ANNUAL REPORT

2021

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* Edward P Slowey – *Technical Director* Joel M Silberstein – *Finance Director* Christopher Molefe – *Non-Executive Director* John Richard Wollenberg – *Non-Executive Director*		
Secretarial Services	Link Company Matters Limited 6th Floor, 65 Gresham Street, London, United Kingdom, EC2V 7NQ	**Registrars**	Neville Registrars Neville House, Steelpark Road Halesowen, West Midlands, B62 8HD
Registered Office	7/8 Kendrick Mews London, SW7 3HG United Kingdom	**Banker**	National Westminster Bank Plc 186 Brompton Road London, SW3 1XJ
Auditors	PKF Littlejohn LLP 15 Westferry Circus London, E14 4HD United Kingdom	**Nominated Advisor**	Beaumont Cornish Limited Building 3 566 Chiswick High Road London, W4 5YA
Joint Broker	Novum Securities Limited 8-10 Grosvenor Gardens London, SW1W 0DH	**UK Solicitors to the Company**	Fladgate LLP 16 Great Queen Street London, WC2B 5DG
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 challenging for the world in general, but Galileo has maintained its momentum despite all of the problems received from the COVID-19 pandemic. Remote communications and logistic difficulties have been our main challenge. I am pleased to report that none of our team has suffered ill effect from the COVID-19 health crisis.

Kalahari Copperbelt: Botswana

On the 7th of May 2020, we announced a major copper exploration acquisition in the Kalahari Copperbelt in Botswana, which consisted of 21 exploration licences, totalling some 15,000km² in the Northern region of the belt. The areas acquired are in relatively close proximity to mining areas being developed by Sandfire Resources and Cupric Canyon Resources.

In August 2020 we commenced planning and execution of an heliborne electromagnetic geophysics programme together with a reconnaissance soil sampling survey. The programme was carried out over four licences PL250 and PL251, as well as PL40 and PL39 and results received from the flying indicated an environment potentially conducive to Kalahari style copper mineralisation.

In October 2020, we acquired five further licences by acquiring Africibum Co Pty Ltd, which again are very prospective in that some of the licences had previous reconnaissance drilling, which intercepted mineralisation, typical for that part of the Kalahari Copperbelt.

In late January 2021, we announced a conditional licence sale agreement with Sandfire Resources, an Australian listed company. The agreement is for the transfer of certain licences of potentially strategic value to Sandfire for a settlement of US$3 million, half in Sandfire shares and half in cash. The agreement requires Sandfire to incur exploration expenditure of US$4 million within two years of settlement and thereafter, if success is achieved in reporting an ore reserve under the JORC Code 2012 which exceeds 200,000 tonnes of contained copper, Galileo will be due a success payment in the range of US$10 million to US$80 million.

On 16 September 2021, we announced that all the conditions precedent had been met in relation to the sale agreement with Sandfire and at the date of this report, the Company had received US$1.5M in cash for the 9 Kalahari Copper Belt licences being sold.

Sandfire Resources is a successful Australian copper and gold producing company with a market capitalisation of over A$1 billion and a large and successful operation in Botswana where they have recently been awarded a mining licence and we look forward to our association with them.

Star Zinc: Zambia

During the period under review, we advanced discussions and licencing activities for the Star Zinc Project in Lusaka, Zambia. The area of the high grade willemite mineralisation is well defined and suitable for small scale mining activities. The potential mine, however, is in the midst of a very rapidly developing municipality and the activities associated with mining and processing in such circumstances requires a close relationship with the community and a strong local presence. Taking this into account we considered that a conditional agreement with Siege Mining was the best route to developing the property as this provides for the ownership and operational responsibilities to be assumed by a Zambian mining company, whilst the Company can still participate in the future success of the Star Zinc Project. The arrangement reached with Siege, involves an initial US$50,000 payment and US$700,000 thereafter against certain deliverables, after which the Company receives a turnover based royalty.

Preliminary mining has commenced and trial shipments of willemite ore are currently on the ocean and will be tested for suitability shortly.

Kashitu Project: Zambia

The Company is currently assessing a work programme for the Kashitu Project, located 6km from the Sable Zinc Refinery in Zambia. Desk research has indicated the potential for a significant near surface resource of veined willemite. At the time of writing the Company is designing a drill programme to test quantity and grade of the willemite showings.

Glenover Project: South Africa

The Glenover Project in South Africa, which contains rare earth stockpiles and primary rare earth potential, has attracted the interest of a number of potential partners and acquirers, with one company being particularly interested in the entire proposition. Major test work has been carried out on the orebody and stockpiles to assess the potential and processing complexities to include fertilizer production materials, vermiculite and, of course, rare earths.

During the period under review, we have seen renewed interest in the production of non-Chinese rare earth production and the overall value of the project may have increased and could increase further should the interest be maintained.

The potential to conclude a commercial arrangement for part or all of the property exists for the 4th quarter of 2021. All of the test work carried out under the period under review belongs to Glenover and as such we have a strong platform to develop one or more of the opportunities from a much stronger test work basis.

Ferber Project: Nevada USA

Whilst limited work has been carried out at the Ferber Project, Nevada, USA, we have renewed our licences and intend to carry out reconnaissance exploration before year end. We feel this is prudent in the light of future forecasts for copper and gold, both of which has been evidenced at the property.

Prospects

The Galileo portfolio of projects are all at an interesting stage, in good jurisdictions and in commodities which are forecasted to show strong price growth, particularly copper.

We are very excited about our position in Botswana and feel the propensity for success is very high, compared to our peers. Since the commencement of the year, finance has been available for IPOs and secondary placings at a level not witnessed for many years and as such your Company is relatively well funded to meet its exploration obligations and requirements.

At the time of writing there exist many major geopolitical, trade and health threats facing the world and I am not convinced that the buoyant stock markets can be maintained against all of the threats, notwithstanding the spectre of inflation looming around the corner. Against all of these uncertainties the Company will use best endeavours to deploy its cash resourcefully, whilst being mindful of the fact that next year might present a very different mining investment climate.

Uncertainty generally brings extreme caution, but your Board remains of the view, that the opportunities presented by the global warming prevention requirements are tantamount to an industrial revolution and that copper will become the oil of the early 1970s. Against all this we remain motivated to increase our copper portfolio to be in the right place when the acquisition frenzy inevitably commences, which we expect to be during 2023.

I would like to thank my fellow directors, management, and employees for the efforts during the year under review and repeat my assertion that the Company has a broad-based portfolio, anyone of which constituents could return a significant enhanced value to shareholders.

In conclusion, I would like to thank the shareholders for their support during the year and assure all that the team will employ best efforts to produce the returns expected from a venture capital market.

Colin Bird
Chairman
29 September 2021

Strategic Report –
Operations Report

Edward P Slowey
Technical Director

Highlights
BOTSWANA
Acquisition of Exploration Assets in Botswana
Period Under Review

- Galileo acquired 100% of Botswana-incorporated Crocus-Serv (Pty) Ltd ("Crocus"), whose assets comprise 21 copper and nickel-PGE (Platinum Group Elements) exploration Prospecting Licences ("PLs") in the highly prospective Kalahari Copper Belt ("KCB") and the Limpopo Mobile Belt ("LMB") in western and eastern Botswana respectively. The consideration of £163,020 for the acquisition comprised the issue of a total 38,814,246 new Galileo ordinary shares of 0.1p at 0.42p each and a separate cash payment of £10,828.

- The Company commenced development of an exploration programme for the KCB properties, primarily comprising a helicopter-borne EM-Magnetic geophysical survey over the most prospective parts of four of the licence areas designed to identify structural settings favourable for the accumulation of copper mineralisation.

- The Company's subsidiary, Crocus, submitted, in terms of the Botswana Environmental Assessment Act (2011), a draft environmental management plan (EMP) for the KCB project to the Department of Environmental Affairs (DEA) Botswana for review.

- In September 2020 Galileo announced a further agreement to acquire 100% of Africibum Co (Pty) Ltd, and its interest in five prospecting licences and two prospecting licence applications in the Kalahari Copper Belt in Botswana.

- The Africibum licences include the Quirinus copper-silver prospect with historic shallow drill intercepts in a three-hole RC drilling programme which include 4m @ 1.7% Cu, 13g/t Ag and 6m @ 0.9% Cu, 14g/t Ag. The intercepts occur within a series of copper-in-soil anomalies that extend for 13.4km in total, much of it untested.

- The Quirinus prospect lies within 15km of major copper-silver discoveries, part of Cupric Canyon Capital's Khoemacau Project.

- In January 2021, Galileo announced the sale of 9 Kalahari Copper belt licences for US$3 million to ASX listed Sandfire Resources Ltd ("Sandfire"). The sale includes a first right of refusal in relation to the acquisition of 15 KCB licenses being retained by the Company as well as an exploration commitment by Sandfire to spend US$4 million on the 9 included licenses.

Post Period Under Review

- The Company reported on the results of the interpretation work on the airborne geophysical survey data over prospecting licences PL40 and PL39. Several targets were identified for drill testing and a contract was signed with a local drilling company to commence a drill programme in May 2021.

- On 16 September 2021, the Company reported that all the conditions precedent had been met in relation to its conditional licence sale agreement with ASX listed Sandfire entered into in January 2021. As at the date of this report, the Group had received US$1.5M in cash for the 9 Kalahari Copper Belt licences being sold.

SOUTH AFRICA
Glenover Phosphate Project ("Glenover")
Period under review

- The final tailings facility design report was completed by Golder in November 2020 and was submitted to the Department of Water & Sanitation for its adjudication. Glenover continued to identify potential investors in the Glenover project and initiated preliminary discussions, which are ongoing.

Post Period Under Review

- Glenover received confirmation that DWS had approved their tailings facility design and waste management plan for the purpose of our mining right application and NNR has approved its nuclear license to process stockpile material into organic fertilizer with a partner who is performing trials in the Agri market for long term offtake.

- Glenover is now in the process of securing a guarantee for environmental remediation.

ZAMBIA
Period under Review
Star Zinc & Kashitu

- Galileo agreed an optimal arrangement ("Arrangement") with BMR to assume the rights to BMR's Mauritian subsidiary, Enviro Mining Limited ("EML") and its wholly owned Zambian subsidiaries, which latter include, amongst other things the title to licences for Star Zinc and Kashitu (zinc willemite) projects. The Arrangement, which was subject to Zambian Ministry ("ZM") approval, is for nil consideration since the Company has earned-in 100% rights to the two projects.

- On 25 November 2020 Galileo announced that it had signed a marketing agreement with Zopco S.A. ("ZopCo") in relation to the potential sale of zinc willemite ore from the group's 95% owned Star Zinc project. Zopco is a Geneva based independent trading company focussed on non-ferrous metals and concentrates.

- On 29 January 2021, Galileo announced that it had decided to cease seeking Ministry approval and therefore would no longer be assuming the rights from BMR.

- On 3 March 2021 Galileo announced it entered into a conditional agreement with Siege Mining Limited ("Siege") in relation to the ceding of ownership and operation of the Star Zinc Project for US$750,000. At Kashitu the Company reported that it was planning an exploration programme for 2021 with the primary objective of developing a resource for the supply to a nearby refinery and / or the raw ore export market.

Post Period under Review

- The Zambian consultancy group GeoQuest Limited, was engaged to assist in compiling extensive historic exploration data for the Kashitu zinc project and this data were then forwarded to Addison Mining Services of the UK for the generation of exploration target 3D models for internal evaluation and drill planning purposes. This work is ongoing with the aim of identifying drill sites with the potential to delineate high grade zinc resources for early development.

Financials

- Earnings per share 0.01 pence compared to a loss of 0.14 pence per share for the comparative period (2020).

- Operating expenses for the period under review of £1,461,566 compared to £630,384 (2020).

OPERATIONS

FUND RAISING

Period Under Review

In June 2020, the Company raised £900,000 before expenses (1 June 2020: AIM – RNS number 45490) by way of a placing of 112,500,000 Galileo ordinary 0.1p shares at a 14% discounted price of 0.8 p per share.

Post Period Under Review

In June 2021, the Company raised approximately £2,000,000 before expenses (1 June 2021: AIM – RNS number 3048A) by way of a placing of 133,666,664 ordinary shares of 0.1p each at a 10.71% discounted price of 1.50p per Share.

BOTSWANA

Kalahari Copper Belt (KCB)

Project Description

The KCB, approximately 800km long by up to 250km wide, is a northeast-trending Meso- to Neoproterozoic belt that occurs discontinuously from western Namibia and stretches into northern Botswana along the northwestern edge of the Paleoproterozoic Kalahari Craton.

The belt contains copper-silver mineralisation, which is generally strata-bound and hosted in metasedimentary rocks of the D'Kar Formation near the contact with the underlying Ngwako Pan Formation. The hanging wall-footwall redox contact is a distinctive target horizon that consistently hosts copper-silver mineralisation in fold-hinge settings.

Stratigraphic units and mineralisation generally dip at 30-70 degrees and ore zones range from 2m to >30m in width. The geological setting is similar to that of the major Central African Copper Belt and Kupferschiefer in Poland. Most of the Botswana KCB is covered by 2m to 60m of Tertiary age Kalahari Group sands. The sand cover impacts general surface geological mapping and geochemistry and most information is obtained from soil geochemistry, trenching and especially geophysical surveys and drilling.

Exploration by a number of companies over recent years has resulted in the discovery of several copper-silver prospects and deposits. Larger prospects have been identified by Cupric Canyon Capital ("Cupric") and Sandfire Resources ("Sandfire") (by acquisition of MOD Resources).

Cupric's Khoemacau-Boseto Project comprises several zones of copper-silver mineralisation over a 4km strike and extending to greater than 1,200m depth, with a reported combined resource of 500Mt grading 1.4% Cu and 17g/t Ag. Cupric is currently planning development of an underground mine at the project.

Sandfire's licences are located southwest of the Khoemacau Project in the central portion of the KCB. They recently announced that full-scale construction and development is underway at their new Motheo Copper Mine for which they have received a mining licence. They also advanced exploration of the nearby A4 Dome discovery which is a potential source of further ore feed to the Motheo mine, with recent drill intercepts reported up to 35.7m at 7.1% Cu and 116g/t Ag.

Period Under Review

Galileo completed the acquisition of 100% of Botswana-incorporated Crocus-Serv (Pty) Ltd. ("Crocus") having satisfied the Conditions Precedent in terms of the Heads of Agreement ("HoA") (as announced 7 May 2020 – RNS number 3266M). Crocus's assets included 21 exploration Prospecting Licences ("PLs") of which 19 were in the highly prospective Kalahari Copper Belt ("KCB") and 2 were in the Limpopo Mobile Belt ("LMB") in the western and north eastern Botswana respectively. The PLs covered a total area of 14,875 square kilometres.

In terms of the HoA, the Company issued as consideration a total 38,814,246 new Galileo ordinary shares of 0.1p at 0.42p each to Crocus (the Consideration Shares) and committed to a cash payment of £10,828 (Vendor Cash Consideration).

Figure 1: Location of Botswana Kalahari Copper Belt ("KCB") & Limpopo Mobile Belt ("LMB") Projects – Botswana project location map

Following detailed review of data for both the KCB and LMB areas, it was decided to focus fully on the KCB which was perceived to have a considerably higher probability of new deposit discovery with the potential to realise significant value for the Company. The Limpopo licences were therefore relinquished.

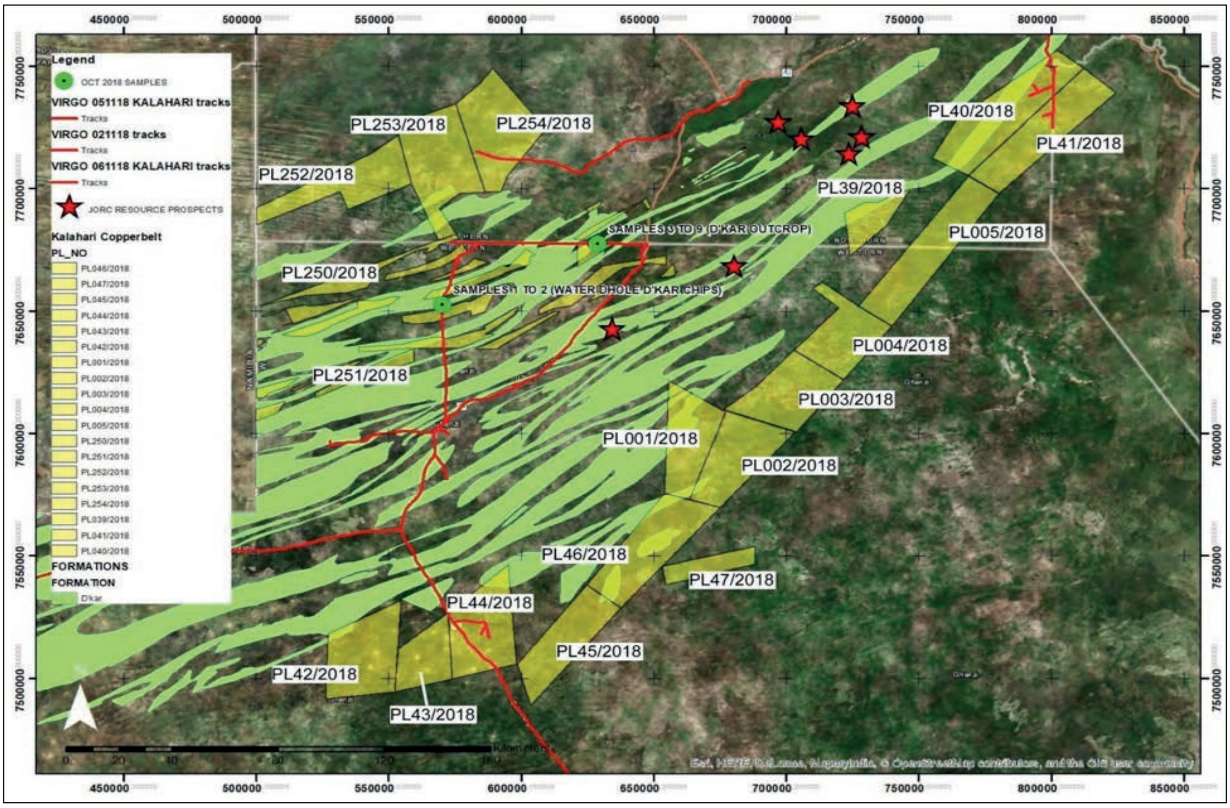

Figure 2: Kalahari Copper Belt – location of prospecting licences (in yellow) in relation to the prospective D'kar Formation host unit (in green)

An Environmental Management Plan ("EMP") for the Kalahari project was prepared by the Company and approved by the Botswana Department of Environmental Affairs.

Galileo commenced an exploration programme over four of its priority KCB exploration licences, PL's 40, 39, 250 & 251, primarily comprising High-Resolution Helicopter-Borne Electromagnetic (EM) and Magnetic geophysical surveying designed to highlight structural and mineralisation targets. Historically, airborne EM surveying has been one of the main exploration tools that have been responsible for the discovery of copper-silver deposits throughout the KCB. It has mainly been utilised as an exploration tool for understanding the geological setting of the various KCB stratigraphic units under the Kalahari sands, as well as for direct sulphide deposit detection.

The Galileo survey, comprising 3,269 line kilometres @ 200-250m flight line spacing, was undertaken by New Resolution Geophysics, based in South Africa. The data obtained was of excellent quality and was processed and interpreted on Galileo's behalf by Spectral Geophysics, a consultancy highly experienced in processing geophysical data from the Kalahari region, and which was instrumental in the discovery of the high grade A4 Dome copper-silver deposit for Sandfire Resources. Geological interpretation was then carried out by the Company's in-house team which has extensive background in discovery of major copper deposits in the KCB. Several highly prospective geological settings were identified for near-term drill testing.

Figure 3: Early morning helicopter take-off for EM surveying

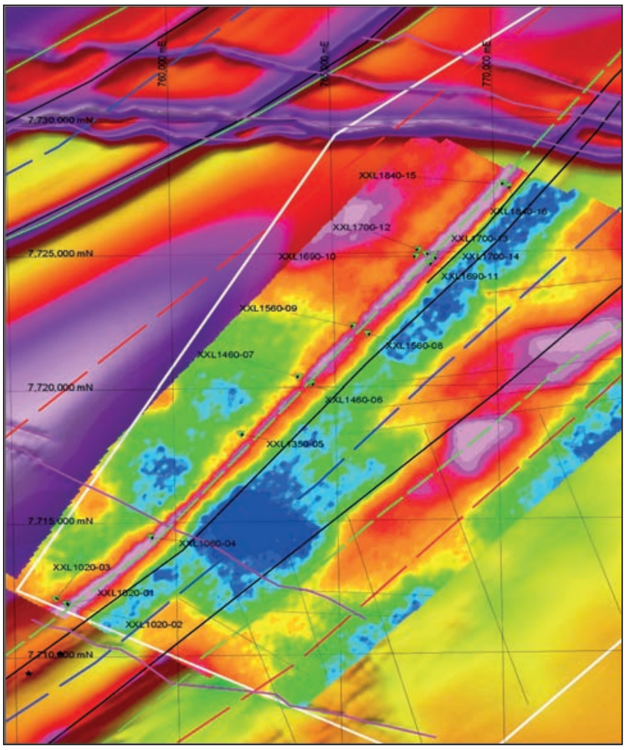

Figure 4: Airborne EM image of part of PL40/2018 (outlined in white) showing linear EM anomaly (purple/red) related to conductive marker unit sitting above target horizon. Proposed/possible drill holes sites indicated by green triangles

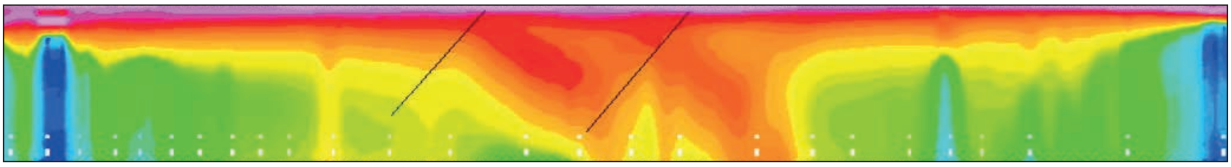

Figure 5: EM profile across PL40/2018 with proposed drillholes to test possible fault-offset conductor target

The Company subsequently entered into a Share Purchase Agreement dated 14 September 2020 to acquire 100% of Africibum Co (Pty) Ltd, incorporated in Botswana ("Africibum") and its interest in five prospecting licences PL366/2018, PL367/2018, PL368/2018, PL122/2020, PL123/2020 and two prospecting licence applications in Botswana within the North East Kalahari Copper Belt. The consideration payable by Galileo was a total of a) 42,000,000 fully paid ordinary shares in the Company at a price of 0.779 pence per ordinary share ("Galileo Shares") comprising i) 35,000,000 Galileo Shares to be issued to Africibum's ordinary shareholders, and ii) 7,000,000 Galileo Shares to be issued to one of the Sellers in relation to the reimbursement of costs incurred by Africibum to date at the same price ; and b) 10,000,000 warrants, with an expiry date two years from the Completion Date of the Acquisition, to acquire Galileo Shares at an exercise price of 2 pence per share which was an approximate 150 % premium to 0.785 pence being the mid-market closing share price of Galileo Shares on 14 September 2020.

The Africibum licences include PL366/2018 which covers a significant portion of the Quirinus Copper Silver Prospect, which was discovered in 2007 by ASX-listed Discovery Metals. Quirinus was found through soil sampling, which identified copper-in-soil anomalies over a total strike length of 13.4km. Three reverse circulation (RC) holes were drilled at Quirinus in December 2007. The holes investigated a 600-metre section of the geochemical anomaly and all three holes intersected shallow copper silver mineralisation, including QRC166: 4m @ 1.7% Cu and 13g/t Ag from 38m and QRC164: 6m @ 0.9% Cu and 14g/t Ag from 62m. Mineralisation is reportedly similar in nature to that occurring at Cupric Canyon Capital's Khoemacau Project, comprising the Zone 5, Zone 5 north, Zeta and Plutus deposits, part of which lies just 15km from PL 366/2018. Zone 5 alone has a JORC-compliant Measured, Indicated and Inferred Resource of 91.7 million tonnes @ 2.13% Cu and 22g/t Ag.

The Quirinus intercepts would appear to be significantly under-investigated.

Sale of 9 Licences

On 25 January 2021, the Company announced that it entered into two legally binding agreements with ASX listed Sandfire Resources Limited (ASX:SFR) ("Sandfire").

The first agreement being a conditional licence sale agreement (the "Licence Sale Agreement") which provides for;

i) The Sale of licences and right of first refusal: the sale to Sandfire of 9 of the Company's Kalahari Copper Belt Licences (the "Included Licences") which the Company acquired in May and October 2020. Sandfire to have a first right of refusal in relation to the acquisition of the 15 Kalahari Copper Belt Licences being retained by the Company (the "Excluded Licences") ("ROFR: Excluded Licences") for an aggregate consideration of US$3 million payable on the Settlement Date of which US$1.5 million will be paid in cash and US$1.5 million by the issue of 370,477 Sandfire ordinary shares to the Company (the "Consideration Shares") at an issue price of A$5.227 per share, being the VWAP of the Sandfire share price for the 10 trading days prior to the date of signing the Licence Sale Agreement.

ii) An Exploration Commitment: Sandfire to spend US$4 million on the Included Licences (the "Exploration Commitment") within two years of settlement (the "Exploration Period") and if the US$4 million is not spent, any shortfall will be paid to the Company; and

iii) A Success Payment: a one-off success payment to be paid to the Company for the first ore reserve reported under JORC Code 2012 edition on the Included Licences which exceeds 200,000 tonnes of contained copper (the "First Ore Reserve") in the range of US$10 million to US$80 million depending on the amount of contained copper in the First Ore Reserve (the "Success Payment"). US$2 million of the Success Payment will be held in escrow for up to three years pending any claim by Sandfire under the Licence Sale Agreement. Note: given the limited exploration conducted on the Included Licences to date and the many years that it could take to establish an Ore Reserve, there can be no guarantee that any such Success Payment will be forthcoming.

The second agreement being a share subscription agreement (the "Share Subscription Agreement");

i) Sandfire's Share Subscription: Sandfire acquired US$1.5 million 41,100,124 ordinary shares of 0.1 p in the Company ("Galileo Shares") ("Sandfire's Shares") at a subscription price of 2.68 pence per Galileo Share, being a 25% premium to the 10 day VWAP of the Company's share price as at 22 January 2021, being the day before the signing of the Share Subscription Agreement. Sandfire's Shares were issued at a premium of 17% to the closing mid-price of the Galileo Shares on 25 January 2021. This represented a 4.62% interest in Galileo.

ii) Sandfire to have participation rights: Sandfire's Shares represented 4.62% of the Company's issued shares as enlarged by the issue of Sandfire's Shares ("Initial Voting Power"). Whilst Sandfire's shareholding percentage is equal to or greater than the Initial Voting Power, Sandfire will have participation rights (the "Participation Rights") to participate in new Galileo share issues/ issues of rights to acquire Galileo shares by the Company on the same terms as other participants in a new Galileo share issue/issues of rights to acquire Galileo shares to at least maintain Sandfire's shareholding save that the Participation Rights cannot increase Sandfire's shareholding over 20%; and

iii) Sandfire to have a right to nominate a director: If Sandfire's percentage Galileo shareholding increases to 15% then it will have the right to nominate a director to the Board of Galileo.

Post Period Under Review

On 05 May 2021 the Company announced that it had signed a contract with an experienced local drilling operator for up to 10 diamond drill holes to test priority targets on PL40/2018 and PL39/2018, totalling a minimum of 2,500m of drilling, with immediate commencement planned. Work on this programme is ongoing.

On 2 August 2021, the Company announced that it had entered into a variation agreement on 31 July 2021. The key commercial terms of the Variation Agreement are to make the following variations to the Licence Sale Agreement:

i) Change the long stop date for the meeting of the conditions from 31 July 2021 to 31 August 2021, which have subsequently been moved out to 30 September 2021;

ii) Sandfire to at completion of the Licence Sale Agreement, reimburse Galileo up to US$500,000 of exploration expenditure incurred by Galileo in relation to licence obligations of certain Included Licences being transferred to Sandfire (the "Reimbursed Exploration Expenditure");

iii) Sandfire's US$4,000,000 Exploration Commitment under the Licence Sale Agreement to be reduce by the amount of the Reimbursed Exploration Expenditure;

iv) PL 368/2018 which was due to expire on 30 September 2021 to be removed from the list of Included Licences to be transferred to Sandfire as this licence is, with the agreement of Sandfire, being relinquished; and

v) Removing the option for Sandfire to elect to pay the Success Payment under the Licence Sale Agreement by issuing Sandfire shares to Galileo which means the Success Payment if due will be paid in cash. Note: given the limited exploration conducted on the Included Licences to date and the many years that it could take to establish an Ore Reserve, there can be no guarantee that any such Success Payment will be forthcoming.

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 appointed a new environmental consultant, namely internationally recognised Golder and Associates (Pty) Ltd ("Golder") with a mandate to redesign the waste facilities at Glenover to comply with Department of Water & Sanitation ("DWS") requirements. Golder produced a Basis of Design document and a site layout that was pre-approved by DWS. The final tailings facility design report was completed by Golder in November 2020 and was submitted to the DWS for its Record of Decision.

Post Period Under Review

In June 2021, Glenover received confirmation that DWS had approved their tailings facility design and waste management plan, and NNR has approved its nuclear license. Glenover is now in the process of securing a guarantee for environmental remediation.

ZAMBIA

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 historical workings. Reportedly high-grade surficial willemite (zinc silicate) 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.

Period Under Review

In April 2020, Galileo agreed with BMR an optimal arrangement ("Arrangement") for executing the conditions in the Binding Heads of Terms (announced 13 September 2018) with BMR's Mauritian subsidiary, Enviro Mining Limited ("EML"), particularly in respect of the transfer licences for the Star Zinc and Kashitu zinc projects ('the Licences") in Zambia.

The Arrangement, involves Galileo assuming the rights to EML and its wholly-owned Zambian subsidiary, which is subject to Zambian Ministry approval which, with the exception of the Kabwe small scale mining licence 7083-HQ-SML and associated rights to property and plant held by Jubilee Metals Group plc in relation with its integrated Kabwe Project, is the named title holder of the Licences. The Arrangement is for nil consideration since the Company has already earned-in the rights to the Kashitu project.

On 29 January 2021, Galileo decided to cease seeking Ministry approval and therefore would no longer be assuming the rights from BMR.

Post Period Under Review

The Company commissioned GeoQuest consultants of Zambia to conduct a site visit for assessment purposes and to compile and integrate the various exploration datasets, particularly as they related to historic drilling. A provisional work plan was defined to include an initial drilling and sampling component.

The historic drilling database was then imported and modelled in 3D by Addison Mining Services of the UK to further refine the various mineralisation targets at Kashitu, with the aim of more closely defining the zones of high grade willemite veining and possible unconsolidated near-surface zinc deposits.

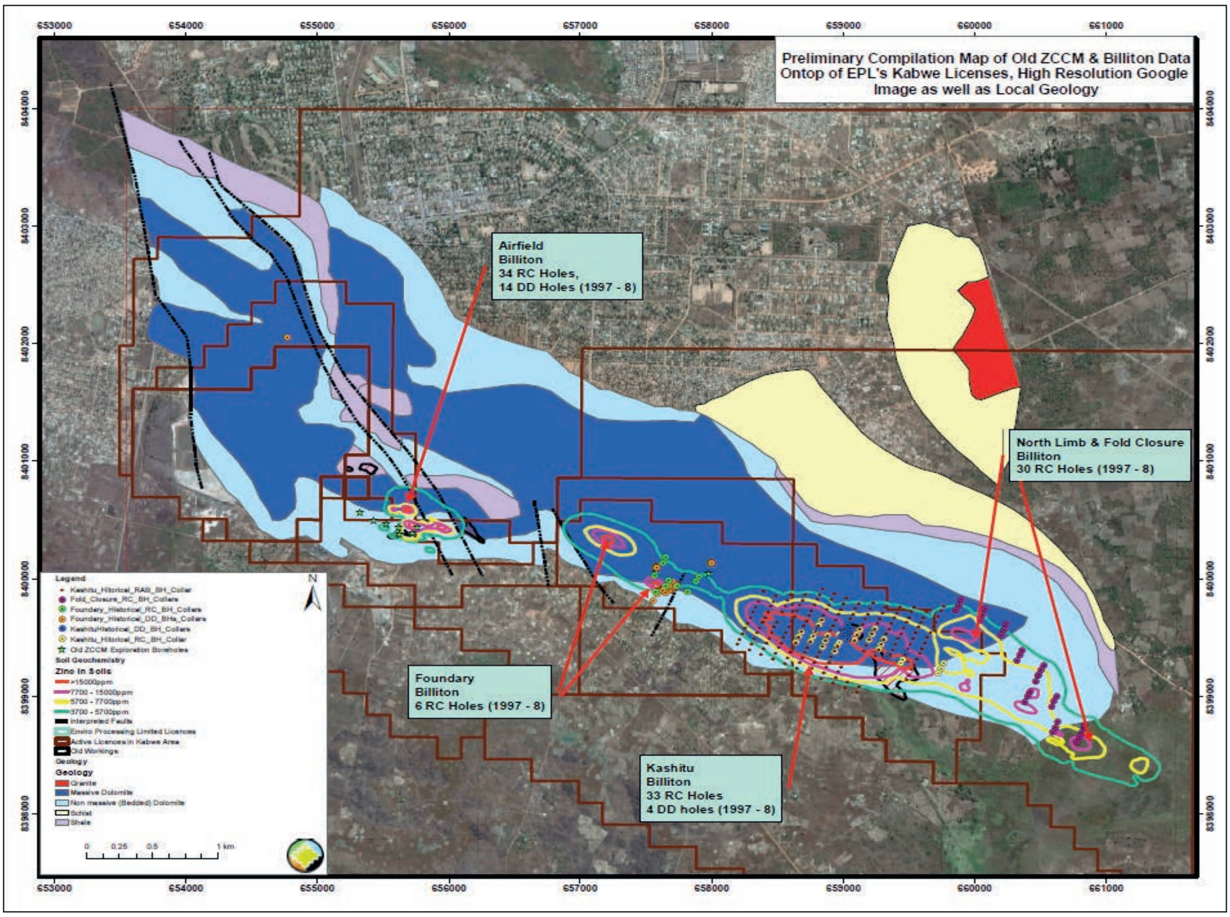

Figure 6: Kashitu compilation map of historic exploration data – area of geochemical interest shown in SE segment of map

Figure 7: Site visit to the Kashitu project area by GeoQuest team

Figure 8: Old Kashitu drill core – Fe with willemite veins-blebs-disseminations

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's US subsidiary St Vincent Minerals US Inc ("SVMUS") carried out no exploration on the property and continued to seek JV/farm-out partners or sale for the project.

Post Period Under Review

SVMUS renewed its 343 patented and unpatented claims on Ferber for the year 2020/2021 at a cost of US$64,548.

The company made a decision in principle to undertake a work programme on the property in 2021-22 focused particularly on the potential for copper-gold skarn mineralisation. It is envisaged that this work will include a significant drilling component, as well as possible geophysical surveying. An experienced local geologist will be engaged to review the historic data for the project and assist in developing an advanced exploration programme.

Figure 9: Historic copper-gold workings at Ferber

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

Period Under Review

No exploration was carried out on the Project. The Company retains a 15% interest in the Project though conversion of its previous exploration expenditure into equity in SHIP Copper (Pty) Ltd ("SHIP"), the majority owner and operator of the Project. The physical issue of the 15% equity to the Company by SHIP, remains outstanding, pending approval from the SA Reserve Bank ("SARB") on receipt of financial information from SHIP on which the SARB can assess fair market value of the conversion in accordance with SARB regulations.

Project Descriptions

Readers are referred to the 2020 Annual Report for fuller descriptions of the Projects in Botswana, Zambia, South Africa and USA.

Glossary

Craton	An old and stable part of the continental crust that has survived the merging and splitting of continents and supercontinents for at least 500 million years.
Mesoproterozoic (Era)	a geologic era that occurred from 1,600 to 1,000 million years ago.
Paleoproterozoic	spanning a time period from 2,500 to 1,600 million years ago.
Redox (or oxidation-reduction) reaction	a type of chemical reaction that involves a transfer of electrons between two species.
Hanging wall and footwall	The two sides of a non-vertical fault are known as the **hanging wall** and **footwall**. The **hanging wall** occurs above the fault plane and the **footwall** occurs below it.
JORC	Joint Ore Reserves Committee – a member of the Committee for Mineral Reserves International Reporting Standards.
The JORC Code	Australian-adopted Code for Public Reporting that regulates the manner in which a Competent Person estimates Mineral Resources or Ore Reserves.

Directors' Report

1. REVIEW OF ACTIVITIES

Principal activities

Galileo Resources Plc (AIM: GLR) is an opportunity driven company seeking opportunities for projects that potential value has not been realised. The current focus is on the Kalahari Copper belt in Botswana and Kashitu zinc project in Zambia

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 32 to 38.

A review of the Group's operations during the year ended 31 March 2021 and future developments are contained in the Strategic Report on pages 3 to 15.

Financial review

The Group reported earnings of £87,872 which includes a gain on bargain purchase price through business combinations of £1,569,776 (2020: loss of £642,188) before and after taxation. Basic earnings is 0.01 pence (2020: loss of 0.14 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. However, commodity prices are cyclical and prices are subject to fluctuations. These fluctuations could adversely affect the Group's operations. 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 placings during the year under review, to advance exploration activities in order to further the next stage of exploration development on the copper/silver licenses in the Kalahari Copper Belt of Botswana, and continue with a Preliminary Economic Assessment ("PEA") of the Company's Glenover Project.

The Group finances its overseas operations by purchasing Botswana Pula, 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 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 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 Botswana, South Africa, Zambia and the United States of America. Botswana is one of the most stable and low-risk countries in Africa with a long-established mining industry and relatively good infrastructure. It built a tradition of democratic values which helped maintain political and social stability. Mining is significant contributor to Botswana's GDP, and minerals comprise almost 80% of export earnings. Over the last half century, Botswana has transformed itself from a severely impoverished nation to a high-middle-income country and achieving substantial reductions in poverty and rapid improvements in living standards. It has managed its diamond revenues in a prudent and transparent manner contributing to sizable savings that can be used to stabilize the economy in case of a downturn and save for investments and future generations. It has allocated a good share of government spending to health, education, social assistance, and investment in public infrastructure.

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. Zambia boasts 10% of the world's copper reserves, is the second largest copper producer in Africa and the eighth globally, remains one of the world's largest cobalt producers, and has the world's largest emerald mine. The mining industry is an important pillar of the economy contributing about 12% and 75% of GDP and exports, respectively. The government is reliant on the mining industry. Any changes in policy affecting ownership of assets, taxation, and exchange controls may affect the Group's ability to continue with the projects in Zambia.

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.

COVID-19 risk

The Group acknowledges the pandemic risk which has the potential to cause further disruption and continues to pose a further threat on similar operations worldwide. It remains the Group's focus to protect all personnel, site visitors and stakeholders and at the same time to ensure business continuity. The necessary changes have taken place in all the relevant jurisdictions and the Group continues to monitor government guidance to mitigate the above risk.

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. Since the year end up to the date of this report the Group raised c. £2 million 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. The directors have also satisfied themselves that the Group has adequate measures in place to monitor and manage the risks that the COVID-19 pandemic poses.

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 set out in note 32 of these financial statements the directors are not aware of any matter or circumstances arising that should be disclosed since the end of the financial year.

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 2021		**At 31 March 2020**	
Beneficial owner	Shares	%	Shares	%
Colin Bird	63,035,000	6.91	60,435,000	10.83
Andrew Sarosi (Resigned 4 September 2020)	–	–	10,000	0.00
John Richard Wollenberg	6,321,341	0.69	6,321,341	1.13
The Cardiff Property Plc*	900,000	0.10	900,000	0.16
	70,256,341	**7.70**	**67,666,341**	**12.12**

**John Richard Wollenberg and his family are 45.94% 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	63,035,000	6.00
John Richard Wollenberg	6,821,341	0.65
The Cardiff Property Plc*	900,000	0.09
	70,756,341	**6.74**

At the date of this report, Colin Bird holds 63 035 000 ordinary shares of 0.1 pence each or 6% of the Company's issued share capital. This makes him a shareholder in Galileo with potentially significant influence over the affairs of the Company.

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

	At 31 March 2021	**At 31 March 2020**
Beneficial owner		
Colin Bird	28,000,000	20,000,000
Andrew Sarosi (Resigned 4 September 2020)	–	11,000,000
Ed Slowey	4,000,000	–
Joel Silberstein	2,000,000	–
John Richard Wollenberg	3,250,000	2,250,000
Chris Molefe	1,850,000	1,250,000
	39,100,000	**34,500,000**

Refer to note 27 for directors' emoluments.

5. CAPITAL STRUCTURE AND SHARE ISSUE

The Company issued the following new ordinary shares during the period under review.

Date	Number of ordinary shares	Issue price	Purpose of issue
Opening balance	**557,811,947**		
28-May-2020	38,814,246	0.40p	Acquisition
28-May-2020	26,505,000	0.60p	Warrants exercised
2-Jun-2020	18,625,000	0.60p	Warrants exercised
4-Jun-2020	11,820,000	0.60p	Warrants exercised
12-Jun-2020	54,562,500	0.80p	Placing for cash
24-Jun-2020	57,937,500	0.80p	Placing for cash
28-Aug-2020	1,200,000	0.60p	Warrants exercised
14-Sep-2020	1,250,000	0.60p	Warrants exercised
22-Sep-2020	6,250,000	0.60p	Warrants exercised
22-Oct-2020	42,000,000	0.70p	Acquisition
18-Nov-2020	300,000	0.60p	Warrants exercised
27-Nov-2020	1,125,000	0.60p	Warrants exercised
07-Dec-2020	12,500,000	0.60p	Warrants exercised
14-Dec-2020	1,000,000	0.60p	Warrants exercised
23-Dec-2020	3,750,000	0.60p	Warrants exercised
7-Jan-2021	5,000,000	0.60p	Warrants exercised
13-Jan-2021	3,000,000	0.60p	Warrants exercised
25-Jan-2021	2,250,000	0.60p	Warrants exercised
25-Jan-2021	3,000,000	0.75p	Warrants exercised
28-Jan-2021	750,000	0.60p	Warrants exercised
28-Jan-2021	3,375,000	1.25p	Warrants exercised
9-Feb-2021	41,100,124	2.68p	Placing
4-Feb-2021	12,500,0000	1.25p	Warrants exercised
11-Feb-2021	2,000,000	0.60p	Warrants exercised
25-Feb-2021	2,250,000	0.60p	Warrants exercised
11-Mar-2021	1,300,000	0.60p	Warrants exercised
Closing balance	**911,976,317**		

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

Date	Number of ordinary shares	Issue price	Purpose of issue
13-Apr-2021	500,000	0.60p	Warrants exercised
13-May 2021	250,000	0.60p	Warrants exercised
13-May 2021	150,000	1.25p	Warrants exercised
1-Jun 2021	133,666,664	1.50p	Placing for cash
18-Aug-2021	3,500,000	0.6p	Warrants exercised

The total shares in issue at the date of this report were 1,050,042,981 ordinary shares.

Allotment of shares

As ordinary business at the annual general meeting to be held on 25 October 2021, 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 £1,050,043. 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 to be held on 25 October 2021, 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 £1,050,043.

Major Shareholders

The table below presents a list of all shareholders holding 3% and more of the voting rights of the Company as at the last practicable date:

Name of Holder	No. of Ordinary Shares	% of Voting Rights
Jarvis Investment Mgt Clients	149,982,634	14.33
Hargreaves Lansdown Asset Mgt Clients	139,387,816	13.32
Interactive Investor Clients	97,476,217	9.31
Mr Colin Bird	63,035,000	6.02
Raymond James Investment Services Clients	47,221,564	4.51
Halifax Share Dealing Clients	44,163,585	4.22
Sandfire Resources NL	41,100,124	3.93
Dr Emyr W Griffiths	36,432,441	3.48
Barclays Wealth Clients	36,259,967	3.46
A J Bell Securities Clients	35,349,707	3.38

6. DIVIDENDS

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

7. BOARD OF DIRECTORS

The following changes to the board occurred during the period under review. On 4 September 2020 Andrew Sarosi tendered his resignation as Financial and Technical Director. On 4 September 2020 Edward Patrick Slowey was appointed Technical Director of the Company. On 7 October 2020 Joel Silberstein was appointed Finance Director. 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; Central Square, 29 Wellington Street, Leeds LS1 4DL

9. AUDITORS

A resolution proposing the appointment of, PKF Littlejohn LLP, was duly passed at the Company's 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:

11.1 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 Botswana, 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.

11.2 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, www.galileoresources.com and via Colin Bird, Chairman/CEO who is available to answer investor relations enquiries.

11.3 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.

11.4 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 our 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 director, Mr. J Silberstein and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

11.5 Principle Five – A Well-Functioning Board of Directors

As at the date hereof the Board comprises, the Chairman and CEO Colin Bird, Technical Director Edward Slowey and Finance Director, Joel Silberstein and two non-executive Directors, Christopher Molefe and Richard Wollenberg of whom both are 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 endeavors to meet on a quarterly 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 Board conducted one board meeting during the period to the date of this report. During the period under review Committee matters were discussed at board level. Executive and non-executive directors interact on a regular basis via telephone or other electronic means.

11.6 Principle Six – Appropriate Skills and Experience of the Directors

The Board currently consists of five 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 base metals company with operations in South Africa and Zambia – and of other several publicly quoted resource companies.

Edward (Ed) Slowey – Executive Technical Director

Ed Slowey holds a BSc degree in Geology from the National University of Ireland and is a founder member of The Institute of Geology of Ireland. He has more than 40 years' experience in mineral exploration, mining and project management. He worked as a mine geologist at Europe's largest zinc mine in Navan, Ireland and was exploration manager for Rio Tinto in Ireland for more than a decade, which led to the discovery of the Cavanacaw gold deposit. He has also operated as an exploration geologist and consultant in many parts of the world, including Africa, Europe, America and the FSU. This work included joint venture negotiation, exploration programme planning and management through to feasibility study implementation for a variety of commodities. As a professional consultant, work has included completion of CPR's and 43-101 technical reports for international stock exchange listings and fundraising, while also undertaking assignments for the World Bank and European Union bodies. In addition, Ed served as director of several private and public companies, including the role of CEO and Technical Director at AIM-listed Orogen Gold Plc which discovered the Mutsk gold deposit in Armenia.

Joel Silberstein – Executive Finance Director

Mr. Silberstein holds an Honours Bachelor of Accounting Science degree from the University of South Africa. He qualified as a Chartered Accountant with Mazars, Cape Town in 2002, and subsequently joined Toronto-quoted European Goldfields Limited. There he held the position of Group Financial Controller and Vice President Finance, supporting the executive team in growing the company through its exploration and development phases, until it was bought by Eldorado Gold in a C$2.5bn deal. He joined AIM-traded Xtract Resources Plc in mid-2013 and was appointed finance director in February 2014. He has subsequently assisted in several corporate transactions, including those surrounding the Manica gold mining operations, and he has experience of working in multiple jurisdictions around the world. He is a member of the Institute of Chartered Accountants of South Africa as well a Fellow of the Institute of Chartered Accountants in England and Wales.

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 several 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 has recently resigned from Merafe Resources Limited, a publicly listed company on the JSE Securities. He is currently non-executive director of 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 Manager 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).

11.7 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 committees 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.

11.8 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 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 centered 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.

11.9 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.

11.10 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, 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 arising from the audit or remuneration committees.

12. DIRECTORS' s172 STATEMENT

The Directors continue to act in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefits of the members as a whole, and in doing so have regard, amongst other matters to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community as well as the environment;
- the need to act fairly as between members of the Company, and
- the desirability of the company maintaining a reputation for high standards of business conduct

The Board has always recognised the relationships with key stakeholders as being central to the long-term success of the business and therefore seeks active engagement with all stakeholder groups, to understand and respect their views, in particular of those with the communities in which it operates, its host governments, employees and suppliers. Throughout the year, the Directors continued to exercise all their duties, whilst having the highest regard to section 172 factors as they assessed and considered proposals from senior management and governed the company on behalf of their stakeholders. As with smaller size companies, day-to-day management, execution of the business strategy and related policies of the Company is delegated to senior executives however the Board reviews compliance and legal matters along with the Company's key financial and operational data, diversity, corporate responsibility, environmental and stakeholder-related matters over the course of the financial year. In response to COVID-19, the Board agreed to a management plan proposed by senior executives prioritising and maintaining the health and safety of all employees and contractors. Consideration of the Company's conduct towards its stakeholders, suppliers and employees of the Group is essential when implementing ways in which the Board's engagement can be improved to help the business operate more effectively. Details of the Board's decisions for the year ending 31 March 2021 to promote long-term success, and how it engaged with stakeholders and considered their interests when making those decisions, can be found throughout the Strategic Report, Directors' and Corporate Governance reports.

13. 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 accounting standards in conformity with the requirements of the Companies Act 2006, 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 endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior 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.

In preparing these financial statements, the directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the accounts; and
4. prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

14. RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in note 25 of the financial statements.

15. 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 of the financial statements.

16. POLITICAL AND CHARITABLE CONTRIBUTIONS

The Group made no charitable donations (2020: £Nil) and no political donations (2020: £Nil) during the year.

The Company's independent auditors, PKF Littlejohn LLP, audited the Group's consolidated annual financial statement, and their report is presented on pages 28 to 31.

The Group and Company annual financial statements set out on pages 32 to 38, which have been prepared on the going-concern basis, were approved by the Board and signed on its behalf by:

Colin Bird
Chairman

29 September 2021

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 2021 which comprise the Group and Company Statements of Financial Position, the Group and Company Statements of Comprehensive Income, the Group and Company Statements of Changes in Equity, the Group and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

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 2021 and of the group's profit and parent company's loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included a consideration of the inherent risks to the business model and analysed how those risks might affect the financial resources or ability to continue operations over the period from the date of signing the financial statements to 30 September 2022, having regard to the group's and parent company's ability to manage its uncommitted costs.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

Materiality applied to the group financial statements was £142,500 (2020: £127,500) with performance materiality set at £99,750 (2020: £89,250). This amount was based upon a percentage of gross assets, as it is from these assets that the group seeks to deliver returns for shareholders, in particular the value of exploration and development projects the group is interested in. Our determination was considered appropriate based upon the carrying value and recoverability of exploration assets being the key area for the group, and the benchmark most relevant to shareholders for an entity undertaking exploration and evaluation activities.

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatement. At the planning stage materiality is used to determine the financial statement areas that are included within the scope of our audit.

The range of financial statement materiality across material and significant components, all audited to local statutory audit materiality, was between £43,000 and £47,500 (2020: between £25,550 and £45,850), all being below group materiality.

We agreed with the audit committee that we would report all individual audit differences identified for the group during the course of our audit in excess of £7,125 (2020: £6,375). We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Materiality applied to the parent company's financial statements was £100,000 (2020: £100,000), using loss before tax and gross assets bases in order to obtain appropriate coverage of parent company expenditure during the audit. Performance materiality was set at £70,000 (2020: £70,000). We agreed with the audit committee that we would report all individual audit differences identified for the parent company during the course of our audit in excess of £5,000 (2020: £5,000) together with any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. This included the recoverability of the exploration and evaluation intangible asset at a group level. Our group audit scope focused on the principal areas of operation, being North America, South Africa, Zambia, Botswana and the UK. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The audit was performed by us as group auditors based in London. Each component within the group was assessed as to whether they were significant or not significant to the group by either their size or risk. The parent company as well as the South African and US Subsidiaries were considered to be significant due to identified risk and size. A full scope audit was completed on these components.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Carrying value and appropriate capitalisation of Intangible Assets (GROUP) – Note 3 The group has intangible assets being capitalised exploration costs in respect of its Exploration and evaluation in the USA, Zambia and Botswana. There is the risk that these assets have been incorrectly capitalised in accordance with IFRS 6 and that there are indicators of impairment as at 31 March 2021. Particularly for early stage exploration projects where the calculation of recoverable amount via value in use calculations is not possible, management's assessment of impairment under IFRS 6 requires estimation and judgement based on the costs that are being capitalised and whether they meet the criteria stipulated in IFRS 6.	Our audit work included: • Confirmation that the group has good title to the applicable exploration licences; • Review of capitalised costs including consideration of appropriateness for capitalisation under IFRS 6; • Assessment of progress at the individual projects during the year and post year-end; and • Consideration of management's impairment assessment, including challenge to all key assumptions and sensitivity to reasonably possible changes. The Directors' judgements in their assessment of impairment are reasonable and our work did not identify any impairment indicators regarding the carrying value and recoverability of intangible assets.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' 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 group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group's and the parent company'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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and our experience of the resource exploration sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from Companies Act 2006, AIM rules and local tax and employment laws and local environmental regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - Enquires of management
  - Review of Board minutes
  - Review of legal expenses
  - Review of RNS announcements
- We also identified the risks of material misstatement of the financial statements due to fraud. Aside from the non-rebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risks.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Eric Hindson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

29 September 2021

Group and Company Statements of Financial Position

as at 31 March 2021

Figures in Pound Sterling

		Group		Company	
	Note(s)	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Assets					
Non-current assets					
Intangible assets	3	**2,114,817**	3,348,019	**342,946**	–
Investment in subsidiaries	4	**–**	–	3,758,064	3,931,759
Investment in joint ventures	5	**1,979,640**	1,834,710	**–**	–
Loans to joint ventures, associates, and subsidiaries	6	**345,684**	291,442	5,490,220	5,330,856
Other financial assets	7	**373,521**	344,522	**–**	–
		4,813,662	5,818,693	**9,591,230**	9,262,615
Current assets					
Trade and other receivables	9	**1,359**	2,228	–	–
Cash and cash equivalents	10	**1,392,955**	356,485	1,389,421	352,110
		1,394,314	358,713	**1,389,421**	352,110
Assets held for sale	3	**3,952,786**	–	**–**	–
Total assets		**10,160,763**	6,177,406	**10,980,651**	9,614,725
Equity and liabilities					
Equity					
Share capital	11	**29,705,244**	26,469,319	29,705,244	26,469,319
Reserves		**837,700**	621,131	1,614,195	1,331,113
Accumulated loss		**(21,134,916)**	(21,222,788)	**(21,296,240)**	(19,216,867)
		9,408,028	5,867,662	**10,023,199**	8,583,565
Liabilities					
Non-current liabilities					
Loans from subsidiaries	6	**–**	–	640,372	751,145
Other financial liabilities	14	**5**	5	**–**	–
Deferred tax	29	**425,813**	–	**–**	–
		425,818	5	**640,372**	751,145
Current liabilities					
Trade and other payables	15	**326,916**	309,738	317,080	280,015
		326,916	309,738	317,080	280,015
Total liabilities		**752,735**	309,743	**957,453**	1,031,160
Total equity and liabilities		**10,160,763**	6,177,406	**10,980,651**	9,614,725

These financial statements were approved by the directors and authorised for issue on 29 September 2021 and are signed on their behalf by:

Colin Bird **Joel Silberstein**

Company number: 05679987

Group and Company Statements of Comprehensive Income

for the year ended 31 March 2021

Figures in Pound Sterling

		Group		Company	
	Note(s)	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Operating expenses	17	**(1,472,816)**	(630,384)	**(2,079,373)**	(531,210)
Operating loss		**(1,472,816)**	**(630,384)**	**(2,079,373)**	**(531,210)**
Investment revenue	18	**–**	2	–	2
Gain on bargain purchase through business combinations	29	**1,569,776**	–	–	–
Loss from equity accounted investments	5	**(9,088)**	(11,806)	–	–
Profit/(loss) for the year		**87,872**	**(642,188)**	**(2,079,373)**	**(531,208)**
Other comprehensive income:					
Exchange differences on translating foreign operations	21	**(66,549)**	26,078	–	–
Total comprehensive profit/(loss) for the year		**21,323**	**(616,110)**	**(2,079,373)**	**(531,208)**
Earnings/(loss) per share in pence	22	**0.01**	(0.14)		

All operating expenses and operating losses relate to continuing activities.

Group and Company Statements of Changes in Equity

as at 31 March 2021 *Figures in Pound Sterling*

	Share capital	Share premium	Total share capital
Group			
Balance at 1 April 2019	**5,915,231**	**19,525,088**	**25,440,319**
Loss for the year	–	–	–
Other comprehensive income	–	–	–
Total comprehensive loss for the year	**–**	**–**	**–**
Issue of shares net of issue costs	253,215	909,284	1,162,499
Warrants issued	–	(133,499)	(133,499)
Total contributions by and distributions to owners of Company recognised directly in equity	**253,215**	**775,785**	**1,029,000**
Balance at 1 April 2020	**6,168,446**	**20,300,873**	**26,469,319**
Profit for the year	–	–	–
Other comprehensive income	–	–	–
Total comprehensive profit for the year	**–**	**–**	**–**
Issue of shares net of issue costs	354,163	2,894,249	3,248,412
Options issued			
Warrants issued	–	(150,544)	(150,544)
Warrants exercised	–	138,057	138,057
Total contributions by and distributions to owners of Company recognised directly in equity	**354,163**	**2,881,762**	**3,235,925**
Balance at 31 March 2021	**6,522,609**	**23,182,635**	**29,705,244**
Note(s)	11	11	11

Figures in Pound Sterling

Foreign currency transaction reserve[(1)]	Merger reserve[(2)]	Share based payment reserve[(3)]	Total reserves	Accumulated loss	Total equity
(736,060)	**1,047,821**	**149,793**	**461,554**	**(20,580,600)**	**5,321,273**
–	–	–	–	(642,188)	(642,188)
26,114	–	–	26,114	–	26,114
26,114	**–**	**–**	**26,114**	**(642,188)**	**(616,074)**
–	–	–	–	–	1,162,499
–	–	133,499	133,499	–	–
–	**–**	**133,499**	**133,499**	**–**	**1,162,499**
(709,946)	**1,047,821**	**283,292**	**621,131**	**(21,222,788)**	**5,867,698**
–	–	–	–	87,872	87,872
(66,549)	–	–	(66,549)	–	(66 549)
(66,549)	**–**	**–**	**(66,549)**	**87,872**	**21,324**
–	–	–	–	–	3,248,412
–	–	270,595	270,595	–	270,595
–	–	150,544	150,544	–	–
–	–	(138,057)	(138,057)	–	–
–	**–**	**283,082**	**283,082**	**–**	**3,519,006**
(776,495)	**1,047,821**	**566,374**	**837,700**	**(21,134,916)**	**9,408,028**
13		12			

Group and Company Statements of Changes in Equity continued

as at 31 March 2021 *Figures in Pound Sterling*

	Share capital	Share premium	Total share capital
Company			
Balance at 1 April 2019	**5,915,231**	**19,525,088**	**25,440,319**
Loss for the year	–	–	–
Other comprehensive income	–	–	–
Total comprehensive loss for the year	**–**	**–**	**–**
Issue of shares net of issue costs	253,215	909,284	1,162,499
Warrants issued	–	(133,499)	(133,499)
Total contributions by and distributions to owners of Company recognised directly in equity	**–**	**(133,499)**	**(133,499)**
Balance at 1 April 2020	**253,215**	**775,785**	**1,029,000**
Loss for the year	6,168,446	20,300,873	26,469,319
Other comprehensive income	–	–	–
Total comprehensive loss for the year	–	–	–
Issue of shares net of issue costs	354,163	2,894,249	3,248,412
Options issued	–	–	–
Warrants issued	–	(150,544)	(150,544)
Warrants exercised	–	138,057	138,057
Total contributions by and distributions to owners of Company recognised directly in equity	**354,163**	**2,881,762**	**3,235,925**
Balance at 31 March 2021	**6,522,609**	**23,182,635**	**29,705,244**
Note(s)	11	11	11

(1) Foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.
(2) Merger reserve comprises the difference between the fair value of an acquisition and the nominal value of the shares allotted in a share exchange.
(3) Share based payment reserve comprises the fair value of an equity-settled share based payment.

Figures in Pound Sterling

	Foreign currency transaction reserve[(1)]	Merger reserve[(2)]	Share based payment reserve[(3)]	Total reserves	Accumulated loss	Total equity
	–	**1,047,821**	**149,793**	**1,197,614**	**(18,685,659)**	**7,952,274**
	–	–	–	–	(531,208)	(531,208)
	–	–	–	–	–	–
	–	**–**	**–**	**–**	**(531,208)**	**(531,208)**
	–	–	–	–	–	1,162,499
	–	–	133,499	133,499	–	–
	–	**–**	**133,499**	**133,499**	**–**	**–**
	–	**–**	**133,499**	**133,499**	**–**	**1,162,499**
	–	1,047,821	283,292	1,331,113	(19,216,867)	8,583,565
					(2,079,373)	(2,079,373)
	–	**–**	**–**	**–**	**(2,079,373)**	**(2,079,373)**
	–	–	–	–	–	3,248,412
	–	–	270,595	270,595	–	270,595
	–	–	150,544	150,544	–	–
	–	–	(138,057)	(138,057)	–	–
	–	**–**	**283,082**	**283,082**	**–**	**3,519,007**
	–	**1,047,821**	**566,374**	**1,614,195**	**(21,296,240)**	**(10,023,199)**

12

Group and Company Statements of Cash Flows

for the year ended 31 March 2021

Figures in Pound Sterling

		Group		Company	
	Note(s)	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Cash flows from operating activities					
Cash used in operations	23	**(1,186,567)**	(331,288)	**(1,110,605)**	(315,783)
Investment Revenue	18	–	2	**–**	2
Net cash from operating activities		**(1,186,567)**	(331,286)	**(1,110,605)**	(315,781)
Cash flows from investing activities					
Additions to intangible assets	3	**(453,724)**	(290,232)	**(342,946)**	–
Joint ventures acquired		**–**	–	**–**	(301,192)
Net movement in loans	6	**(84,239)**	(13,072)	**(270,138)**	(196,220)
Net cash flows from investing activities		**(537,963)**	(303,304)	**(613,084)**	(497,412)
Cash flows from financing activities					
Proceeds from share issues	11	**2,761,000**	990,000	**2,761,000**	1,162,499
		2,761,000	990,000	**2,761,000**	1,162,499
Total cash movement for the year		**1,036,470**	355,410	**(257,108)**	349,306
Cash at the beginning of the year		**356,485**	1,075	**352,110**	2,804
Total cash at end of the year	**10**	**1,392,955**	356,485	**95,002**	352,110

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

Galileo Resources PLC is a public company listed on AIM of the LSE, incorporated and existing under the laws of England and Wales, having its registered office at 1st Floor, 7/8 Kendrick Mews, London, SW7 3HG, United Kingdom. The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards and 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 and acquisitions 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 29 September 2021.

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 fair value of the identifiable assets and liabilities of the acquiree. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the gain on bargain purchase is credited in full to the consolidated statement of comprehensive income on the acquisition date.

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 uses the Black Scholes Formula for subsequent options being granted. Additional details regarding the estimates are included in note 12 – share-based payments.

Recoverability of exploration and evaluation costs

The Company incurs costs directly attributable to exploration and evaluation. These costs are capitalised to each individual project, pending a decision on the economic feasibility of the project. The capitalisation of these costs gives rise to an intangible asset in the consolidated statement of financial position. The costs are capitalised where it is considered likely that the amount will be recovered by future exploitation. This requires management to make estimates and assumptions as to the future events and circumstances and whether an economically viable extraction operation can be established. The estimates are subject to change and in the event that recovery of the expenditure becomes unlikely, the relevant amount is written off in the statement of comprehensive income.

Receivables from Group entities

The Company makes assumptions when implementing the forward-looking ECL model. The model is used to assess group loans for impairment. Estimates are made regarding the credit risk and underlying probability of default in each of the credit loss scenarios, which include production, failure, divestment and sale. The Directors make judgements on the expected likelihood and outcome of each of the scenarios and these expected values are applied to the loan balances.

Fair value estimation

The fair value of financial instruments traded in active markets 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.

Botswana Asset – Fair Value Consideration

The Group classifies the assets and liabilities of part of its Botswana assets as a held for sale, following a decision by the Board of Directors to enter into a conditional agreement in January 2021, with Sandfire Resources Limited ("Sandfire") regarding the sale to Sandfire of 9 of the Company's Kalahari Copper Belt Licences (the "Included Licences") which the Company acquired in May and October 2020. Sandfire have a first right of refusal in relation to the acquisition of the 15 Kalahari Copper Belt Licences being retained by the Company (the "Excluded Licences") for an aggregate consideration of £2,500,000 payable on the Settlement Date of which £1,250,000 will be paid in cash and £1,250,000 by the issue of 370,477 Sandfire ordinary shares to the Company.

The Company began negotiating with Sandfire within a short period after completing the acquisition of the Kalahari licenses and therefore concluded that the would-be selling price was the best estimate of the fair value of the licenses as at the acquisition date. This resulted in a gain in bargain purchase of £1,569,776 following the fair value uplift at acquisition date of £2,000,000, being the difference between the expected sale price of £2,500,000 and the carrying value of the licenses at acquisition.

The carrying amounts will be recovered through the sale. Management determined the fair value of the licenses which were measured at the value of the purchase consideration of £2,500,000 for the licenses. No impairment has been recorded.

In September 2021, the Company reported that all the conditions precedent had been met in relation to its conditional licence sale agreement with Sandfire entered into in January 2021.

Star Zinc – Held for sale asset

The Company also classifies the assets and liabilities of its Zambian Star Zinc asset as held for sale following a decision by the Board of Directors on 4 March 2021 the Company to enter into a conditional sale agreement with Siege Mining to acquire the full rights and benefits in relation to the Star Zinc Project for US$750,000. In return, the Company would retain a royalty of between 3%-10% (starting at 3% and increasing 1% for every $250 above $2,500 per tonne).

The asset was tested for impairment in line with IFRS requirements. Management did not provide for any impairment of the intangible. All costs related to the Zambian exploration operations were expensed during the period under review. Management is of the view that the carrying value at period end represents the fair value less cost to sell and that value is supported by the offer price of US$750 000 plus the Company's valuation of a royalty that is entitled to based on future sales of zinc from the Star Zinc Project.

The Company has run various scenarios based on a tonnage of 6,000 tonnes per month (being the bottom range as per the sale agreement) and a range of Zinc prices from US$2,500- US$3,000 per tonne. The difference between US$750,000 and carrying value is expected to be recovered within a 2-year period. The Board are confident that the sale will complete during the coming months.

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

Financial instruments are recognised when the Group becomes a party to the contractual provision of the instrument. These financial instruments are recognised initially at fair value. For instruments not at fair value through profit or loss, any directly attributable transaction costs are included.

Financial assets are de-recognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets or substantially transfers all risk and rewards of the asset to another party without retaining control. Financial liabilities are de-recognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Classification

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.

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. The Group classifies its financial assets as financial assets at amortised cost and financial assets at fair value through profit or loss.

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. 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.

Financial assets at amortised cost 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 Arrangements

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

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

Inter-company loans bear no interest.

Trade and other receivables

Trade and other 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 in accordance with the expected credit loss model under IFRS 9.

Trade and other receivables are classified as financial assets at amortised cost.

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 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.

1.10 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.

1.11 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.

1.12 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's 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.

1.13 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. The held for sale assets are measured at the lower of their carrying amount and fair value less costs to sell, except for certain assets such as deferred tax assets, which are not required to. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition. Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

1.14 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 except for certain financial instruments and acquisitions at fair value.

Adoption of new and revised standards

During the financial year, the Group has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations, that became effective for the first time.

Standard	Effective date, annual period beginning on or after
Conceptual Framework and Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 3 *Business Combinations*	1 January 2020
Amendments to IAS 1 and IAS 8: *Definition of Material*	1 January 2020
Interest Rate Benchmark Reform: *amendments to IFRS 9, IAS 39 and IFRS 7*	1 January 2020

Their adoption has not had any material impact on the disclosures or amounts reported in the financial statements.

Figures in Pound Sterling

2. NEW STANDARDS AND INTERPRETATIONS (continued)

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to Group and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases, these standards and guidance have not been endorsed for use in the European Union.

Standard	Effective date, annual period beginning on or after
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
Covid 19-Related Rent Concessions Beyond 30 June 2021 (Amendment to IFRS 16 *Leases*)	1 April 2021
Updating a Reference to the Conceptual Framework (Amendments to IFRS 3 *Business Combinations*)	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets)*	1 January 2022
Annual improvements 2018-2020 cycle	1 January 2022
Classification of Liabilities as Current or Non-Current: *amendments to IAS 1*	1 January 2023[1]
IFRS 17 – *Insurance Contracts*	1 January 2023
Amendments to IFRS 17 – *Insurance Contracts;* and Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4 *Insurance Contracts*)	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements*)	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 *Income Taxes*)	1 January 2023

[1] In July 2020, the implementation date was extended by one year to 1 January 2023.

The directors are evaluating the impact that these standards will have on the financial statements of Group.

Section 3: Summary of standards, amendments and IFRIC interpretations included in Section 2

Standard	Detail
Conceptual Framework and Amendments to References to the Conceptual Framework in IFRS Standards	The *Conceptual Framework* sets out the fundamental concepts of financial reporting that guide the Board in developing IFRS Standards. It helps to ensure that the Standards are conceptually consistent and that similar transactions are treated the same way, providing useful information for investors and others. The *Conceptual Framework* also assists companies in developing accounting policies when no IFRS Standard applies to a particular transaction; and it helps stakeholders more broadly to understand the Standards better. The revised *Conceptual Framework* includes: a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance—in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.
Definition of a business (Amendments to IFRS 3)	The Amendments are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They: • Clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; • Narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; • Add guidance and illustrative examples to help entities assess whether a substantive process has been acquired; • Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and • Add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Figures in Pound Sterling

Standard	Detail
Definition of material (amendments to IAS 1 and IAS 8)	The amendments clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.
Interest Rate Benchmark Reform: *amendments to IFRS 9, IAS 39 and IFRS 7*	The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the reform of interbank offered rates (IBORs). Entities will apply hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based, will not be altered by the reform. In addition, disclosures are required to show the extent to which hedging relationships are affected by the amendments. This is the culmination of Phase 1 of the IASB's project on interest rate benchmark reforms, which deals with accounting issues arising before an existing benchmark is replaced with an alternative. Phase 2 is considering the potential consequences on financial reporting of replacing an existing benchmark with an alternative.
Interest Rate Benchmark Reform – Phase 2: *amendments to IFRS 9, IAS 39 IFRS 7, IFRS 4 and IFRS 16*	The amendments are relevant to entities transitioning from benchmark interest rates, such as interbank offer rates (IBORs) to alternative benchmark interest rates. They avoid accounting impacts that would not provide useful information to users of financial statements and are compulsory. Specifically: • Changes to contractual cash flows – an entity (including an insurer applying IAS 39) will not have to derecognise or adjust the carrying amount of financial instruments or lease liabilities for changes required by the reform, but will instead update the effective interest rate prospectively to reflect the change to the alternative benchmark rate; • Hedge accounting – an entity will not have to discontinue its hedge accounting, designate a new hedging relationship or change amounts previously recognised in the cash flow hedge reserve, solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria. Hedging relationships that were discontinued solely due to changes directly required by the reform are reinstated if they meet the qualifying hedge accounting criteria at the start of the period in which the amendments are applied; and • Disclosures – an entity will be required to disclose information about new risks arising from the reform, how those risks are being managed, its progress in completing the transition to alternative benchmark rates and how it manages the transition.
Covid 19-Related Rent Concessions Beyond 30 June 2021 (Amendment to IFRS 16 *Leases*)	An exemption from assessing whether a Covid-19-related rent concession is a lease modification. Lessees that apply the exemption must disclose that fact. The exemption was first issued in May 2020 for reductions in lease payments originally due up to 30 June 2021, taking effect for accounting periods beginning on or after 1 June 2020. In March 2020, the exemption was extended by one year to cover reductions in lease payments originally due up to 30 June 2022, and takes effect for accounting periods beginning on or after 1 April 2021.
Updating a Reference to the Conceptual Framework (Amendments to IFRS 3 *Business Combinations*)	Replacement of a reference to the 1989 version of the Conceptual Framework for Financial Reporting with a reference to the latest version, issued in March 2018. This and other amendments now remove a potential conflict between IFRS 3 and the 2018 Framework. The accounting requirements for business combinations are unchanged.
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	The amendments introduce a prohibition from deducting from the cost of property, plant and equipment amounts received from selling items produced while the reporting entity is preparing the asset for its intended use. Instead, such sales proceeds and related costs are recognised in profit or loss.

Figures in Pound Sterling

Standard	**Detail**
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets)*	The amendments specify which costs are included in the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The costs to be included are those that 'relate directly to the contract'.
Annual improvements 2018-2020 cycle	This cycle contains the following amendments: IFRS 1 *First-time Adoption of International Financial Reporting Standards* – a simplification for a subsidiary which becomes a first-time adopter after its parent, by basing the measurement of cumulative translation differences on the parent's date of transition to IFRS. IFRS 9 *Financial Instruments* – a clarification that when applying the '10 per cent test' for derecognition of financial liabilities, an entity includes only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on the other's behalf. IFRS 16 *Leases* – Illustrative Example 13 is amended to remove an illustration of the reimbursement of leasehold improvements by the lessor. This resolves any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in the example. IAS 41 *Agriculture* – a removal of the requirement to exclude cash flows from taxation when measuring the fair value of a biological asset using a present value technique. This change aligns IAS 41 with the fair value measurement requirements in IFRS 13.
Classification of Liabilities as Current or Non-Current: *amendments to IAS 1*	These amendments clarify that the classification of liabilities in the statement of financial position as current or non-current should be based on rights that are in existence at the end of the reporting period to defer (or not) settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. In April 2020, the IASB announced that it will consult on a deferral of the implementation of these changes by one year to 1 January 2023.
IFRS 17 *Insurance Contracts*	IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The standard applies to insurance contracts, including reinsurance contracts an entity issues; reinsurance contracts an entity holds and investment contracts with discretionary participation features an entity issues provided the entity also issues insurance contracts.

Amendments to IFRS 17 – *Insurance Contracts* and Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4 *Insurance Contracts*)	The amendments:
	• simplify some requirements in IFRS 17, such as excluding credit card contracts and extending the risk mitigation option;
	• clarify and simplify the reporting of financial performance and position; and
	• ease transition by:
	  - deferring the effective date of IFRS 17 to 2023; and
	  - providing additional relief to reduce the effort required when applying IFRS 17 for the first time.
	Conforming amendments have also been made to IFRS 4 in respect of the temporary extension from applying IFRS 9.

Figures in Pound Sterling

Standard	Detail
Disclosure of Accounting policies (Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements*)	The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies. The amendments explain how an entity identifies a material accounting policy. To support the amendments, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments to IAS 1 are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.
Definition of Accounting Estimates (Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*)	The amendments aim to clarify how changes in accounting estimates should be distinguished from changes in accounting policies. The definition of a change in accounting estimates is replaced with a definition of accounting estimates themselves, being: "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments confirm that a change in an accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the effective date.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 *Income Taxes*)	In specified circumstances, there is an exemption from recognising deferred tax on the initial recognition of assets or liabilities. The amendments clarify that this exemption does not apply where transactions give rise to equal taxable and deductible temporary differences, such as in the case of leases and decommissioning obligations where both an asset and a liability are recognised. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, deferred tax assets and liabilities are recognised for all right-of-use assets and lease liabilities and decommissioning obligations. This avoids the need to assess whether every lease and decommissioning obligation gave rise to equal taxable and deductible temporary differences on initial recognition.

3. INTANGIBLE ASSETS

		31 March 2021			31 March 2020	
	Cost/ Valuation	**Accumulated depreciation**	**Carrying value**	Cost/ Valuation	Accumulated depreciation	Carrying value
Group						
Exploration and evaluation asset – Botswana	**418,324**	**–**	**418,324**	–	–	–
Exploration and evaluation asset – U.S.A.	**1,696,493**	**–**	**1,696,493**	1,773,859	–	1,773,859
Exploration and evaluation asset – Zambia	**–**	**–**	**–**	1,574,160	–	1,574,160
	2,114,817	**–**	**2,114,817**	3,348,019	–	3,348,019
Company						
Exploration and evaluation asset – Botswana	**342,946**	**–**	**342,946**	–	–	–

Figures in Pound Sterling

3. INTANGIBLE ASSETS (continued)

Reconciliation of intangible assets – Group

	Asset denomination currency	Opening	Additions	Additions through business combinations	Foreign exchange movements	Reclassify as current asset held for sale	Total
2021							
Exploration and evaluation asset – Botswana[1]	BWP	**–**	**342,946**	**2,531,022**	**(77,018)**	**(2,378,626)**	**418,324**
Exploration and evaluation asset – U.S.A.	US$	**1,773,859**	**110,778**	**–**	**(188,144)**	**–**	**1,696,493**
Exploration and evaluation asset – Zambia[2]	ZMW	**1,574,160**	**–**	**–**	**–**	**(1,574,160)**	**–**
		3,348,019	**453,724**	**2,531,022**	**(265,162)**	**(3,952,786)**	**2,114,817**

	Asset denomination currency	Opening	Additions	Additions through business combinations	Foreign exchange movements	Reclassify as current asset held for sale	Total
2020							
Exploration and evaluation asset – Botswana	BWP	–	–	–	–	–	–
Exploration and evaluation asset – U.S.A.	US$	1,582,888	161,539	–	29,432	–	1,773,859
Exploration and evaluation asset – Zambia	ZMW	1,272,968	301,192	–	–	–	1,574,160
		2,855,856	462,731	–	29,432	–	3,348,019

Reconciliation of intangible assets – Company

	Asset denomination currency	Opening	Additions	Additions through business combinations	Foreign exchange movements	Reclassify as current asset held for sale	Total
2021							
Exploration and evaluation asset – Botswana	BWP	**–**	**–**	**342,946**	**–**	**–**	**342,946**

Exploration and evaluation assets are carried at cost adjusted for any foreign currency movements during the period under review.

Botswana

Assets of £2,378,626 are included in Held For Sale assets in the balance sheet as at 31 March 2021

In Botswana Galileo acquired Crocus-Serv (Pty) Ltd in May 2020 with its copper licences in the highly prospective Kalahari Copper Belt and nickel-copper-platinum group metal licences in the Limpopo Mobile belt in Botswana. In the Kalahari Copper Belt ('KCB'), the Agreement covers 19 prospecting licences ('PLs') extending over 14,564km^2 located approximately 500km to the northwest of Gaborone, the capital of Botswana. The KCB extends for over 800km of strike and contains multiple recent copper-silver discoveries, which are generally stratabound and hosted in metasedimentary rocks. The geological setting is comparable to that of the Central African Copper Belt and the Kupferschiefer in Poland. The Limpopo Mobile Belt ('LMB') project comprises 2 PLs covering 311km^2 on land located about 400km northeast of Gaborone, near the border with Zimbabwe, viz. PL048/2018 (Sampowane) and PL049/2018.

In October 2020 Galileo completed the Company's Kalahari Copper Belt portfolio with the acquisition of Africibum Co (Pty) Ltd, a wholly owned subsidiary of Crocus-Serv (Pty) Ltd. The Company acquired a 100% interest in five prospecting licences PL366/2018, PL367/2018, PL368/2018, PL122/2020, PL123/2020 and two mining tenement applications in Botswana (the "North East Kalahari Copper Belt Project").

1. Sale of 9 licenses held in the Kalahari Copper Belt and non-current asset held for sale

The first agreement is a conditional licence sale agreement (the "Licence Sale Agreement") which provides for;

Figures in Pound Sterling

3. INTANGIBLE ASSETS (continued)

i) The Sale of licences and right of first refusal: the sale to Sandfire of 9 of the Company's Kalahari Copper Belt Licences (the "Included Licences") which the Company acquired in May and October 2020. Sandfire to have a first right of refusal in relation to the acquisition of the 15 Kalahari Copper Belt Licences being retained by the Company (the "Excluded Licences") ("ROFR: Excluded Licences") for an aggregate consideration of US$3 million payable on the Settlement Date of which US$1.5 million will be paid in cash and US$1.5 million by the issue of 370,477 Sandfire ordinary shares to the Company (the "Consideration Shares") at an issue price of A$5.227 per share, being the VWAP of the Sandfire share price for the 10 trading days prior to the date of signing the Licence Sale Agreement;

ii) An Exploration Commitment: Sandfire to spend US$4 million on the Included Licences (the "Exploration Commitment") within two years of settlement (the "Exploration Period") and if the US$4 million is not spent, any shortfall will be paid to the Company; and

iii) A Success Payment: a one-off success payment to be paid to the Company for the first ore reserve reported under JORC Code 2012 edition on the Included Licences which exceeds 200,000 tonnes of contained copper (the "First Ore Reserve") in the range of US$10 million to US$80 million depending on the amount of contained copper in the First Ore Reserve (the "Success Payment"). US$2 million of the Success Payment will be held in escrow for up to three years pending any claim by Sandfire under the Licence Sale Agreement.

Note: given the limited exploration conducted on the Included Licences to date and the many years that it could take to establish an Ore Reserve, there can be no guarantee that any such Success Payment will be forthcoming.

The parties entered into a variation agreement on 2 August 2021. The key commercial terms of the Variation Agreement are to make the following variations to the Licence Sale Agreement:

i) Change the long stop date for the meeting of the conditions from 31 July 2021 to 31 August 2021;

ii) Sandfire to at completion of the Licence Sale Agreement, reimburse Galileo up to US$500,000 of exploration expenditure incurred by Galileo in relation to licence obligations of certain Included Licences being transferred to Sandfire (the "Reimbursed Exploration Expenditure");

iii) Sandfire's US$4,000,000 Exploration Commitment under the Licence Sale Agreement to be reduced by the amount of the Reimbursed Exploration Expenditure;

iv) PL 368/2018 which was due to expire on 30 September 2021 to be removed from the list of Included Licences to be transferred to Sandfire as this licence is, with the agreement of Sandfire, being relinquished; and

v) Removing the option for Sandfire to elect to pay the Success Payment under the Licence Sale Agreement by issuing Sandfire shares to Galileo which means the Success Payment if due will be paid in cash. Note: given the limited exploration conducted on the Included Licences to date and the many years that it could take to establish an Ore Reserve, there can be no guarantee that any such Success Payment will be forthcoming.

Included Licences to be assigned to Sandfire at completion:

Licence ID	Title Holder	Beneficial Interest
PL 250/2018	Crocus-Serv Resources Pty Ltd	100%
PL 251/2018	Crocus-Serv Resources Pty Ltd	100%
PL 366/2018	Africibum Co Pty Ltd	100%
PL 367/2018	Africibum Co Pty Ltd	100%
PL 122/2020	Africibum Co Pty Ltd	100%
PL 154/2020	Africibum Co Pty Ltd	100%
PL 044/2018	Virgo Business Solutions Pty Ltd	100%
PL 045/2018	Virgo Business Solutions Pty Ltd	100%

On 16 September 2021, the Company reported that all the conditions precedent had been met in relation to its conditional licence sale agreement with ASX listed Sandfire entered into in January 2021. As at the date of this report, the Group had received US$1.5M in cash for the 9 Kalahari Copper Belt licences being sold.

Sandfire Resources is an Australian listed company and have an enviable track record of copper/gold discovery, development execution and operation. They have a commanding position in the Kalahari Copper Belt and hence Galileo feels that this arrangement will benefit both parties to further enhance their positions. The transaction allows Sandfire to explore the Included Licences, which are in close proximity to their major mine build, and also allows Galileo to carry out exploration on the Excluded Licences.

Management did not provide for any impairment of the intangible. Management is of the view that the carrying value at period end represents the fair value less cost to sell and that value is supported by the offer price of the licenses being sold. The licenses sold were acquired in the same financial reporting period.

Figures in Pound Sterling

3. INTANGIBLE ASSETS (continued)

Zambia

Assets of £1,574,160 are included in Held For Sale assets in the balance sheet as at 31 March 2021

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.

The Company's Star Zinc Project is in relation to the large-scale exploration license 19653-HQ-LEL (the "Star Zinc Project License") and Galileo's participation in the Star Zinc Project and all exploration information which it has in relation to the Star Zinc Project (the "Project Assets"). The Company acquired its interest in the Star Zinc Project in 2017 and as at the period end its carrying value under exploration and evaluation assets in Zambia was GBP 1 574 160. No income has to date been generated from the Star Zinc Project. The Star Zinc Project costs to date have been capitalised as exploration and evaluation assets as the Project has been in the pre-production and pre-sales phase.

2. Sale of Star Zinc Project and non-current asset held for sale

On 4 March 2021, the Company entered into a conditional agreement with Siege Mining Limited ("Siege") in relation to the ceding of ownership and operation of the Star Zinc Project (the "Star Zinc Project") for US$750,000 (being US$200,000 in relation to the large-scale exploration license 19653-HQ-LEL (the "Star Zinc Project License") (the "License Consideration") and US$550,000 for Galileo ceding its participation in the Star Zinc Project and all exploration information which it has in relation to the Star Zinc Project (the "Project Assets") (the "Project Consideration"). Galileo will also be paid a royalty (proportion share) based on future sales of zinc from the Star Zinc Project for Galileo allowing Siege to use Galileo's information, know-how and commercial experience in relation to the Star Zinc Project (the "Agreement").

Timing of the completion of the Agreement, payment of the Consideration and the actual and projected royalty payments arising from the Agreement as at the time of signing of the Company accounts has been considered when finalising the Company's accounts for the year ended 31 March 2021. Royalties payable under the Agreement are dependent upon the zinc concentrate ore sold, future price of Zinc and ore produced at the Star Zinc project. For information but not as a forecast of future production at the Star Zinc Project on 14 November 2018 the Company announced that following a second phase of drilling the tonnage target was between 600,000 to 900,000 tonnes with an estimated average grade of 10-12% zinc at above 3% cut off grade.

The Company has entered into the Agreement following a period in which it has with stakeholders reviewed the options for putting the Star Zinc Project into operation taking into consideration operational, community and regulatory issues associated with mining a project that is in the outskirts of Lusaka, and allowing ownership and operational responsibilities to be assumed by a Zambian mining company, whilst the Company can still participate in the future success of the Star Zinc Project. Management did not provide for any impairment of the intangible. All costs related to the Zambian exploration operations were expensed during the period under review. Management is of the view that the carrying value at period end represents the fair value less cost to sell and that value is supported by the Offer price of US$750,000 plus the Company's valuation of a royalty that is entitled to based on future sales of zinc from the Star Zinc Project for Galileo allowing Siege to use Galileo's information, know-how and commercial experience in relation to the Star Zinc Project.

The royalty will vary based on the contained zinc percentage of the ore sold (the "Contained Zinc Percentage") and the LME Zinc price at which the ore is sold (the "LME Zinc Price") The base royalty rate is 3% and will increase by 1% for each US$250 increase in the Zinc sale price over US$2,500 per tonne up to a maximum of 10% (the "Royalty Rate") The royalty will be calculated by multiplying the Contained Zinc Percentage * the LME Zinc price * Royalty Rate.

Management is of the view that the carrying value at period end represents the fair value less cost to sell and that value is supported by the offer price of US$750,000 plus the Company's valuation of a royalty that is entitled to based on future sales of zinc from the Star Zinc Project for Galileo allowing Siege to use Galileo's information, know-how and commercial experience in relation to the Star Zinc Project.

Figures in Pound Sterling

4. INVESTMENTS IN SUBSIDIARIES

Name of Company	Country of incorporation	**31 March 2021 % voting power**	31 March 2020 % voting power	**31 March 2021 Carrying amount**	31 March 2020 Carrying amount
Skiptons Global Investments Limited	British Virgin Islands	**100**	100	**–**	–
Galileo Resources SA (Pty) Ltd	South Africa	**100**	100	**–**	–
St Vincent Minerals Incorporated	United States	**100**	100	**1,696,493**	2,357,599
Enviro Zambia Limited	Mauritius	**100**	100	**1,574,160**	1,574,160
Enviro Processing Zambia Limited	Zambia	**95**	95	**–**	–
Camel Valley Holdings Inc	British Virgin Islands	**100**	100	**–**	–
Crocus-Serv (Pty) Ltd	Botswana	**100**	100	**176,191**	–
Africibum Co (Pty) Ltd	Botswana	**100**	100	**311,220**	–
Virgo Business Solutions (Pty) Ltd	Botswana	**100**	100	**–**	–
				3,758,064	3,931,759

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

Galileo holds 100% in St Vincent Minerals Incorporated, a company incorporated in the United States. The principal activity of St Vincent Minerals is the same as that of Galileo Resources Plc. Management assessed the carrying value of the investment in St Vincent Minerals and considered it prudent to impair the carrying value of the investment to the value of the intangible asset in St Vincent Minerals Incorporated, being the value which is considered recoverable. An amount of £661,106 was impaired and charged through profit and loss.

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.

Galileo holds 100% of the issued capital in Enviro Processing Zambia Limited, incorporated in the Republic of Zambia, through its wholly owned subsidiary Enviro Zambia Limited, incorporated in Mauritius. The principal activity of Enviro Processing Zambia Limited is the same as that of Galileo Resources Plc.

Galileo holds 100% of the issued capital in Crocus-Serv (Pty) Ltd, incorporated in the Republic of Botswana, the holding company of 100% in Africibum Co (Pty) Ltd and 100% in Virgo Business Solutions (Pty) Ltd, both incorporated in the Republic of Botswana. The principal activity of Crocus-Serv (Pty) Ltd is the same as that of Galileo Resources Plc.

The registered addresses of the subsidiaries are as follows:

- British Virgin Islands -C/O FGL, 7B Wing Sing Commercial Centre, 12 Wing Lok Street, Sheung Wan, Hong Kong
- South Africa – Ground Floor, Support Services Place, Jigsaw Office Park, 7 Einstein Street, Highveld Techno Park, Centurion
- Zambia – C/O CGCS, 1st Floor, Holy Cross House, Stand No 6149/A, Suez Road, Cathedral Hill, Lusaka, Zambia
- Mauritius – C/O DTOS, 10th Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius
- United States – C/O Thomas P Erwin, 241 Ridge St Ste 210, Reno, NV 89501, USA
- Botswana – Plot 102, Unit 13, Gaborone International Commerce Park, Gaborone, Botswana

5. INVESTMENT IN JOINT VENTURES AND ASSOCIATES

Name of Company	**31 March 2021 % holding**	31 March 2020 % holding	**31 March 2021 Carrying amount**	31 March 2020 Carrying amount
Joint Venture – Glenover Phosphate (Pty) Limited – ordinary shares	33.99	33.99	**1,979,640**	1,834,710
			1,979,640	1,834,710

Figures in Pound Sterling

5. INVESTMENT IN JOINT VENTURES AND ASSOCIATES (continued)

Glenover Phosphate (Pty) Ltd

The registered address of Glenover is 16 Victoria Ave, Parktown, 2193, South Africa.

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 11 of the Integrated Report for details of the Glenover project.

The table below presents the Group's share in the assets and liabilities of its joint venture investment in Glenover.

	Group	
	31 March 2021	31 March 2020
Carrying value at the beginning of the year	**1,834,710**	2,156,507
Effect of change in translation currency	**154,018**	(309,991)
Equity accounted loss for the year	**(9,088)**	(11,806)
Carrying value at year end	**1,979,640**	1,834,710
Current assets	**220**	41
Non-current assets	**1,408,685**	596,905
Current liabilities	**(423,685)**	(7,298)
Non-current liabilities	**–**	(86,100)
Net assets	**985,220**	503,548
Income	**–**	–
Interest paid	**(4,678)**	(5,988)
Expenses	**(4,410)**	(5,818)
Taxation	**–**	–
Equity accounted loss for the year	**(9,088)**	(11,806)

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

	Group		Company	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
Loans to subsidiaries				
Galileo Resources SA (Pty) Ltd	**–**	–	**5,212,913**	5,130,463
Skiptons Global Investment Ltd	**–**	–	**10,482**	8,673
Crosuc-Serv (Pty) Ltd	**–**	–	**24,281**	–
Virgo Business Solutions (Pty) Ltd	**–**	–	**4,976**	–
	–	–	**5,252,652**	5,139,136
Loans from subsidiaries				
St Vincent Minerals	**–**	–	**(640,372)**	(751,145)
	–	–	**(640,372)**	(751,145)
Loans to/(from) subsidiaries are interest free, unsecured and has no repayment terms				
Loans to joint ventures and associates				
Glenover Phosphate (Pty) Ltd	**335,390**	281,947	**237,568**	191,720
SHIP – Concordia	**10,294**	9,495	**–**	–
	345,684	291,442	**237,568**	191,720
Non-current assets	**345,684**	291,442	**5,490,220**	5,330,856
Non-current liabilities	**–**	–	**(640,372)**	(751,145)

Figures in Pound Sterling

7. OTHER FINANCIAL ASSETS

	Group 31 March 2021	Group 31 March 2020	Company 31 March 2021	Company 31 March 2020
Fair value through profit or loss				
Galagen – Ordinary shares	**8**	8	**–**	–
Galagen – B Preference shares	**370,093**	341,360	**–**	–
SHIP Copper (Pty) Ltd	**–**	148,940	**–**	148,940
Provision for impairment	**–**	(148,940)	**–**	(148,940)
	370,101	341,368	**–**	–

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 shares are represented by zero percent coupon rate and are only redeemable after three years.

SHIP – Concordia

The Company elected to retain a 15% interest in the Project which will be accomplished through a conversion of its previous exploration expenditure into equity in SHIP Copper (Pty) Ltd ("SHIP"), the majority owner and operator of the Project. Galileo elected not to fund the project beyond the committed amount which will ultimately result in a 15% equity interest.

	Group 31 March 2021	Group 31 March 2020	Company 31 March 2021	Company 31 March 2020
Financial assets at amortised cost				
Galagen	**3,420**	3,155	**–**	–
This loan bears no interest and has no fixed terms of repayment.	**–**	–	**–**	–
	3,420	3,155	**–**	–
Non-current assets				
At fair value through profit or loss	**370,101**	341,368	**–**	–
At amortised cost	**3,420**	3,155	**–**	–
Total other financial assets	**373,521**	344,523	**–**	–

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 31 March 2021	Group 31 March 2020	Company 31 March 2021	Company 31 March 2020
Level 3				
Galagen – Ordinary shares	**8**	8	**–**	–
Galagen – B Preference shares	**370,093**	341,360	**–**	–
	370,101	341,368	**–**	–

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 2021

	Opening balance	Foreign exchange movement	Gains or losses in profit or loss	Total
Galagen – Ordinary shares	8	–	–	8
Galagen – B Preference shares	344,515	29,001	–	373,513
	344,523	29,001	–	373,521

Group – 31 March 2020

	Opening balance	Foreign exchange movement	Gains or losses in profit or loss	Total
Galagen – Ordinary shares	9	(1)	–	8
Galagen – B Preference shares	399,054	54,539	–	344,515
	399,063	54,540	–	344,523

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:

	31 March 2021			31 March 2020		
	Loans and receivables	Fair value through profit or loss	Total	Loans and receivables	Fair value through profit or loss	Total
GROUP						
Other financial assets	3,420	370,101	373,521	3,155	341,368	344,523
Trade and other receivables	1,359	–	1,359	2,228	–	2,228
Cash and cash equivalents	1,392,955	–	1,392,955	356,485	–	356,485
	1,397,734	370,101	1,767,835	361,868	341,368	703,236

	31 March 2021			31 March 2020		
	Loans and receivables	Fair value through profit or loss	Total	Loans and receivables	Fair value through profit or loss	Total
COMPANY						
Loans to Group Companies	5,490,220	–	5,490,220	5,330,856	–	5,330,856
Other financial assets	–	–	–	–	–	–
Cash and cash equivalents	1,389,421	–	1,389,421	136,781	–	136,781
	6,879,641	–	6,879,641	5,467,637	–	5,467,637

Figures in Pound Sterling

	Group		Company	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
9. TRADE AND OTHER RECEIVABLES				
Trade receivables	**1,359**	2,228	**–**	–
	1,359	2,228	**–**	–

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

10. CASH AND CASH EQUIVALENTS

	Group 31 March 2021	Group 31 March 2020	Company 31 March 2021	Company 31 March 2020
Cash and cash equivalents consist of:				
Bank balances	**1,392,955**	356,485	**1,389,421**	352,110
	1,392,955	356,485	**1,389,421**	352,110

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:

	Group 31 March 2021	Group 31 March 2020	Company 31 March 2021	Company 31 March 2020
Credit rating				
F1	**1,392,955**	356,485	**1,389,421**	352,110
	1,392,955	356,485	**1,389,421**	352,110

Reference: Fitch Ratings

11. SHARE CAPITAL

	Group 31 March 2021	Group 31 March 2020	Company 31 March 2021	Company 31 March 2020
Authorised share capital				
Unlimited ordinary shares of 0.01 pence (2020: 0.01 pence)				
Issued share capital				
Reported as at 1 April 2020	**557,811,947**	304,596,562	**557,811,947**	304,596,562
Share issues	**354,164,370**	253,215,385	**354,164,370**	253,215,385
Reported as at 31 March 2021	**911,976,317**	557,811,947	**911,976,317**	557,811,947
Reconciliation of share capital:				
Ordinary shares of 0.1p	**911,976**	557,812	**911,976**	557,812
Deferred shares of 4.9p	**5,610,634**	5,610,634	**5,610,634**	5,610,634
Share premium	**23,182,634**	20,300,873	**23,182,634**	20,300,873
	29,705,244	26,469,319	**29,705,244**	26,469,319

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	Issue price	Purpose of issue
Opening balance	**557,811,947**		
28-May-20	38,814,246	0.42	Acquisition
28-May-20	26,505,000	0.60	Warrant exercise
02-Jun-20	18,625,000	0.60	Warrant exercise
12-Jun-20	54,562,500	0.80	Placing
04-Jun-20	11,820,000	0.60	Warrants exercised
04-Jun-20	57,937,500	0.60	Placing
26-Aug-20	1,200,000	0.60	Warrants exercised
14-Sep-20	1,250,000	0.60	Warrants exercised
22-Sep-20	6,250,000	0.60	Warrants exercised
22-Oct-20	42,000,000	0.69	Acquisition
18-Nov-20	300,000	0.60	Warrants exercised
26-Nov-20	1,125,000	0.60	Warrants exercised
07-Dec-20	12,500,000	0.60	Warrants exercised
21-Dec-20	1,000,000	0.60	Warrants exercised
06-Jan-21	3,750,000	0.60	Warrants exercised
13-Jan-21	5,000,000	0.60	Warrants exercised
18-Jan-21	3,000,000	0.60	Warrants exercised
28-Jan-21	2,250,000	0.60	Warrants exercised
28-Jan-21	3,000,000	0.75	Warrants exercised
09-Feb-21	750,000	0.60	Warrants exercised
09-Feb-21	3,375,000	1.25	Warrants exercised
09-Feb-21	41,100,124	2.68	Placing
10-Feb-21	12,500,000	1.25	Warrants exercised
17-Feb-21	2,000,000	0.60	Warrants exercised
03-Mar-21	2,250,000	0.60	Warrants exercised
17-Mar-21	1,300,000	0.60	Warrants exercised
Closing balance	**911,976,317**		

During the period under review the Company issued 354 164 370 ordinary shares to raise £2 761 000 net of costs of £53 500.

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

Date	Number of ordinary shares	Issue price	Purpose of issue
19-Apr-21	500,000	0.6	Director dealing
19-May-21	250,000	0.6	Warrants exercised
19-May-21	150,000	1.25	Warrants exercised
11-Jun-21	133,666,664	1.50	Placing
18-Aug-21	3,500,000	0.6	Warrants exercised

Figures in Pound Sterling

12. SHARE-BASED PAYMENTS

Share Options

Description	Expiry Date	Group and Company 31 March 2021	31 March 2020
Outstanding at the beginning of the year	26-Jan-23	**9,700,000**	9,700,000
Granted during the year			
– 18 May 2020 at a price of 1.3 pence per option	05-Oct-25	**17,550,000**	–
– 18 May 2020 at a price of 1.80 pence per option	05-Oct-25	**17,550,000**	–
– 03 November 2020 at a price of 1.45 pence per option	25-Nov-25	**11,800,000**	–
– 03 November 2020 at a price of 1.85 pence per option	25-Nov-25	**11,800,000**	–
Outstanding and exercisable at the end of the year		**68,400,000**	9,700,000

There were no new options granted post the year end.

The fair value of options issued prior to the period end was determined by using the Black-Scholes Valuation Model.

The following inputs were used:

Strike price in pence	1.30	1.80	1.45	1.85
Average spot at grant date (pence)	0.83	0.83	0.75	0.75
Expected volatility	87%	87%	98%	98%
Expected option life	5	5	5	5
Expected dividends	–	–	–	–
The risk free interest rate	29%	29%	29%	29%
Value of the option	0.49	0.44	0.47	0.44

A summary of options held by directors at year end and at the last practicable date is given below:

	Strike price					
Director	**1.85**	**1.30**	**1.80**	**1.45**	**1.85**	**Total**
Colin Bird	5,000,000	7,500,000	7,500,000	4,000,000	4,000,000	28,000,000
Andrew Sarosi (resigned 4 September 2020)	3,000,000	4,000,000	4,000,000	–	–	11,000,000
Richard Wollenberg	750,000	750,000	750,000	500,000	500,000	3,250,000
Chris Molefe	250,000	500,000	500,000	300,000	300,000	1,850,000
Joel Silberstein (Appointed 7 October 2020)	–	–	–	1,000,000	1,000,000	2,000,000
Edward Slowy (Appointed 4 September 2020)	–	500,000	500,000	1,500,000	1,500,000	4,000,000
	9,000,000	**13,250,000**	**13,250,000**	**7,300,000**	**7,300,000**	**50,100,000**

Figures in Pound Sterling

12. SHARE-BASED PAYMENTS

Warrants

At year-end the Company had the following warrants outstanding:

Issue date	Number of warrants	Subscription price (pence)	Expiry date
01-Nov-19	2,750,000	0.60	18-Oct-21
24-Jun-20	5,625,000	0.80	24-Dec-21
01-Nov-19	25,125,000	0.60	18-Oct-21
12-Jun-20	27,281,250	1.25	12-Dec-21
24-Jun-20	13,093,750	1.25	24-Dec-21
15-Sep-20	10,000,000	0.02	15-Oct-22
	83,875,000		

At the last practicable date the Company had the following warrants outstanding:

Issue date	Number of warrants	Subscription price (pence)	Expiry date
01-Nov-19	2,750,000	0.60	18-Oct-21
24-Jun-20	5,625,000	0.80	24-Dec-21
01-Nov-19	24,875,000	0.60	18-Oct-21
12-Jun-20	27,281,250	0.60	12-Dec-21
24-Jun-20	13,093,750	1.25	24-Dec-21
15-Sep-20	10,000,000	2.00	15-Oct-22
01-Jun-21	3,341,666	2.25	01-Jun-23
01-Jun-21	66,833,332	2.25	01-Jun-23
	153,799,998		

New warrants granted 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 were taken into consideration when the warrants were valued:

Issue price (pence)	1.25	2.00	0.80	1.25
Share price at issue date (pence)	0.72	0.81	0.75	0.75
Expected volatility	90%	91%	90%	90%
Expected warrant life (years)	1.5	2.0	1.5	5.0
Expected dividends	–	–	–	
The risk free interest rate	29%	29%	29%	29%
Value of the warrant	0.19	0.21	0.30	0.21

The total charge in the year to the group's and company’s profit and loss amounted to £271k (2020: nil) and is included within operating expenses.

Reconciliation of the share based payment reserve

Group and Company

	Options £	Warrants £	Total £
Balance at 1 April 2019	149,793	–	149,793
Warrants issued	–	133,499	133,499
Balance at 1 April 2020	149,793	133,499	283,292
New options granted	270,595	–	270,595
New warrants issued	–	150,544	150,544
Warrants exercised	–	(138,057)	(138,057)
Balance 31 March 2021	420,388	145,986	566,374

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	
	31 March 2021	31 March 2020
Exchange differences on consolidation of foreign subsidiaries	**909,982**	1,233,763
Foreign exchange profits or losses on inter-company loan accounts	**(1,712,447)**	(2,083,139)
Foreign intangibles recognised as part of a business combination	**25,970**	139,394
	(776,495)	(709,982)

	Group		Company	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
14. OTHER FINANCIAL LIABILITIES				
Held at amortised cost				
Fer-Min-Ore	**5**	5	**–**	–
Loans	**–**	–	**–**	–
Non- current liabilities	**5**	5	**–**	–
At amortised cost	**5**	5	**–**	–
15. TRADE AND OTHER PAYABLES				
Trade and other payables	**56,083**	42,763	**46,247**	32,932
Accrued expense	**270,833**	266,975	**270,833**	247,083
	326,916	309,738	**317,080**	280,015

16. FINANCIAL LIABILITIES BY CATEGORY

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

	Group – 31 March 2021		Group – 31 March 2020	
	Financial liabilities at amortised cost	**Total**	Financial liabilities at amortised cost	Total
Other financial liabilities	**5**	**5**	5	5
Trade and other payables	**326,916**	**326,916**	317,080	317,080
	326,921	**326,921**	317,085	317,085

	Company – 31 March 2021		Company – 31 March 2020	
	Financial liabilities at amortised cost	**Total**	Financial liabilities at amortised cost	Total
Trade and other payables	**317,080**	**317,080**	280,015	280,015
Loans from group companies	**640,372**	**640,372**	751,145	751,145
	957,453	**957,453**	1,031,160	1,031,160

	Group 31 March 2021	Group 31 March 2020	Company 31 March 2021	Company 31 March 2020
17. OPERATING LOSS				
Operating loss for the year is stated after accounting for the following:				
Premises – contractual amounts	**25,200**	25,200	**25,200**	25,200
Employee costs – including management	**81,226**	71,916	**81,039**	71,650
Profit on exchange differences	**9,728**	4,488	**9,728**	4,488
Share based payment expense	**270,595**	–	**270,595**	–
18. INVESTMENT REVENUE				
Interest revenue – Bank interest	**–**	2	**–**	2
	–	2	**–**	2
19. TAXATION				
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Profit/(Loss) before tax	**87,872**	(642,186)	**(2,079,373)**	(531,207)
Tax at the applicable tax rate of 19% (2020: 19%)				
Tax effect of adjustments on taxable income	**16,992**	(138,584)	**(395,081)**	(100,929)
Expenses not allowed for tax purposes	**2,123**	38,572	**127,696**	33,200
Tax on equity accounted (losses)/profits	**1,757**	2,548	**–**	–
Non-taxable income	**(303,534)**	–	**–**	–
Tax losses carried forward	**282,662**	97,464	**267,385**	67,729
	–	–	**–**	–

The applicable tax rate is calculated with reference to the weighted average tax rate across the reporting jurisdictions for the period under review. The rate for the year under review was 19.60% (2020:22%). No provision has been made for 2021 tax as the Group has no taxable income. The estimated Group tax losses available for set off against future taxable income is £6 868 214 (2020: £6 051 322). The Group has not reflected a deferred tax asset in respect of the losses carried forward as the Group is not expected to generate taxable profits in the foreseeable future.

	Group 31 March 2021	Group 31 March 2020	Company 31 March 2021	Company 31 March 2020
20. AUDITORS' REMUNERATION				
Current year	**31,750**	30,858	**31,750**	18,000

21. OTHER COMPREHENSIVE INCOME

Components of other comprehensive income	**Group – 31 March 2021 Gross**	**Tax**	**Net**	Group – 31 March 2020 Gross	Tax	Net
Exchange differences through other comprehensive income	**(66,549)**	**–**	**(66,549)**	26,078	–	26,078

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.

	Group	
	31 March 2021	31 March 2020
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	**21,323**	(616,110)
Adjusted for:		
Foreign exchange differences on translation of foreign operations during the year	**66,549**	(26,078)
Profit/(loss) for the year	**87,871**	(642,188)
Weighted average number of shares in issue	**765,428,083**	469,305,814
Basic and diluted earnings/(loss) per share (pence)	**0.01**	(0.14)

23. CASH USED IN OPERATIONS

	Group		Company	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
Profit/(loss) before taxation	**87,872**	(642,188)	**(2,079,373)**	(531,208)
Adjustments for:				
Gain on bargain purchase from business combinations	**(1,569,776)**	–	**–**	–
Loss from equity accounted investments	**9,088**	11,806	**–**	–
Investment revenue	**–**	(2)	**–**	(2)
Provision for impairment	**–**	148,940	**661,106**	148,940
Share based payment expenses	**270,595**	–	**270,595**	–
Other non-cash items	**(2,388)**	97,862		
Changes in working capital:				
Trade and other receivables	**869**	11,463	–	**10,624**
Trade and other payables	**17,173**	40,831	**37,817**	55,863
	(1,186,567)	(331,288)	**(1,110,605)**	(315,783)

24. COMMITMENTS

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

	Group 31 March 2021	Group 31 March 2020	Company 31 March 2021	Company 31 March 2020
25. RELATED PARTY BALANCES AND TRANSACTIONS				
Loan accounts – owed by related parties				
– Galileo Resources SA (Pty) Ltd	**–**	–	**5,212,913**	5,130,463
– Skiptons Global Investment Ltd	**–**	–	**10,482**	8,673
– Glenover	**335,390**	298,641	**237,568**	208,414
– SHIP – Concordia	**10,294**	158,435	**–**	–
– Crosuc-Serv (Pty) Ltd	**–**	–	**24,281**	–
– Virgo Business Solutions (Pty) Ltd	**–**	–	**4,976**	–
Amounts paid – to related parties				
Lion Mining Finance Limited ("LMF") Galileo paid rent and administrative service cost to LMF. Colin Bird is a director of both Galileo and LMF.	**31,007**	37,800	**31,007**	37,800
– Colin Bird During the period under review Galileo reimbursed C. Bird for expenses incurred in carrying out his duties as director.	**24,633**	10,698	**24,633**	10,698

Richard Wollenberg

Post the period under review on 13 April 2021 the Company issued 500 000 new Galileo ordinary shares to Mr Wollenberg at a price of 0.6 pence per share pursuant to the exercise of warrants in terms of the Placing Agreement dated 17 October 2019 (RNS announced 18 October 2019).

	Group 31 March 2021	Group 31 March 2020	Company 31 March 2021	Company 31 March 2020
26. EMPLOYEE COST				
Employees	**8,900**	8,900	**8,900**	8,900
Senior management	**88,855**	84,287	**54,250**	84,287
Average number of employees excluding directors	**1**	1	**1**	1

27. DIRECTORS' REMUNERATION

	Group		Company	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
Executive				
Colin Bird				
– Salary and fees	**11,733**	32,500	**11,733**	32,500
– Bonus	**1,100**	–	**1,100**	–
	12,833	32,500	**12,833**	32,500
Edward Slowey (Appointed 4 September 2020)				
– Salary and fees	**10,500**	–	**10,500**	–
– Bonus	**1,000**	–	**1,000**	–
	11,500	–	**11,500**	–
Joel Silberstein (Appointed 7 October 2020)				
– Salary and fees	**25,777**	–	**25,777**	–
– Bonus	**778**	–	**778**	–
	26,555	–	**26,555**	–
Andrew Sarosi (Resigned 4 September 2020)				
– Salary and fees	10,000	30,000	10,000	30,000
– Bonus	–	–	–	–
	10,000	30,000	**10,000**	30,000
Subtotal	**60,888**	62,500	**60,888**	62,500
Non-executive				
Christopher Molefe				
– Salary and fees	**18,750**	15,000	**18,750**	15,000
– Bonus	**500**	–	**500**	–
	19,250	15,000	**19,250**	15,000
Richard Wollenberg				
– Salary and fees	**15,000**	15,000	**15,000**	15,000
– Bonus	**500**	–	**500**	–
	15,500	15,000	**15,500**	15,000
Subtotal	**34,750**	30,000	**34,750**	30,000
Total	**95,638**	92,500	**95,638**	92,500

At year end an amount of £ 214 583 (2020: £214 583) was accrued towards outstanding director fees payable as follows:

	Group		Company	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
Colin Bird	**80,833**	80,833	**80,833**	80,833
Andrew Sarosi	**77,500**	77,500	**77,500**	77,500
Richard Wollenberg	**63,750**	52,500	**52,500**	52,500
Chris Molefe	**3,750**	3,750	**3,750**	3,750
Total	**225,833**	214,583	**214,583**	214,583

27. DIRECTORS' REMUNERATION (continued)

Refer to note 4 for directors' interests in the Company's share option scheme.

The Company has received shareholder approval to issue shares to directors in lieu of Deferred Fees. Shares issued in lieu of Deferred Fees will be issued on a quarterly basis for services that have been provided to the Company during that month (payment in arrears). The shares shall be issued at a price representing the monthly average weighted share price over the month during which the services have been rendered.

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.

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.

28. RISK MANAGEMENT (continued)

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 2021	Less than 1 year	Between 2 and 5 years
Trade and other payables	**326,916**	**–**
Other financial liabilities	**–**	**5**

At 31 March 2020	Less than 1 year	Between 2 and 5 years
Trade and other payables	309,740	–
Other financial liabilities	–	5

Company

At 31 March 2021	Less than 1 year
Trade and other payables	**317,080**

At 31 March 2020	Less than 1 year
Trade and other payables	280,015

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 2021**	31 March 2020	**31 March 2021**	31 March 2020
Trade and other receivables	**1,359**	2,228	**–**	–
Cash and cash equivalents	**1,392,955**	356,485	**1,389,421**	352,110
Other financial assets	**373,521**	341,368	**–**	–
Loans to Group companies and other related entities	**–**	–	**5,490,220**	5,490,220

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. This minimises the sensitivity to the exchange risk.

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)	1:0.0469	(2020: 1 : 0.0533)
ZAR : £ (Spot)	1:0.0490	(2020: 1 : 0.0452)
USD : £ (Average)	1:0.7648	(2020: 1 : 0.7865)
USD : £ (Spot)	1:0.7264	(2020: 1 : 0.8082)
BWP : £ (Average)	1:0.0679	(2020: 1 : 0.0689)
BWP : £ (Spot)	1:0.0663	(2020: 1 : 0.0689)

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

29. BUSINESS COMBINATIONS

As announced on 21 May 2020 Galileo Resources PLC acquired 100% of the issued capital of Crocus-Serv (Pty) Ltd ("Crocus") including 21 exploration prospecting licenses ("PLs") of which 19 in the Kalahari Belt and 2 in the Limpopo Belt covering an area of 14875 square kms. The Kalahari Belt 19 licenses extends over 14564 square kms. Limpopo Belt 2 PLs covering 311 square kms.

The acquisition of Africibum a wholly owned subsidiary of Crocus as well as Virgo Business Solutions also a wholly owned subsidiary of Crocus was completed on 17 October 2020 following due diligence work done by Galileo. The Acquisition Agreement was subject to various Conditions Precedent being satisfied within a 30 day period and includes completion of satisfactory due diligence by Galileo and Galileo and Africibum obtaining necessary regulatory approvals or waivers and shareholders approvals pursuant to the AIM Rules or any other laws or statute.

The effective date of the acquisition is 21 May 2020 when Galileo acquired 100% of Crocus-Serv (Pty) Ltd The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of the acquisition.

29. BUSINESS COMBINATIONS (continued)

	Group	
	31 March 2021	31 March 2020
Intangibles	**2,531,022**	–
Deferred tax	**(442,757)**	–
Shareholder loans	**(21,005)**	–
	2,067,260	–
Non-controlling interest	**–**	–
Fair value of consideration	**(497,484)**	–
Pre-existing relationships settled	**–**	–
Gain on bargain purchase	**1,569,776**	–

The only fair value adjustment was made to intangibles with a resultant upward fair value adjustment of £2 million recognised on the acquisition date.

The gain on bargain purchase arose following on an acquisition by Galileo of 100% of Crocus-Serv (Pty) Ltd. Refer to note 1.2 Significant judgements and sources of estimation uncertainty on page 41.

There were no acquisitions made by Crocus-Serv (Pty) Ltd in the previous period. There were also no transactions recognised that would require separate disclosure from the assets and liabilities acquired. The acquired assets did not contribute to the group's revenue and earnings for the period under review.

30. 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.

31. SEGMENTAL REPORTING ON INCOME AND LOSSES ATTRIBUTABLE TO VARIOUS OPERATIONAL SEGMENTS

Business unit

The Company's investments in subsidiaries and associates, that were operational at year-end, operate in two geographical locations being South Africa 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.

The Company's investments in Zambia and Botswana are not yet operational and does not form part of the segmental reporting for the period under review.

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

Geographical segments

An analysis of the loss on ordinary activities before taxation is given below:

		31 March 2021	31 March 2020
Rare earths, aggregates and iron ore and manganese	**South Africa**	**(9,088)**	(11,806)
Copper	**South Africa**	**–**	(148,940)
Copper	**Botswana**	**1,569,776**	–
Gold, Copper	**USA**	**–**	(23,187)
Corporate costs	**South Africa and United Kingdom**	**(1,472,816)**	(458,255)
Total		**87,872**	(642,188)

32. SUBSEQUENT EVENTS

32.1 Share Issues

- On 13 April 2021, the Company announced that it had issued a total of 500,000 fully paid ordinary shares in the Company, pursuant to the exercise of warrants in terms of the Placing Agreement dated 17 October 2019.
- On 13 May 2021, the Company announced that it had issued a total of 250,000 fully paid ordinary shares in the Company, pursuant to the exercise of warrants in terms of the Placing Agreement dated 17 October 2019.
- On 13 May 2021, the Company announced that it had issued a total of 150,000 fully paid ordinary shares in the Company, pursuant to the exercise of warrants in terms of the Placing Agreement dated 31 May 2020.
- On 1 June 2021, the Company announced a placing to raise approximately £2,000,000 (before expenses) through the issuance of 133,666,664 new ordinary shares at a placing price of 1.5p per share.
- On 18 August 2021, the Company announced that it had issued a total of 3,500,000 fully paid ordinary shares in the Company, pursuant to the exercise of warrants in terms of the Placing Agreement dated 17 October 2019.

32.2 Variation of the Sandfire Agreement ("Variation Agreement")

On 2 August 2021, the Company announced it entered into a variation agreement on 31 July 2021. The key commercial terms of the Variation Agreement are to make the following variations to the Licence Sale Agreement:

- Change the long stop date for the meeting of the conditions from 31 July 2021 to 31 August 2021 which have subsequently been extended to 15 September 2021;
- Sandfire to at completion of the Licence Sale Agreement, reimburse Galileo up to US$500,000 of exploration expenditure incurred by Galileo in relation to licence obligations of certain Included Licences being transferred to Sandfire (the "Reimbursed Exploration Expenditure");
- Sandfire's US$4,000,000 Exploration Commitment under the Licence Sale Agreement to be reduce by the amount of the Reimbursed Exploration Expenditure;
- PL 368/2018 which was due to expire on 30 September 2021 to be removed from the list of Included Licences to be transferred to Sandfire as this licence is, with the agreement of Sandfire, being relinquished; and
- Removing the option for Sandfire to elect to pay the Success Payment under the Licence Sale Agreement by issuing Sandfire shares to Galileo which means the Success Payment if due will be paid in cash. Note: given the limited exploration conducted on the Included Licences to date and the many years that it could take to establish an Ore Reserve, there can be no guarantee that any such Success Payment will be forthcoming.

32.3 Completion of the Sandfire Agreement

- On 16 September 2021, the Company reported that all the conditions precedent had been met in relation to its conditional licence sale agreement with ASX listed Sandfire entered into in January 2021. As at the date of this report, the Group had received US$1.5M in cash for the 9 Kalahari Copper Belt licences being sold.

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