or as the services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity-settled share based payment transaction or a liability if the goods or services were acquired in a cash-settled share based payment transaction.

When the goods or services received or acquired in a share based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in equity are measured, directly, at the fair value of the goods or services received provided that the fair value can be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, or if the services received are employee services, their value and the corresponding increase in equity, are measured, indirectly, by reference to the fair value of the equity instruments granted.

Vesting conditions, which are not market, related (i.e. service conditions and non-market related performance conditions) are not taken into consideration when determining the fair value of the equity instruments granted. Instead, vesting conditions which are not market related shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Market conditions, such as a target share price, are taken into account when estimating the fair value of the equity instruments granted. The number of equity instruments are not adjusted to reflect equity instruments which are not expected to vest or do not vest because the market condition is not achieved.

If the share-based payments granted do not vest until the counterparty completes a specified period of service, Group accounts for those services as they are rendered by the counterparty during the vesting period, (or on a straight-line basis over the vesting period).

If the share based payments vest immediately the services received are recognised in full.

1.12 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.13 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.14 Translation of foreign currencies

Functional and presentation currency

Items included in the annual financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated annual financial statements are presented in Pound Sterling, which is the Group functional, and presentation currency.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in South African Rand, US Dollar and Canadian Dollar by applying to the foreign currency amount and the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in South African Rand, US Dollar and Canadian Dollar by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the cash flow.

Investments in subsidiaries, joint ventures and associates

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

1.15 Going concern

The going concern basis has been adopted in preparing the consolidated annual financial statements. The directors have no reason to believe that the Group will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These consolidated annual financial statements support the viability of the Company. The directors have reviewed the Group's financial position at the balance sheet date and for the period ending on the anniversary of the date of approval of these financial statements, they are satisfied that the Group has or has access to adequate resources to continue in operational existence for the foreseeable future.

2. NEW STANDARDS AND INTERPRETATIONS

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2018:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

No retrospective adjustments were required following the adoption of IFRS 9 and IFRS 15.

On 1 April 2018 (the date of initial application of IFRS 9), the Group's management assessed which business models apply to the financial assets held by the Group and classified its financial instruments into the appropriate IFRS 9 categories. No reclassifications were required.

New standards, amendments and interpretations not yet adopted:

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements, were in issue but not yet effective for the year presented:

- IFRS 16 in respect of Leases which will be effective for accounting periods beginning on or after 1 January 2019.
- IFRS 17 Insurance Contracts (effective date 1 January 2021).

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Figures in Pound Sterling

3. INTANGIBLE ASSETS

	Group 31 March 2019 Cost/ Valuation	Accumulated depreciation	Carrying value	Company 31 March 2018 Cost/ Valuation	Accumulated depreciation	Carrying value
Group						
Exploration and evaluation asset – U.S.A.	**1,582,888**	**–**	**1,582,888**	1,380,085	–	1,380,085
Exploration and evaluation asset – Zambia	**1,272,968**	**–**	**1,272,968**	–	–	–
	2,855,856	**–**	**2,855,856**	–	–	–

Reconciliation of intangible assets -Group 2019

	Opening	Additions	Foreign Exchange	Total
2019				
Exploration and evaluation asset – U.S.A.	**1,380,085**	**99,462**	**103,341**	**1,582,888**
Exploration and evaluation asset – Zambia	**–**	**1,272,968**	**–**	**1,272,968**
	1,380,085	**1,372,430**	**103,341**	**2,855,856**
2018	1,473,494	67,275	(160,684)	1,380,085

The exploration and evaluation asset based in the U.S.A. is a USD denominated asset and the exploration and evaluation asset based in Zambia is a ZMW denominated asset. Both assets are carried at cost adjusted for any foreign currency movements during the period under review.

The Company's intangible in the U.S.A. is greenfield Ferber copper/gold property in Nevada. Refer to the Geology and Mineralisation of Ferber on page 21 of the operations report.

The Company's intangible in Zambia is its Star Zinc Project.

The Star Zinc deposit is located approximately 20km NNW of the Zambian capital Lusaka. The project is accessible via the tarred Great North road with a journey time of approximately 30 minutes. The project was discovered and explored historically in the 1960s by Chartered Exploration Ltd. Fifty nine diamond drill holes totaling 2 578.5m were drilled. Historic small-scale mining was reported, from a small apparent open pit working present on site. The Company believes this open pit may be a collapsed dome. The local geology of Star Zinc is complex and forms a varied stratigraphic sequence of argillite, limestone, massive willemite (zinc silicate mineral) zinc ore, massive limestone and dolomites (Cheta and Lusaka Formations). A broad west-east trending mineralised dome is the main structural feature of Star Zinc.

Figures in Pound Sterling

4. INVESTMENTS IN SUBSIDIARIES

Name of Company	**31 March 2019 % voting power**	31 March 2018 % voting power	**31 March 2019 Carrying amount**	31 March 2018 Carrying amount
Skiptons Global Investments Limited – Incorporated in British Virgin Islands	**100**	100	**–**	–
Skiptons Global Investments Limited – Incorporated in British Virgin Islands	**100**	100	**–**	–
Galileo Resources SA Proprietary Limited – Incorporated in the Republic of South Africa	**100**	100	**–**	–
St Vincent Minerals	**100**	100	**2,357,599**	2,357,599
Enviro Zambia Limited (Star Zinc Project)	**85**	–	**1,272,968**	–
			3,630,567	2,357,599

The carrying amounts of subsidiaries are shown net of impairment losses.

Galileo holds 100% of the issued share capital in Galileo Resources SA Proprietary Limited, incorporated in the Republic of South Africa, through its wholly owned subsidiary, Skiptons Global Investment Limited (BVI). The principal activity of Galileo Resources SA Proprietary Limited is the same as that of Galileo Resources Plc.

As previously announced on 28 February 2018, Galileo, on having spent a further USD250 000 on the Star Zinc Project, earned in an additional 34% beneficial interest to take its aggregate interest to 85% in Star Zinc, which is to be realised by way of an 85% equity stake in Enviro Zambia Limited ("EZL"), a joint venture company incorporated between BMR and Galileo. Following Galileo's increased interest in EZL, Galileo's investment in EZL is accounted for as a subsidiary. Post the period under review and on 27 June 2019, Galileo acquired the remaining share capital of EZL.

5. INVESTMENT IN JOINT VENTURES AND ASSOCIATES

Name of Company	**31 March 2019 % holding**	31 March 2018 % holding	**31 March 2019 Carrying amount**	31 March 2018 Carrying amount
Glenover Phosphate (Proprietary) Limited ("Glenover")	**33.99**	33.99	**2,156,507**	2,470,898
Enviro Zambia Limited ("Star Zinc Project")	**–**	85.00	**–**	797,338
			2,156,507	3,268,236

Glenover

Galileo's direct investment in Glenover is 29% and it also has an indirect investment in Glenover through its shareholding in Galagen Proprietary Limited, a special purpose vehicle incorporated to hold the BEE shareholding in the Glenover project, of 4.99% resulting in a total interest in Glenover of 33.99%. The carrying amounts of Joint Ventures are shown net of impairment losses. Galileo's share of the equity accounted profit/loss for the Joint Venture is recognised from the date of acquisition on 4 July 2011.Refer to page 21 of the Operations Report for details of the Glenover project.

Enviro Zambia Limited

At 31 March 2018 Galileo's interest in Enviro Zambia Limited ("EZL") was accounted for as an investment in joint venture. Galileo subsequently gained control over EZL and increased its interest in the company to 85%. Refer to note 4 for details of investment in subsidiaries. Post the period under review and on 27 June 2019, Galileo acquired the remaining share capital of EZL.

Figures in Pound Sterling

5. INVESTMENT IN JOINT VENTURES AND ASSOCIATES (continued)

Summary of investment in joint venture – Glenover

	Group 31 March 2019	31 March 2018
Carrying value at the beginning of the year	**2,470,898**	2,325,144
Effect of change in translation currency	**(297,917)**	22,324
Equity accounted (loss)/profit for the year	**(16,474)**	123,430
Carrying value at year end	**2,156,507**	2,470,898
The Group's share of the Joint Venture investment in Glenover		
Summary of the Group's interests in the Joint Venture.		
Current assets	**516**	282
Non-current assets	**697,658**	892,758
Current liabilities	**(8,888)**	(2,849)
Non-current liabilities	**92,369**	(86,638)
Net assets	**781,655**	803,553
Income	**93**	3,057
Interest paid	**(340)**	(4,869)
Expenses	**(16,227)**	(26,589)
Loan forgiveness pursuant to revised funding arrangements	**–**	151,831
Taxation	**–**	–
Equity accounted (loss)/profit for the year	**(16,474)**	123,430
Made up as follows:		
Loss from operations	**(16,474)**	(28,401)
Loan forgiveness pursuant to revised funding arrangements	**–**	151,831
	(16,474)	123,430

Figures in Pound Sterling

6. LOANS TO/(FROM) JOINT VENTURES, ASSOCIATES AND SUBSIDIARIES

	Group		Company	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
Loans to/(from) subsidiaries				
Galileo Resources SA Proprietary Limited	**–**	–	**5,051,102**	4,970,516
Skiptons Global Investment Limited	**–**	–	**7,374**	6,155
St Vincent Minerals	**–**	–	**(856,081)**	(838,857)
	–	–	**4,202,395**	4,137,814

Loans to subsidiaries are interest free, unsecured and has no repayment terms.

	Group		Company	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
Loans to joint ventures and associates				
Glenover	**294,588**	133,454	**191,720**	77,167
SHIP – Concordia	**149,416**	150,942	**138,316**	138,316
	444,004	284,396	**330,036**	215,483
Non-current assets	**444,004**	284,396	**5,388,512**	5,912,154
Non-current liabilities	**–**	–	**(856,081)**	(838,857)
	444,004	284,396	**4,532,431**	4,353,297

Figures in Pound Sterling

7. OTHER FINANCIAL ASSETS

	Group		Company	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
Fair value through profit or loss-designated				
Galagen – Ordinary shares	**9**	10	**–**	–
Galagen – B Preference shares	**399,054**	453,926	**–**	–
	399,063	453,936	**–**	–

The above non-listed preference share investment represents the "B" class zero percent coupon rate preference shares issued by Galagen for its investment in Glenover as part of the BBBEE transaction.

Preference share dividends are not receivable as the share are represented by zero percent coupon rate and are only redeemable after three years.

	Group		Company	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
Loans and receivables				
Galagen This loan bears no interest and has no fixed terms of repayment.	**3,688**	4,195	**–**	–
Total other financial assets	**3,688**	4,195	**–**	–
Non-current assets				
At fair value through profit or loss – designated	**399,063**	453,936	**–**	–
Loans and receivables	**3,688**	4,195	**–**	–
	402,751	458,131	**–**	–

Fair value hierarchy of financial assets at fair value through profit or loss.

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy, which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets, which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs, which are not based on observable market data.

	Group		Company	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
Level 3				
Galagen – Ordinary shares	**9**	10	**–**	–
Galagen – B Preference shares	**399,504**	453,936	**–**	–
	399,513	453,936	**–**	–

Figures in Pound Sterling

7. OTHER FINANCIAL ASSETS (continued)

Reconciliation of financial assets at fair value through profit or loss measured at level 3

Group – 31 March 2019

	Opening balance	Foreign exchange movement	Gains or losses in profit or loss	Total
Galagen – Ordinary shares	**10**	**(1)**	**–**	**9**
Galagen – B Preference shares	**453,926**	**(54,422)**	**–**	**399,504**
	453,926	**(54,423)**	**–**	**399,513**

Group – 31 March 2018

	Opening balance	Foreign exchange movement	Gains or losses in profit or loss	Total
Galagen – Ordinary shares	10	–	–	10
Galagen – B Preference shares	450,431	3,495	–	453,926
	450,441	3,495	–	453,936

The Group has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

8. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	Group – 31 March 2019			Group – 31 March 2018		
	Loans and receivables	**Fair value through profit or loss – designated**	**Total**	Loans and receivables	Fair value through profit or loss – designated	Total
Other financial assets	**3,688**	**399,054**	**402,742**	4,195	453,936	458,131
Trade and other receivables	**42,920**	**–**	**42,920**	41,218	–	41,218
Cash and cash equivalents	**1,075**	**–**	**1,075**	539,301	–	539,301
	47,683	**399,054**	**446,737**	584,714	453,936	1,038,650

	Company – 31 March 2019			Company – 31 March 2018		
	Loans and receivables	**Fair value through profit or loss – designated**	**Total**	Loans and receivables	Fair value through profit or loss – designated	Total
Loans to Group companies	**5,388,512**	**–**	**5,388,512**	5,192,154	–	5,192,154
Other financial assets	**10,624**	**–**	**10,624**	10,624	–	10,624
Cash and cash equivalents	**2,804**	**–**	**2,804**	425,089	–	425,089
	5,401,940	**–**	**5,401,940**	5,627,867	–	5,627,867

Figures in Pound Sterling

9. TRADE AND OTHER RECEIVABLES

	Group 31 March 2019	Group 31 March 2018	Company 31 March 2019	Company 31 March 2018
Prepayments	**23,205**	20,680	**–**	–
Trade receivables	**2,090**	3,401	**–**	–
Other receivables	**17,625**	17,137	**10,624**	10,624
	42,920	41,218	**10,624**	10,624

The directors consider that the carrying amount of trade and other receivables approximates to fair value.

10. CASH AND CASH EQUIVALENTS

	Group 31 March 2019	Group 31 March 2018	Company 31 March 2019	Company 31 March 2018
Cash and cash equivalents consist of:				
Bank balances	**1,075**	539,301	**2,804**	425,089
	1,075	539,301	**2,804**	425,089

Credit quality of cash at bank and short-term deposits, excluding cash on hand.

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating	Group 31 March 2019	Group 31 March 2018	Company 31 March 2019	Company 31 March 2018
F1 + (ZAF)	**1,075**	539,301	**2,804**	425,089
	1,075	539,301	**2,804**	425,089

11. SHARE CAPITAL

	Group 31 March 2019	Group 31 March 2018	Company 31 March 2019	Company 31 March 2018
Authorised share capital				
Unlimited ordinary shares of 0.01 pence (2018: 0.01 pence)				
Issued share capital				
Reported as at 1 April 2018	**254,596,562**	195,874,062	**254,596,562**	195,874,062
Share issues	**50,000,000**	58,722,500	**50,000,000**	58,722,500
Reported as at 31 March 2019	**304,596,562**	254,596,562	**304,596,562**	254,596,562
Reconciliation of share capital:				
Ordinary shares of 0.1p	**304,597**	254,597	**304,597**	254,597
Deferred shares of 4.9p	**5,610,634**	5,610,634	**5,610,634**	5,610,634
Share premium	**19,525,088**	19,080,088	**19,525,088**	19,080,088
	25,440,319	24,945,319	**25,440,319**	24,945,319

Figures in Pound Sterling

11. SHARE CAPITAL (continued)

During the period under review the Company issued new ordinary shares as follows:

Date	Number of ordinary shares	Purpose of Issue
17 April 2018	50,000,000	Placing for cash

Post the period under review the Company issued new ordinary shares as follows:

Date	Number of ordinary shares	Purpose of Issue
2 May 2019	100,000,000	Placing for cash
27 June 2019	24,615,385	Acquisition*
27 June 2019	3,600,000	Settlement of debt

**Acquisition of further interest in (EZL) subsidiary*

12. SHARE-BASED PAYMENTS

Share option group	Number
Outstanding at the beginning of the year	9,700,000
Outstanding at the end of the year	9,700,000

During the financial period under review no new options were issued.

Outstanding options	Exercise from grant date
Options exercisable at £0.02 on or before 26/01/2022	9,700,000

A summary of options held by directors at year-end is given below.

Name	Number of options
Colin Bird	5,000,000
Chris Molefe	250,000
Richard Wollenberg	750,000
Andrew Sarosi	3,000,000

The above options were granted on 27 January 2017 at a strike price of £0.02 per share.

The options are exercisable at any time during a five-year period from the date of grant. The holders of options may exercise them at any time up to 26 January 2022. Options are valued using the Black Scholes model, a commonly used option-pricing model. The calculation of volatility used in the model is based upon the share price and equity instrument movements during the financial period. The following factors are all taken into consideration when the options are valued:

- Weighted average share price
- Expected volatility
- Expected dividends
- Stock price
- Exercise price
- Option life
- Risk free interest rate

The above model applies to all grants made after 1 October 2011. Share-based payments represent the value of unexercised share options to directors and employees. The charge for share options to profit and loss amounted to £ Nil (2018: £Nil).

Figures in Pound Sterling

13. FOREIGN CURRENCY TRANSLATION RESERVE

Translation reserve comprises exchange differences on consolidation of foreign subsidiaries, foreign exchange profits or losses on inter-company loan accounts and revaluation of foreign intangibles recognised as part of a business combination.

	Group		Company	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
Exchange differences on consolidation of foreign subsidiaries	**554,297**	205,481	**–**	–
Foreign exchange profits or losses on inter-company loan accounts	**(1,402,733)**	(750,862)	**–**	–
Foreign intangibles recognised as part of a business combination	**112,376**	77,539	**–**	–
	(736,060)	(467,842)	**–**	–

14. OTHER FINANCIAL LIABILITIES

	Group 31 March 2019	Group 31 March 2018	Company 31 March 2019	Company 31 March 2018
Held at amortised cost				
Fer-Min-Ore	**6**	7	**–**	–
Loans	**3,840**	3,572	**–**	–
Non-current liabilities	**3,846**	3,579	**–**	–
At amortised cost				
Current liabilities	**3,846**	3,579	**–**	–

15. TRADE AND OTHER PAYABLES

	Group 31 March 2019	Group 31 March 2018	Company 31 March 2019	Company 31 March 2018
Trade and other payables	**408,412**	299,549	**54,570**	153
Accrued expense	**169,583**	156,965	**169,583**	156,965
	577,995	456,514	**224,153**	157,118

16. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	Group – 31 March 2019		Group – 31 March 2018	
	Financial liabilities at amortised cost	**Total**	Financial liabilities at amortised cost	Total
Other financial liabilities	**3,846**	**3,846**	3,579	3,579
Trade and other payables	**577,995**	**577,995**	456,514	456,514
	581,841	**581,841**	460,093	460,093

	Company – 2019		Company – 2018	
	Financial liabilities at amortised cost	**Total**	Financial liabilities at amortised cost	Total
Trade and other payables	**224,153**	**224,153**	157,118	157,118
Loans from group companies	**856,081**	**856,081**	838,857	838,857
	1,080,234	**1,080,234**	995,975	995,975

Figures in Pound Sterling

	Group 31 March 2019	Group 31 March 2018	Company 31 March 2019	Company 31 March 2018
17. OPERATING LOSS				
Operating loss for the year is stated after accounting for the following:				
Operating lease charges				
Premises contractual amounts	**25,200**	30,507	**25,200**	30,507
Employee costs – including management	**148,858**	181,854	**106,900**	181,854
Profit on exchange differences	**5,847**	18,294	**5,847**	18,294
18. INVESTMENT REVENUE				
Interest revenue				
Bank interest	**3,993**	180	**149**	180
	3,993	180	**149**	180
19. TAXATION				
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting loss	**(416,784)**	(1,026,891)	**(329,556)**	(725,771)
Tax at the applicable tax rate of 19% (2018: 19%)	**(79,189)**	(195,109)	**(62,616)**	(131,721)
Tax effect of adjustments on taxable income				
Expenses not allowed for tax purposes	**5,373**	99,915	**4,352**	26,280
Tax on equity accounted profits	**(3,130)**	23,452	**–**	–
Tax losses carried forward	**76,946**	71,742	**58,264**	105,441
	–	–	**–**	–

No provision has been made for 2019 tax as the Company has no taxable income. The estimated tax loss available for set off against future taxable income is £1,904,931 (2018: £1,827,985). The Company has not reflected a deferred tax asset in respect of the losses carried forward as the Company is not expected to generate taxable profits in the foreseeable future.

	Group 31 March 2019	Group 31 March 2018	Company 31 March 2019	Company 31 March 2018
20. AUDITORS' REMUNERATION				
Current year	**20,455**	24,870	**6,500**	19,300

21. OTHER COMPREHENSIVE INCOME

Components of other comprehensive income	**Group – 31 March 2019 Gross**	**Tax**	**Net**	Group – 31 March 2018 Gross	Tax	Net
Exchange differences through other comprehensive income	**(268,218)**	**–**	**(268,218)**	(160,288)	–	(160,288)

Figures in Pound Sterling

22. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Basic earnings per share was based on a loss of £416,874 (2018: loss of £1,026,891) and a weighted average number of ordinary shares of 302,952,726 (2018: 227,388,473).

	Group	
	31 March 2019	31 March 2018
Reconciliation of loss attributable to equity holders of the parent to loss for the year		
Profit or loss for the year attributable to equity holders of the parent	**(685,002)**	(1,187,179)
Adjusted for:		
Foreign exchange movements during the year	**268,218**	160,288
Loss for the year	**(416,784)**	(1,026,891)
Loss per share		
Basic loss per share (pence)	**(0.14)**	(0.45)

23. CASH USED IN OPERATIONS

	Group		Company	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
Loss before taxation	**(416,784)**	(1,026,891)	**(329,556)**	(725,771)
Adjustments for:				
Profit/(loss) from equity accounted investments	**16,474**	(123,430)	**–**	–
Investment revenue	**(3,993)**	(180)	**(149)**	(180)
Impairment of loans to group companies and associates	**–**	525,870	**–**	138,316
Other non-cash items	**(17,994)**	(25,892)	**–**	–
Changes in working capital:				
Trade and other receivables	**(1,702)**	(10,696)	**–**	(10,624)
Trade and other payables	**121,481**	62,543	**67,035**	97,713
	(302,518)	(598,676)	**(267,670)**	(500,546)

24. COMMITMENTS

The Group had no material commitments at the year-end date.

Figures in Pound Sterling

	Group		Company	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
25. RELATED PARTY BALANCES AND TRANSACTIONS				
Loan accounts – owed by related parties				
Glenover	**294,587**	133,454	**191,720**	77,167
SHIP – Concordia	**149,416**	150,942	**138,316**	138,316
Amounts paid – to related parties				
Lion Mining Finance Limited ("LMF").	**30,240**	36,360	**30,240**	36,360

Galileo paid rent and administrative service cost to LMF. Colin Bird is a director of both Galileo and LMF.

Refer to note 27 for details of directors remuneration and note 11 for details of options granted to directors.

	Group		Company	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
26. EMPLOYEE COST				
Salaries and wages	**8,400**	9,200	**8,400**	9,200
Average number of employees	**1**	1	**1**	1

27. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS

	Group and Company		
	Directors' fees Charge for the year	**Share[1] based payment**	**Total**
Executive			
2019			
Colin Bird	**32,500**	**–**	**32,500**
Andrew Sarosi	**30,000**	**–**	**30,000**
	62,500	**–**	**62,500**
2018			
Colin Bird	35,000	–	35,000
Andrew Sarosi	32,500	–	32,500
	67,500	–	67,500
Non-executive			
2019			
Christopher Molefe	**15,000**	**–**	**15,000**
Richard Wollenberg	**15,000**	**–**	**15,000**
	30,000	**–**	**30,000**
2018			
Christopher Molefe	15,000	–	15,000
Richard Wollenberg	15,000	–	15,000
	30,000	–	30,000

Figures in Pound Sterling

27. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS (continued)

At year end an amount of £137,083 (2018: £121,250) was accrued towards outstanding director fees payable as follows:

	At 31 March 2019	At 31 March 2018
Colin Bird	48,333	43,750
Andrew Sarosi	47,500	43,750
Richard Wollenberg	37,500	33,750
Chris Molefe	3,750	–
Total	**137,083**	**121,250**

Directors' interests in the Company's share option scheme at the date of this report were as follows:

	At 31 March 2019	At 31 March 2018
Beneficial owner	Options	Options
Colin Bird	5,000,000	5,000,000
Andrew Sarosi	3,000,000	3,000,000
John Richard Wollenberg	750,000	750,000
Chris Molefe	250,000	250,000

	Group		Company	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
Executive management	**77,958**	85,620	**36,000**	56,155

28. RISK MANAGEMENT

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of cash and cash equivalents disclosed in note 10 and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out under policies approved by the Board. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Figures in Pound Sterling

28. RISK MANAGEMENT (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The Group's risk to liquidity is a result of the funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the Group's financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group

At 31 March 2019	Less than 1 year	Between 2 and 5 years
Trade and other payables	**577,995**	**–**
Other financial liabilities	**–**	**3,846**

At 31 March 2018	Less than 1 year	Between 2 and 5 years
Trade and other payables	456,514	–
Other financial liabilities	–	3,579

Company

At 31 March 2019	Less than 1 year
Trade and other payables	**224,153**

At 31 March 2018	Less than 1 year
Trade and other payables	157,118

Interest rate risk

The Group's interest rate risk arises from cash held and short-term deposits. The Company does not face any significant interest rate risk as it has no borrowings.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Financial assets exposed to credit risk at year-end were as follows:

	Group		Company	
Financial instrument	**31 March 2019**	31 March 2018	**31 March 2019**	31 March 2018
Trade and other receivables	**42,920**	41,218	**10,624**	10,624
Cash and cash equivalents	**1,075**	539,301	**2,804**	425,089
Other financial assets	**402,751**	458,131	**–**	–
Loans to Group companies and other related entities	**–**	–	**5,388,512**	5,192,154

Figures in Pound Sterling

28. RISK MANAGEMENT (continued)

Foreign exchange risk

The Group is exposed to fluctuations in foreign currencies arising from having deposits in various currencies as well as the purchase of goods and services in currencies other than the Group's measurement currency.

Galileo Group operates internationally and the USD exposed to foreign exchange risk arising from various currency exposures primarily with respect to the ZAR, the CAD, the USD, the ZMW and Pound Sterling. Galileo Group is exposed to currency risk on cash reserves, deposits received, trade receivables, and trade payables. The most significant of these being the inter-company loans, which it holds with its subsidiaries Galileo Resources SA (ZAR) and St Vincent Minerals (CAD and USD).

The Group does not hedge its foreign exchange on funding of projects as management is of the opinion that it would not have reduced these foreign currency fluctuations. Currency movements mainly include movements that arise as a result of South African Rand denominated projects that are revalued at each period end.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

The table below classifies the Group's foreign currency risk between the different functional currencies as at year-end, and the respective balance thereof: Exchange rates used for conversion of foreign items were:

ZAR : £ (Average)	1 : 0.0555	(2018: 1 : 0.0581)
ZAR : £ (Spot)	1 : 0.0529	(2018: 1 : 0.0601)
USD : £ (Average)	1 : 0.0729	(2018: 1 : 0.7546)
USD : £ (Spot)	1 : 0.0689	(2018: 1 : 0.7134)

The Group reviews its foreign currency exposure, including commitments on an ongoing basis.

29. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the Company and that the operations have the continued support of the holding company.

The directors have also considered the Group's ability to fund its planned projects and general operating costs. They consider the Group as sufficiently funded and anticipate that as projects come on line, the new cash raised will be sufficient to further develop current and future planned projects and provide adequate working capital. Throughout the development of projects, executive management and the directors will monitor the timing and funding requirements of each project to ensure that the Group remains a going concern.

30. SEGMENTAL REPORTING

Business unit

The Company's investments in subsidiaries and associates, that were operational at year-end, operate in two geographical locations being South Africa, Zambia and USA, and are organised into one business unit, namely Mineral Assets, from which the Group's expenses are incurred and future revenues are expected to be earned. This being the exploration for and extraction of its mineral assets through direct and indirect holdings. The reporting on these investments to the board focuses on the use of funds towards the respective projects and the forecasted profit earnings potential of the projects.

30. SEGMENTAL REPORTING ON INCOME AND LOSSES ATTRIBUTABLE TO VARIOUS OPERATIONAL SEGMENTS (continued)

Geographical segments

An analysis of the loss before taxation is given below:

		31 March 2019 Loss from operating activities (£)	31 March 2018 Loss from operating activities (£)
Rare earths, aggregates and iron ore and manganese	**South Africa**	**(16,474)**	123,430
Gold, Copper	**USA**	**(793)**	(292,352)
Corporate costs and impairments South Africa and	**United Kingdom**	**(399,517)**	(857,969)
Loss before taxation		**(416,784)**	(1,026,891)

	Corporate (UK)	Corporate (South Africa)	Gold/Copper (South Africa)	Zinc Zambia	Total
Non-current Assets	330,036	2,673,225	1,582,887	1,272,968	5,859,117
Current Assets	13,428	3,469	27,037	–	43,995
Non-current liabilities	–	(6)	(3,840)	–	(3,846)
Current liabilities	(233,988)	(34,925)	(309,089)	–	(577,995)
Net assets	109,477	2,641,764	1,296,996	1,272,968	5,321,272

31. EVENTS POST BALANCE SHEET

31.1 Issue of shares post year end

31.1.1 On 2 May 2019, Galileo raised £500 000 in placing, before expenses, to fund its operations and advance its Star Zinc project.

31.1.2 On 24 June 2019 Galileo announced that, pursuant to the Binding Heads of Terms (“Binding Heads”) (as announced on 13 September 2018) and more specifically paragraph 13.2 therein, it has exercised its right, at its sole election and risk, to proceed with the acquisition of the Kabwe Residual Rights, including the Kashitu Zinc willemite exploration prospect ("Kashitu Zinc") and the remaining 15% of the shares, that Galileo currently does not hold in Enviro Zambia Limited (the "Sale Shares") (together the "Acquisition") (even if the terms of the Transaction documents have not yet been agreed), by giving notice in writing (the "Completion Notice") to the BMR Group plc ("BMR") to proceed.

The consideration for the Acquisition comprises a cash component of £50,000 and the issuance of 15,000,000 Galileo ordinary shares ("Consideration Shares") of par 0.1p ("Ordinary Share") to BMR at a price of 1.15p per Ordinary Share. Also, in terms of the Binding Heads, Galileo has elected and BMR has agreed to the issuance of 9,615,385 Galileo ordinary shares priced at 0.52p ("Additional Consideration Shares'') in lieu of the £50,000 cash payment.

As a result of the Acquisition, Galileo increased its interest in Enviro Zambia Limited from 85% to 100%. Enviro Zambia Limited owns 95% of Enviro Processing Zambia Limited, to which Star Zinc's large-scale exploration license 19653-HQ-LEL remains to be transferred, subject to Zambian regulatory approval, from a wholly owned subsidiary of BMR, Enviro Processing Limited.

Pursuant to the above, 24,615,385 new Galileo shares were allotted and admitted to AIM on 27 June 2019.

31.1.3 On 27 June 2019 Galileo issued 3,600,000 new ordinary shares in lieu of broker fees priced at 0.50p per Ordinary Share.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Galileo Resources Plc will be held at Fladgate LLP, 16 Great Queen Street, London, WC2B 5DG, on 17 September 2019 at 14:00 p.m., for the following purposes:

To consider and, if deemed fit, to pass resolutions 1 – 7 as ordinary resolutions and resolutions 8 – 9 as special resolutions.

ORDINARY BUSINESS

Resolution number 1

To receive the reports of the directors and auditors and the financial statements for the year ended 31 March 2019 for the Group and the Company.

Resolution number 2

To re-elect Colin Bird as a Director of the Company.

Resolution number 3

To re-elect Richard Wollenberg as Director of the Company.

Resolution number 4

To confirm the appointment of Chapman Davis LLP as statutory auditor of the Company from the conclusion of this meeting to the conclusion of the next shareholder meeting, at which the reports of the directors and auditors and the financial statements are laid before the Company.

Resolution number 5

To authorise the Directors to determine auditors' remuneration for the year ended 31 March 2019.

Resolution number 6

That the Directors be generally and unconditionally authorised, pursuant to and in accordance with section 551 of the Companies Act 2006 of the United Kingdom ('the Act'), in substitution for all previous powers granted to them thereunder, (but without prejudice to the continuing power of the directors):

(i) to allot shares in the Company or grant rights, warrants or options to subscribe for, or convert any relevant security into shares in the Company (together "Relevant Securities") pursuant to an offer or agreement made by the Company before the date that this resolution is passed; and

(ii) to exercise all the powers of the Company to allot and make offers to allot relevant securities up to an aggregate nominal amount £100 517 (representing approximately 33% of the total issued share capital of the Company, as at the last practicable date prior to the publication of the Notice of meeting)

such authority shall, unless previously renewed, extended, revoked or varied by the Company in general meeting, expire on the conclusion of the next Annual General Meeting of the Company or 30 September 2020 (whichever is earlier) provided that the Company may, at any time before such expiry, make an offer or enter into an agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities pursuant to any such offer or agreement; as if the authority conferred hereby had not expired.

Resolution number 7

In accordance with the Disclosure and Transparency Rules this resolution must now be passed to allow the Company to use electronic forms of communication. Your Board is proposing that they should be given authority to supply documents and make information to members available on the website. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually to agree that the Company may send or supply documents or information to him/her by means of the website. The Company must either have received a positive response or have received no response with the period of 28 days, beginning with the date on which the request was sent. Shareholders can complete the form enclosed with the Notice and return it to the address indicated on the form. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

SPECIAL BUSINESS

Resolution number 8

Resolved that, subject to the passing of resolution 6, the directors be and they are hereby empowered in substitution for any such power previously granted pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the authority referred to in resolution 6 above, as if section 561(1) of that Act or any pre-emption provisions contained in the articles of association of the Company or otherwise did not apply to any such allotment, provided that this power:

(a) shall be limited to the allotment of equity securities up to an aggregate nominal amount of £304 597 representing 100% of the Company's issued share capital; and

(b) shall expire on the date of the next Annual General Meeting of the Company or 15 months from the passing of this resolution, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the board may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

Resolution number 9

This resolution seeks Shareholder approval to authorise the Company to, at its discretion, issue shares to directors in lieu of directors' deferred remuneration and allowances over the period to 30 September 2020.

Shares issued in lieu of directors' remuneration will be issued on a quarterly basis for services that have been provided to the Company during that quarter (payment in arrears). The shares shall be issued at a price representing the quarterly average weighted share price.

If Shareholder approval is not obtained, directors' remuneration will accrue on a non-cash basis to the directors. The shares will be issued at the average share price over the quarter during which the services have been rendered.

By order of the board

Registered office:
7/8 Kendrick Mews
London, SW7 3HG

23 August 2019

NOTES

(1) A member of the Company may appoint one or more proxies to attend, speak and vote instead of the member. A proxy of a member need not also be a member. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share.

(2) The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, must be deposited with the Company's Registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD no less than 48 hours (excluding non-business days) before the time for holding the meeting. A Form of Proxy accompanies this document for use by members.

(3) Completion of the Form of Proxy will not preclude a member from attending and voting in person.

(4) A corporation which is a member of the Company may authorise a person (who need not be a member of the Company) to act as its representative to attend, speak and vote (on a show of hands or a poll) on its behalf. Holders of ordinary shares are entitled to attend and vote at General Meetings of the Company. On a vote by a show of hands, every member who is present has one vote and every proxy present who has been duly appointed by a member entitled to vote has one vote, unless the proxy has been appointed by more than one member and has been instructed by more than one member to vote for the resolution and by one or more members to vote against the resolution, in which case the proxy has one vote for and one against. On a poll vote, every member who is present in person or by proxy has one vote for every ordinary share of which he/she is the holder.

(5) To be valid this proxy must be completed and signed and sent or delivered to the Company's Registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD no later than 14:00 p.m. on 13 September 2019.

(6) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 as amended the Company specifies that only those shareholders registered in the Register of Members of the Company as at 14:00 p.m. on 13 September 2019 (the "Specified Time") shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the relevant register of members (the "Register") for certificated or uncertificated shares of the Company after the Specified Time shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting. Should the Annual General Meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of shareholders to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Annual General Meeting. Should the Annual General Meeting be adjourned for a longer period, to be so entitled, shareholders must have been entered on the Register at the time which is 48 hours (excluding non-business days) before the time fixed for the adjourned Annual General Meeting or, if the Company gives notice of the adjourned Annual General Meeting, at the time specified in the Notice.

(7) There are no Directors' service contracts of more than one year's duration.

(8) Copies of Contracts of Service and letters of appointment (including indemnities) between any director and the Company or its subsidiaries are available for inspection at the registered office of the Company during normal business hours and will also be available for inspection at the place of the Annual General Meeting until the conclusion of the Annual General Meeting.

(9) CREST members who wish to appoint a Proxy or Proxies through the CREST electronic Proxy appointment service may do so for the Annual General Meeting and any adjournment thereof by using the procedures described in the CREST manual. CREST personal members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a Proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCO's specifications and must contain the information required for such instructions, as described in the CREST manual. All messages relating to the appointment of a Proxy or an instruction to a previously appointed proxy must be transmitted so as to be received by Neville Registrars Limited (ID: 7RA11) no later than 14:00 p.m. on 13 September 2019. Normal system timings and limitations will apply in relation to the input of CREST Proxy Instructions. It is therefore the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable their CREST sponsor(s) or voting service provider(s) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 as amended.

(10) As at 22 August 2019, being the last practicable date before the date of this Notice there were 432,811,947 ordinary shares in issue, each with equal voting rights. The total number of voting rights in the Company as at 22 August 2019, being the last practicable date before the date of this Notice is 432,811,947. Holders of ordinary shares are entitled to attend, speak and vote, either in person or by proxy, at General Meetings of the Company.

For your notes

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