# GALILEO MINING LTD

# ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2021

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## CHAIRMAN'S LETTER

Dear Shareholder,

FY2021 has been yet another significant year for Galileo Mining Ltd where we continued our aggressive exploration campaign at the Fraser Range Nickel-Copper-Cobalt Project as well as ramped up exploration at the Norseman Palladium-Nickel-Cobalt Project.

Over the period, we have completed two diamond drilling campaigns and an RC drilling campaign at Fraser Range. Meanwhile, an initial 1,000 metre RC drilling campaign began post financial year end to test geophysical models of Electromagnetic (EM) targets at the Delta Blues Prospect (DB 1 and DB 2).

Our ongoing EM survey work continued to develop a database of EM conductive zones across the project.

At Norseman, results from our continuing review of the project shows outstanding prospectivity for palladium in the region. The existing drill results demonstrate the quality of the project and have provided the basis for a new understanding of the mineralising processes, leading to the development of robust drill targets with the potential for a significant palladium discovery. We will be aggressively pursuing this exceptional opportunity going forward.

While we progress our exploration campaigns, it is important to note the impact COVID-19 has had and continues to have on the junior exploration sector in terms of access to drill rigs and labour shortages as a result of imposed travel restrictions into WA. Galileo has not been immune, with our latest Fraser Range drilling campaign pushed back from June to August 2021. This initial campaign is now complete, and we are currently planning a follow-up diamond drilling program. The design of this program will be finalised upon receipt of assay results and downhole EM surveying.

Importantly, this delay has not impacted our resolve or our view that the Fraser Range remains a prime region to explore and potentially find economic nickel mineralisation.

On the cash front, since the end of the period we have completed a successful capital raising of $6.5 million and we are fully funded to accelerate our exploration campaigns at both the Fraser Range and Norseman projects.

Lastly, I would like to thank our loyal shareholders for sticking with us over the past year. Our ambition to discover economic deposits in the Fraser Range and Norseman regions remains as strong as ever and through further exploration success we hope to make this a near-term reality.

Yours faithfully,

**Brad Underwood**
Chairman/Managing Director
**GALILEO MINING LTD**

## DIRECTORS' REPORT
## FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report on the Company and the Group (consisting of the Company and the entities it controlled during the period) for the financial year ended 30 June 2021.

### DIRECTORS

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

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

### PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was mineral exploration.

### FINANCIAL RESULTS AND FINANCIAL POSITION

The net loss of the Group for the financial year ended 30 June 2021 after providing for income tax amounted to $688,244 (2020: $912,561).

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

At the end of the financial period the Group had cash on hand, including deposits of $5,395,503 (2020: $8,697,061) and Net Assets of $19,238,440 (2020: $19,944,176).

### DIVIDENDS

No dividends have been declared since the end of the previous financial year and no dividends have been recommended by the directors.

### REVIEW OF OPERATIONS

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

1) The Fraser Range Project with exploration tenements prospective for nickel-copper-cobalt deposits, and

2) The Norseman Project with exploration tenements prospective for palladium-nickel-cobalt deposits and an existing JORC compliant cobalt-nickel resource.

During the financial year, the Group's main activities were on exploration at the Fraser Range Project through a series of drilling campaigns, electromagnetic (EM) surveying and other exploration activities.

Galileo also undertook target generation work at the Norseman project identifying significant intersections of palladium from the Group's existing drill hole database. Palladium and nickel sulphide exploration also progressed at Norseman with multi-element assays received from 1,620 unique sample locations (1,726 assays in total).

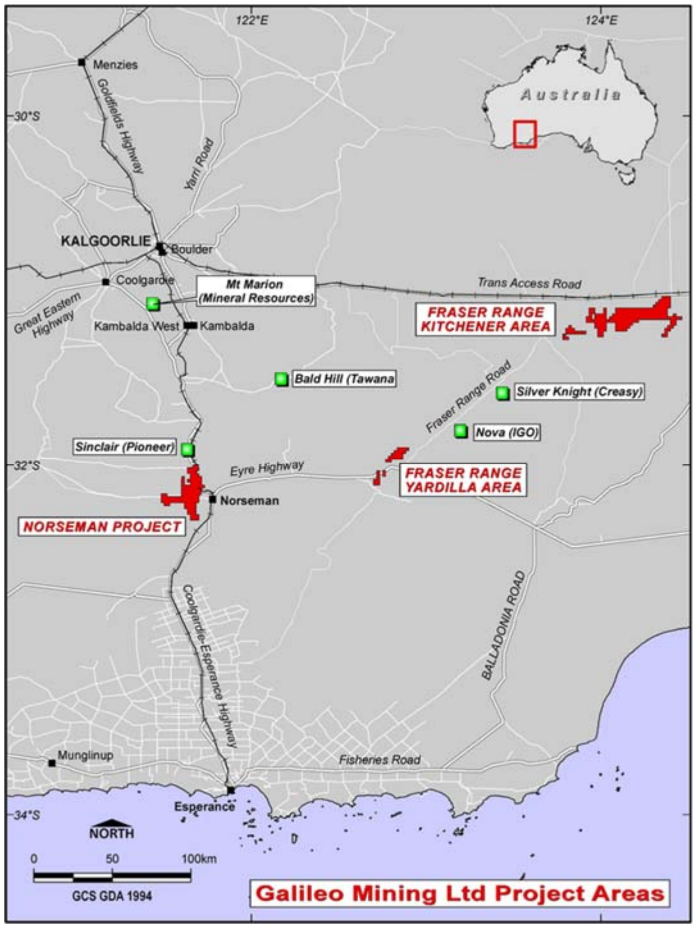



***Figure 1: Galileo Mining's Project Areas***

Highlights of the Group's activities during the year include:

**Fraser Range Project (JV with Creasy Group)**

- Diamond drilling campaign[1] confirms highly prospective nature of Lantern nickel sulphide prospect Assay results:
  - 22.66 metres @ 0.19% nickel & 0.14% copper from 132.67m, including:
  - 5.95 metres @ 0.36% nickel & 0.29% copper from 134.82m
- First occurrence of nickel and copper rich massive sulphides over 7cm section of drill core with assays of:
  - 4.6% nickel, 2.2% copper, 0.15% cobalt & 0.7 g/t palladium from 136.2m (LARC013D)
- RC assay results[2] expand nickel-copper footprint at the Lantern South prospect with:
  - 41 metres @ 0.19% nickel & 0.14% copper from 55m (LARC0012) including
  - 10 metres @ 0.26% nickel & 0.23% copper from 78m; and
  - Anomalous gold (max 88ppb), platinum (75ppb) & palladium (max 88ppb) associated with nickel and copper interval
- Diamond drill hole[3] completed at the Lantern South Prospect with zones of heavily disseminated sulphide intercepted from 110.5m to 111.35m and from 169m to 171.3m

[1] Refer to ASX announcement dated 28th October 2020
[2] Refer to ASX announcement dated 29th September 2020
[3] Refer to ASX announcement dated 16th March 2021

- Two diamond drill holes tested EM conductor at the Lantern East Prospect with source of the EM conductor interpreted to be iron sulphide (pyrrhotite) on the edge of a large mafic intrusion
- Modelling of EM targets at the Delta Blues Prospect shows two highly conductive targets[4]
    - DB1 modelled as a single 800-metre-long body with conductivity of 11,000 Siemens
    - DB2 modelled as a 460-metre-long body with conductivity of 3,300 Siemens
- Approvals for diamond drilling at the Delta Blues nickel prospect in the Fraser Range received[5]
- Ongoing EM surveying focussed along strike of the Lantern East and Lantern South prospects where early drill results showed nickel-copper sulphides

### Norseman Project (100% owned)

- High palladium assay results identified in database of previous RC drilling beneath and adjacent to existing cobalt resources[6]
- 35 RC drill holes with anomalous palladium greater than 0.4 g/t in regolith and 16 RC drill holes with anomalous palladium greater than 0.2 g/t in fresh rock
- Best palladium results from weathered rock;
    - 48 metres @ 0.89 g/t Pd, 0.45 g/t Pt, 0.1 % Cu & 0.37% Ni from 3m (MTRC112) including
    - 5 metres @ 2.1 g/t Pd, 1.4 g/t Pt, 0.13% Cu & 0.23% Ni from 31m
- Best palladium results from fresh rock;
    - 27 metres @ 0.58 g/t Pd, 0.12 g/t Pt, 0.13 % Cu & 0.18% Ni from 123m (MTRC096) including
    - 3 metres @ 1.1 g/t Pd, 0.19 g/t Pt, 0.23% Cu & 0.26% Ni from 135m
- Only two drill holes assayed for rhodium - prospective maximum grades of 0.36 g/t Rh in weathered rock and 0.18 g/t in fresh rock
- Multiple drill ready targets with over 5km of prospective strike length at Mt Thirsty and over 10km of prospective strike length at Mission Sill
- Nickel sulphide exploration at Norseman progressing well with multi-element assays received from 1,620 unique sample locations (1,726 assays in total) [7]
- Interpretation and evaluation of results is ongoing with a 52 element, raw geochemical data set for each sample
- Integration of new hyperspectral data with existing data sets expected to generate focus areas for nickel targeting

### Corporate

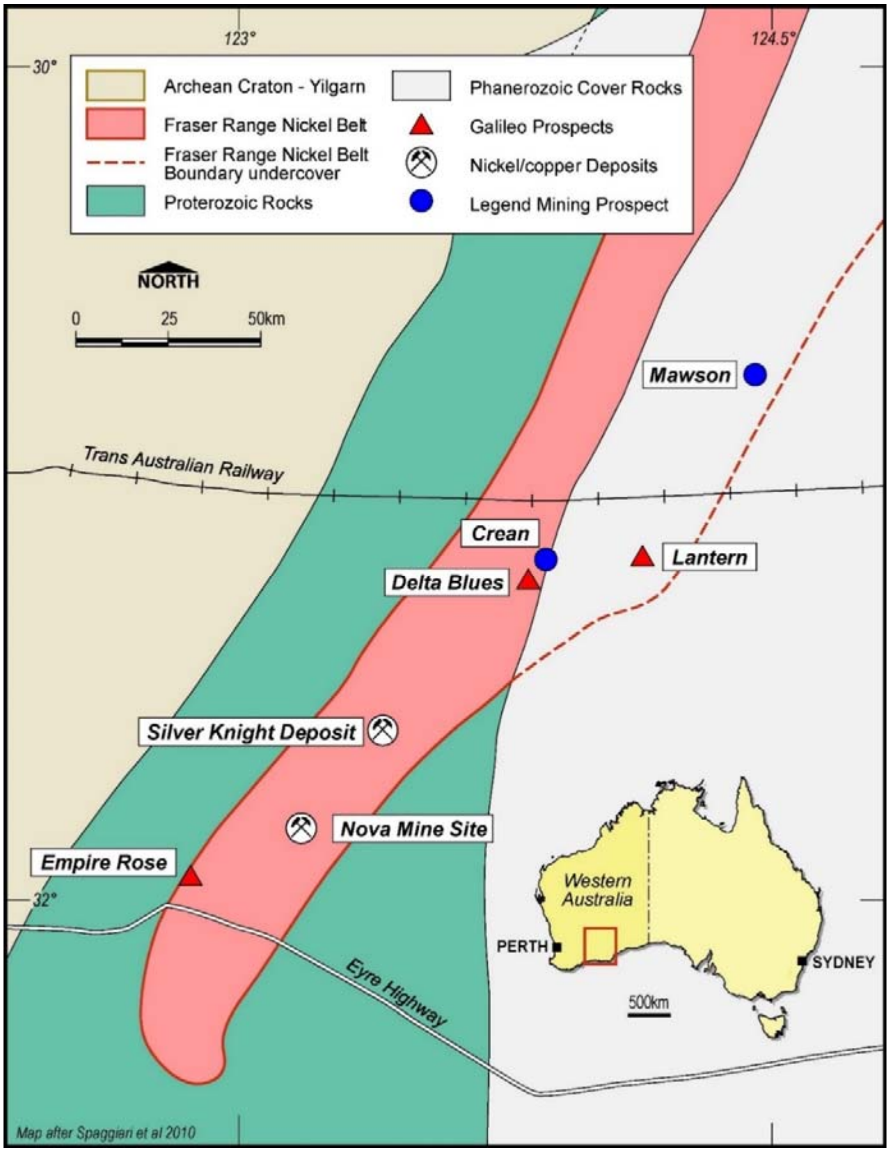
- Well-funded to continue exploration with approximately $5.4 million in cash and deposits as at 30 June 2021 which was augmented by a successful capital raise of $6.5 million (before costs) post end of year.

### Fraser Range Project

The Fraser Range Project covers exploration licences totalling 602 km$^2$ in the Albany-Fraser Orogen. The Albany-Fraser Orogen is dominated by the northeast-trending Fraser Zone, a suite of high-grade metamorphic rocks that have a distinct geophysical signature in both aeromagnetic and gravity data. The Fraser Zone comprises mainly metagabbroic rocks interlayered with sheets of granitic gneisses. Galileo's Fraser Range Project is located across two areas – the northern Kitchener zone which hosts the Group's Lantern and Delta Blues prospects and the southern Yardilla zone which holds the Empire Rose Prospect.

[4] Refer to ASX announcement dated 8th February 2020
[5] Refer to ASX announcement dated 4th May 2021
[6] Refer to ASX announcement dated 17th May 2021
[7] Refer to ASX announcement dated 13 January 2021

***Figure 2: Galileo Prospect Locations in the Fraser Range Nickel Belt***




The project is well positioned within the nickel-copper bearing Fraser Range Zone, with the Nova Bollinger and Silver Knight deposits located between the two Galileo-controlled areas. The location also offers excellent access to infrastructure, with the main Eyre Highway immediately south of the Fraser Range Project area.

**Lantern**

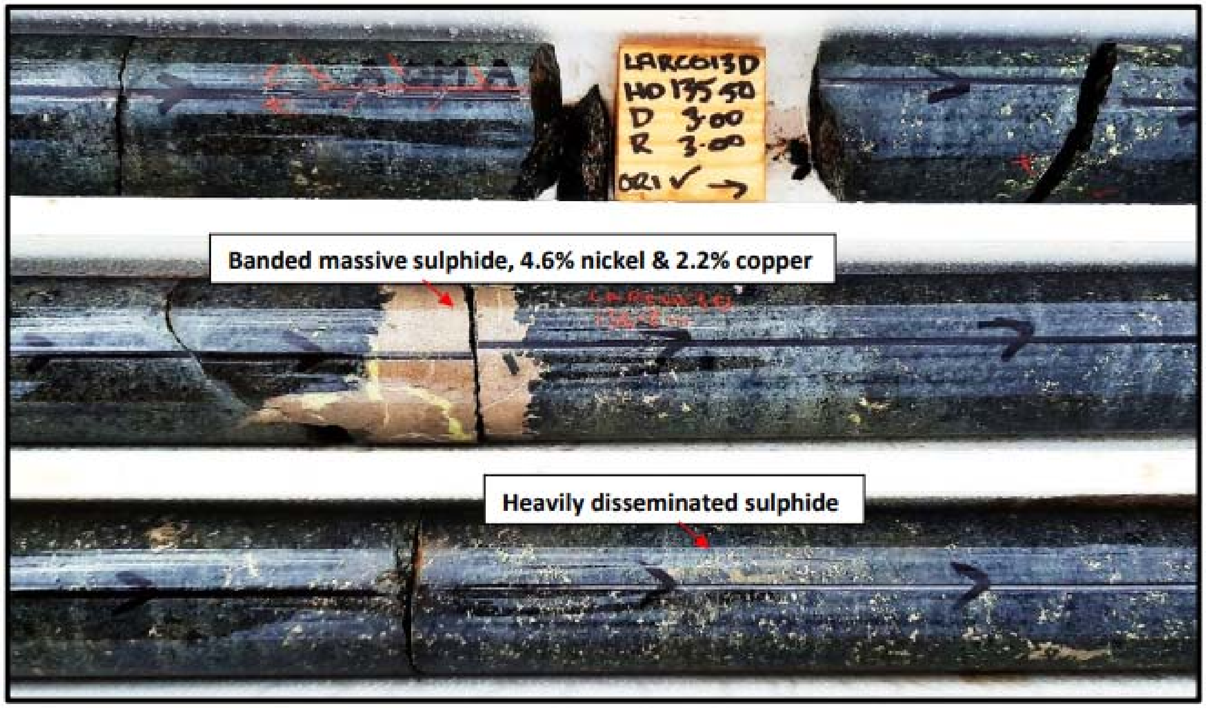
Only a limited amount of drilling has been undertaken at the Lantern prospects with Galileo the first company to explore the area for bedrock mineralisation. No previous nickel exploration has occurred on Galileo's northern Fraser Range tenure which provides the Group with a first mover advantage on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

**Lantern South**

At Lantern South, diamond drilling undertaken during the December 2020 Quarter intersected significant sulphide mineralisation within hole LARC013D, which targeted disseminated sulphide mineralisation along strike from previously reported RC drill hole LARC003. 23m of heavily disseminated, blebby and banded nickel-copper sulphides in ultramafic host rock were intercepted in the diamond drill hole. Assays from this section averaged 0.19% nickel and 0.14% copper.

Of great importance was the intersection of a 7cm band of primary, massive sulphide (see Figure 3). This section assayed 4.6% nickel, 2.2% copper and 0.15% cobalt and demonstrates the ability of the mineralising system at the Lantern Prospect to create high grade nickel and copper sulphides.

***Figure 3 – Disseminated, blebby and banded sulphide mineralisation in drill hole LARC013D (downhole depth 135m to 138m, HQ core diameter 6.35cm)***




In the March 2021 Quarter, one diamond drill hole was completed to check for mineralisation beneath RC drill hole LARC012 and to establish a platform for down hole EM surveying. Two zones of heavily disseminated sulphide were intercepted within drill hole LADD003 from 110.5m to 111.35m and from 169m to 171.3m. (See Figure 4)

LADD003 intersected a multi-phased ultramafic unit within a gabbronorite host rock. Disseminated sulphides (pyrrhotite-chalcopyrite-pentlandite) occur close to the contact zone between the ultramafic and the host rock. Detailed structural and lithological logging of all drill core will provide valuable information to assist the understanding of the occurrence and nature of the mineralisation.

This will greatly benefit future drill targeting at the Lantern Prospects and within Galileo tenements over the surrounding area. Core will be submitted to the laboratory for assaying after the completion of logging however handheld XRF readings did not identify nickel or copper at levels above those recorded from diamond drilling at Lantern South in 2020.[8] Please see Table 1 for drill log summary and Figure 5 for drill hole location.

Downhole EM surveying at the Lantern South and Lantern East prospects will be completed to look for off-hole conductive targets that could represent significant accumulations of massive sulphides.

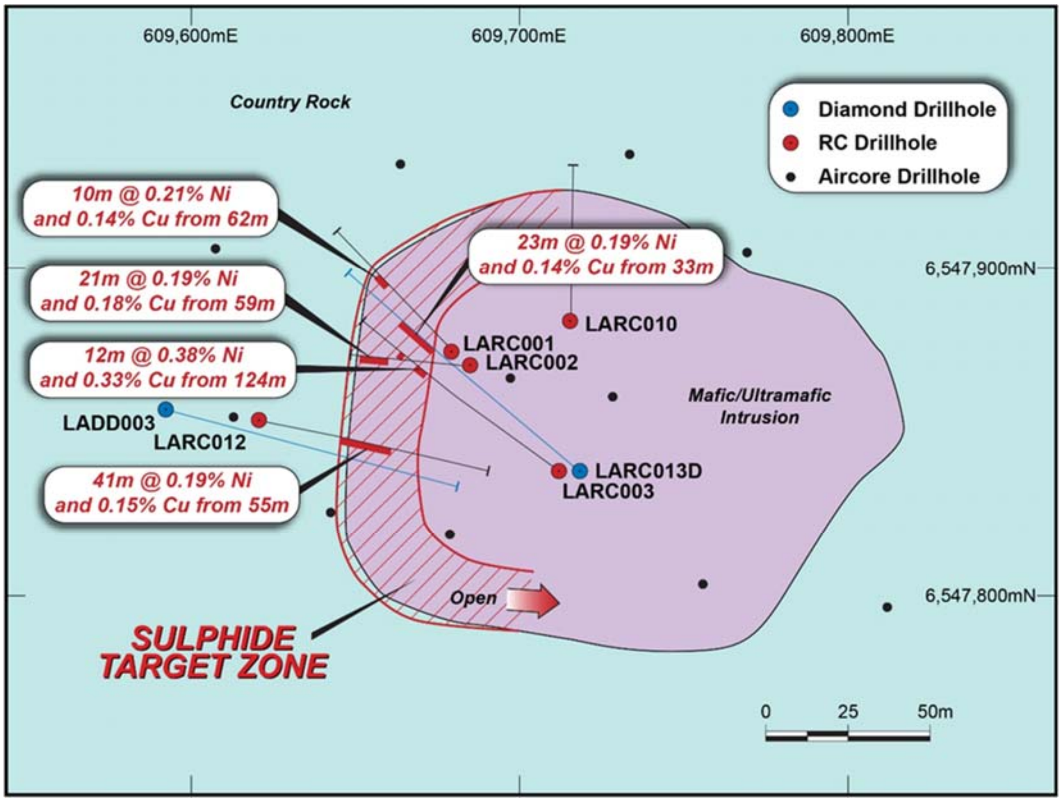
[8] Refer to Galileo's ASX announcement dated 28th October 2020

***Figure 4 — Disseminated Sulphide in LADD003 at 170m (pyrrhotite with minor pentlandite/ chalcopyrite)***

***Table 1: LADD003 Drill Log Summary***

| From (m) | To (m) | Comment |
|---|---|---|
| 0 | 51 | Transported cover |
| 51 | 80.4 | Saprolite/weathered gabbronorite |
| 80.4 | 110.5 | Gabbronorite and leucogabbro |
| 110.5 | 111.35 | Olivine gabbronorite, heavily disseminated sulphide |
| 111.35 | 114 | Olivine gabbronorite and pyroxenite |
| 114 | 169 | Gabbronorite |
| 169 | 171.3 | Gabbronorite, heavily disseminated sulphide |
| 171.3 | 213.2 | Ultramafic and gabbronorite |

***Figure 5 —Lantern South Prospect Plan Showing Sulphide Target Zone and Drill Hole LADD003***




**Lantern East**

Two diamond drill holes were completed at the Group's Lantern East prospect during the March 2021 Quarter. The drill holes targeted an EM anomaly on the margin of a major intrusive rock unit. Drillhole LADD001 tested a Fixed Loop EM model and intersected a complex package of intrusive rock units on the margin of the regionally large gabbronorite intrusion at approximately 210m downhole. No significant sulphides were recorded in this drill hole. Drillhole LADD002 tested a Moving Loop EM model and intersected the same complex package of intrusive rock units at the contact with the gabbronorite. Minor bands of pyrrhotite (iron sulphide) were noted from 190m downhole which corresponded well with the modelled source of the EM anomaly at this location. Although the structure and geology of the Lantern East prospect is compelling, the sulphide recorded so far is pyrrhotite dominant and does not contain significant nickel or copper mineralisation.

***Figure 6 — Diamond Drilling at Galileo's Lantern East Prospect***

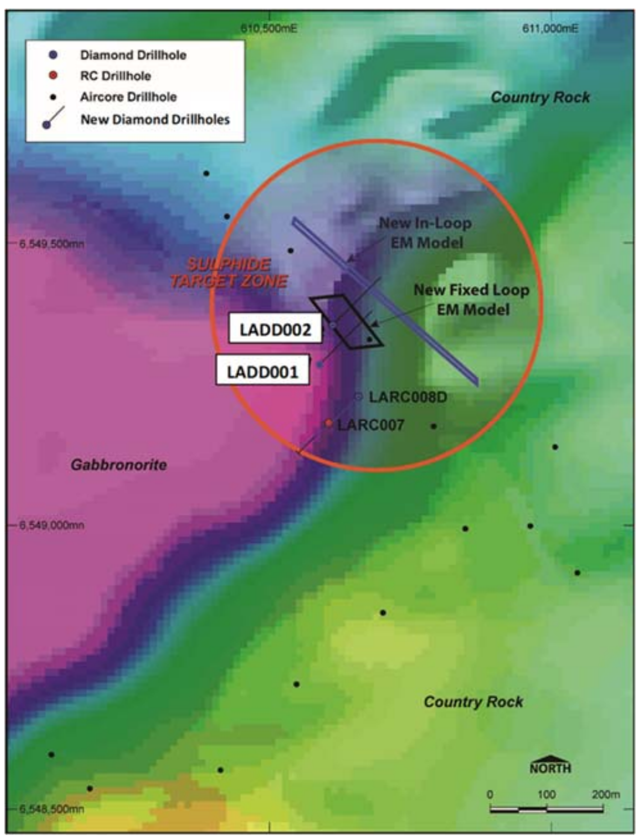




***Figure 7 —Completed Diamond Drill Holes at the Lantern East Prospect (Magnetic Background)***

**Delta Blues**

In April, Galileo reported on results from additional geophysical modelling at the Delta Blues nickel copper prospect in the Fraser Range region of Western Australia. The priority EM conductor at the Delta Blues DB2 target was corroborated by an independent geophysicist with results from modelling demonstrating a robust target. Modelled parameters fall within a range of 1,500 to 5,000 Siemens (conductive strength), with a strike length between 350m and 500m, and a depth extent between 250m and 500m. Depth to the top of the conductive source was estimated at between 125 and 185 metres below surface. All modelled parameters indicate a sizeable conductive body that may be related to significant sulphide mineralisation. Interpretation of gravity and magnetic data further supports the possibility that the target is associated with magmatic sulphide mineralisation. Independent modelling of EM data from the DB2 target at the Delta Blues prospect confirmed the location of the conductor within a range overlapping with the original modelling. Independent review of EM data from the DB1 prospect confirmed the very high conductivity of the target model.

A component of this high conductivity is attributed to near surface/cover effects which limit the ability to model the depth extent of the conductor. The modelled depth extent is restricted (25m to 40m – see Table 2) with the result that a high conductivity is required to provide a best fitting scenario between the modelled response and the observed field data. The proposed drill hole shown in Figure 8 will test the source of the anomaly. Table 2 shows the updated parameters of the DB1 and DB2 models.

***Table 2: Delta Blues modelled conductors***

| Prospect | Conductivity | Length | Height | Depth to Top |
|---|---|---|---|---|
| DB1 | 10,000S to 25,000S | 800m to 900m | 25m to 40m | 175m to 255m |
| DB2 | 1,500S to 5,000S | 350m to 500m | 250m to 500m | 125m to 185m |

***Figure 8 —Indicative Cross Section of Proposed Drilling at the Delta Blues DB1 Prospect***

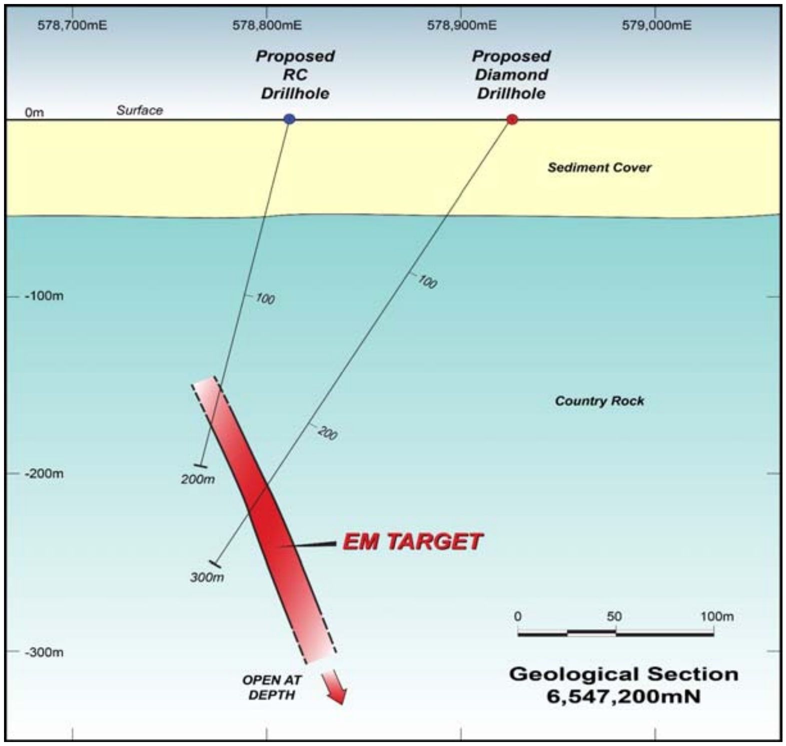
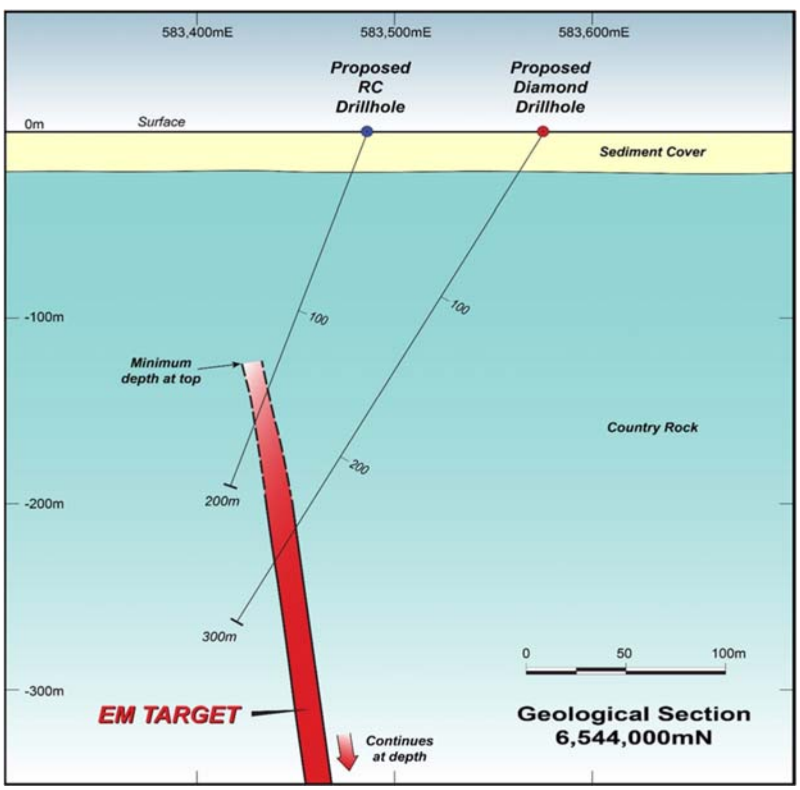



***Figure 9 —Indicative Cross Section of Proposed Drilling at the Delta Blues DB2 Prospect***



In May, Galileo received statutory approvals for diamond drilling at Delta Blues with 1,000 metres of drilling planned for the initial program to test DB1 and DB2.

Several drill holes have been planned to test for mineralisation at DB2 due to the large scale of the target. It is expected that at least two drill holes will be undertaken in the first round of drilling at this location.

One drill hole is planned at the DB1 target as a first test to determine the cause of the conductive anomaly and to pinpoint the optimum position for potential mineralisation.

RC drilling was completed post end of the reporting period with semi massive sulphide intersected over bands of two to three metres width in all three drill holes completed at the DB2 prospect. Sulphides were predominantly pyrrhotite with minor chalcopyrite. Strike length of the sulphides at DB2 is a minimum of 210 metres with deeper diamond drilling required to determine the economic significance of the sulphide occurrences.

One drill hole was completed post end of the reporting period at the DB1 prospect. This drill hole aimed to determine the cause of the conductive anomaly with the top of the conductive source modelled to start between 175m and 255m below surface. The RC drill hole was finished at 200m and while not intersecting conductive material it did record nickel prospective intrusive rock units. Importantly, no graphite or sulphidic sediments (false positives) were encountered. Follow up diamond drilling is required at DB1 to resolve the cause of the conductive anomaly and to test for economic potential.

### Norseman Project

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

*Nickel Exploration*

During the period, Galileo received assay data from soil sampling undertaken to identify areas with prospectivity for nickel sulphide mineralisation.

1,726 soil samples (1,620 unique sample locations) targeting areas with potential for nickel were collected and analysed - see Table 3 for a summary of soil sampling assay results and Figure 10 for location/results of soil sampling programs.

***Figure 10 – Soil Sampling Locations at the Norseman Project. Red Ellipses Show Outline of Soil Sampling Programs***

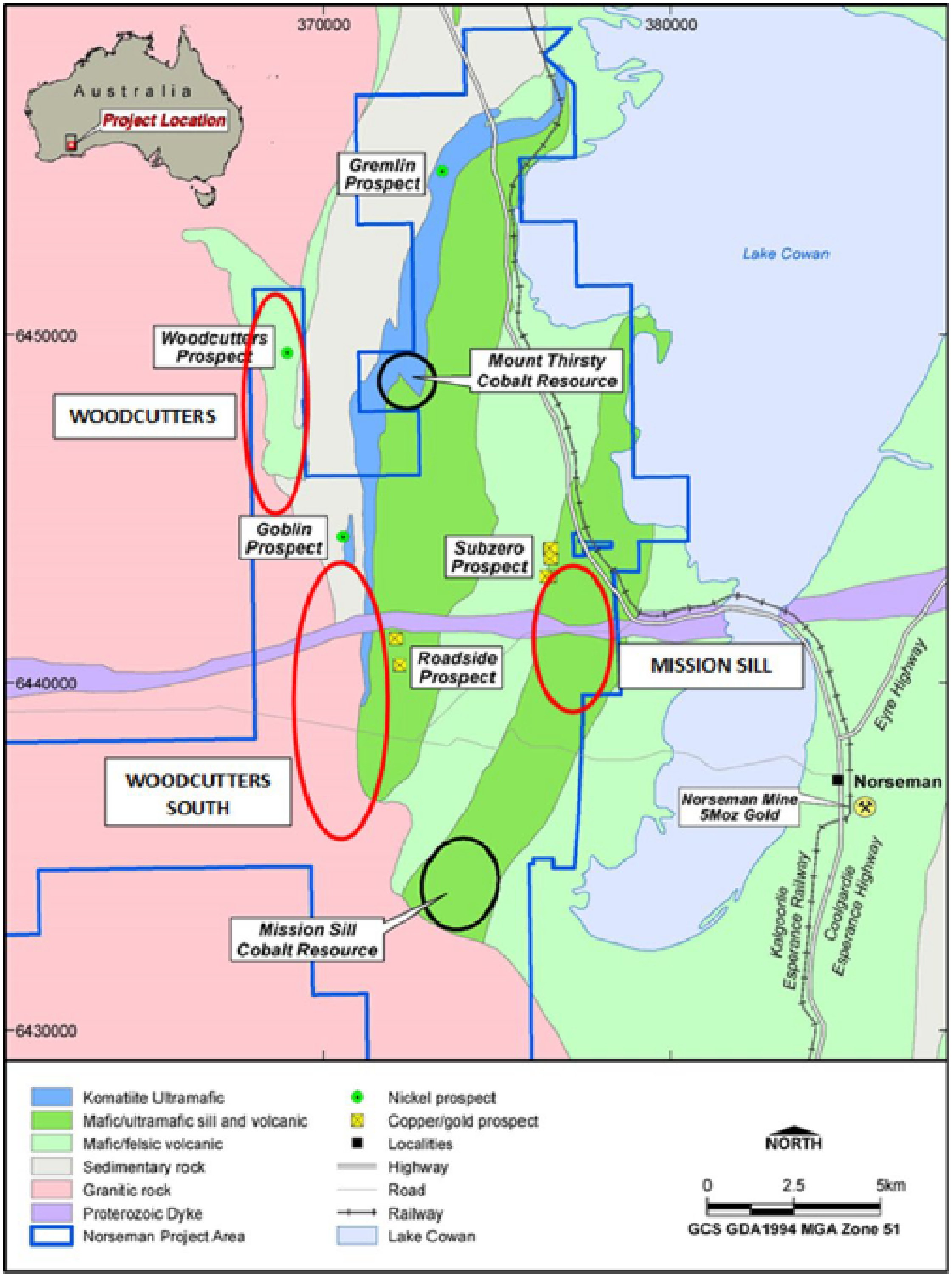


***Table 3: Summary of Soil Sampling Assay Results from the Norseman Project***

| ELEMENT | ACA* | <2.5 x ACA* | >2.5 to 5 x ACA* | >5 X ACA* | MAXIMUM ASSAY |
|---|---|---|---|---|---|
| **Nickel** | 160 | </=400ppm | >400ppm to 800ppm | >800ppm | |
| Number of Samples | | 1,250 | 238 | 132 | 3,945 ppm Ni |
| Percent of Total Samples | | 77% | 15% | 8% | |
| **Platinum** | 20 | </=50ppb | >50ppb to 100ppb | >100ppb | |
| Number of Samples | | 1,552 | 62 | 6 | 173 ppb Pt |
| Percent of Total Samples | | 96% | 3% | <1 % | |
| **Palladium** | 20 | </=50ppb | >50ppb to 100ppm | >100ppb | |
| Number of Samples | | 1,491 | 102 | 27 | 314 ppb Pd |
| Percent of Total Samples | | 92% | 6% | 2% | |
| **Copper** | 100 | </=250ppm | >250ppm to 500ppm | >500ppm | |
| Number of Samples | | 1,601 | 16 | 3 | 640 ppm Cu |
| Percent of Total Samples | | 99% | <1 % | <1 % | |
| **Gold** | 4 | </=10ppb | >10ppb to 20ppb | >20ppb | |
| Number of Samples | | 1,320 | 199 | 101 | 83 ppb Au |
| Percent of Total Samples | | 81% | 12% | 7% | |
| **TOTAL SAMPLES** | | 1,620 | | | |

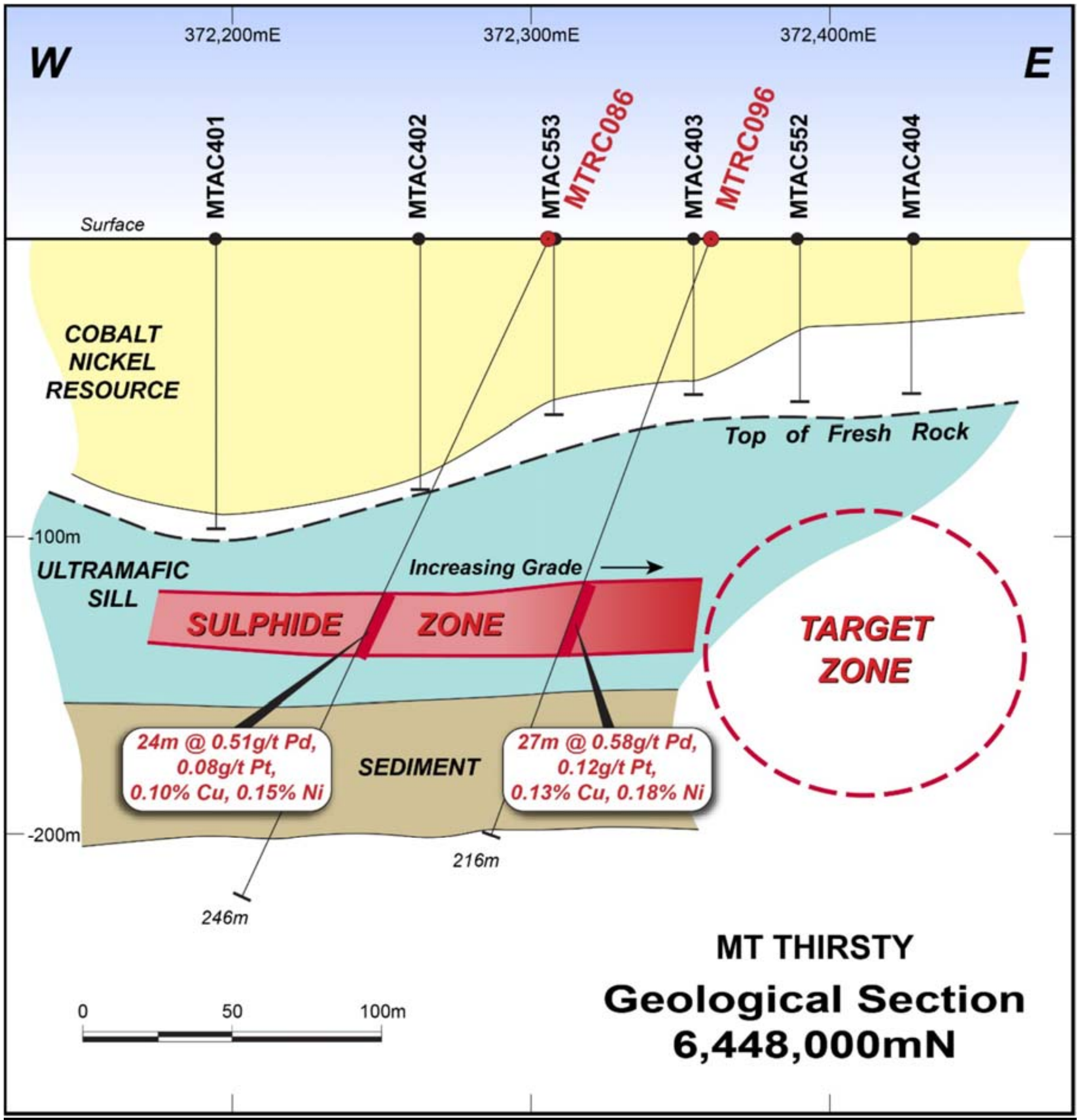
Integration of soil sampling data with geophysical data, hyperspectral data, geological data, topographical data, and satellite imagery is being undertaken to give the sample assays context and meaning. A specialist remote sensing company was contracted to collect hyperspectral data and to integrate the new mineral mapping information with existing data sets, including the recently received soil assays. Airborne data collection has been completed while data interpretation utilising machine learning and Artificial Intelligence (AI) software is ongoing.

A follow up exploration program will be devised upon the completion of all data integration and analysis. Results from this target generation work will be utilised in the planning of drill programs scheduled for the current field season.

*Palladium Exploration*

Target generation work conducted at the Norseman project identified significant intersections of palladium from the Group's existing drill hole database. Multiple drill ready targets were developed through geological interpretation of the prospective contact zones which host palladium in association with copper sulphide mineralisation.

***Figure 11 – Drill Section with Palladium Mineralisation and Target Zone at the Mt Thirsty Prospect9***




[9] Refer to Appendices in ASX announcement dated 17 May 2021 for details of anomalous palladium drill holes

***Table 4 – Key Palladium Intersections for the Norseman Project[10]***

| Hole ID | From (m) | To (m) | Interval | Pd (g/t) | Pt (g/t) | Cu (%) | Ni (%) | Oxidation | Prospect |
|---|---|---|---|---|---|---|---|---|---|
| MSSD001* | 23 | 49 | 26 | 0.81 | 0.48 | 0.14 | 0.43 | Saprolite | Mission Sill |
| MTRC024 | 34 | 37 | 3 | 2.1 | 1.9 | 0.04 | 0.29 | Saprolite | Mission Sill |
| *including* | *34* | *36* | *2* | *2.9* | *2.6* | *0.04* | *0.28* | *Saprolite* | *Mission Sill* |
| MTRC036 | 61 | 135 | 74 | 0.19 | 0.03 | 0.04 | 0.09 | Fresh | Mission Sill |
| MTRC038 | 0 | 6 | 6 | 0.87 | 0.28 | 0.06 | 0.36 | Saprolite | Mission Sill |
| MTRC042 | 82 | 141 | 59 | 0.18 | 0.03 | 0.04 | 0.07 | Fresh | Mission Sill |
| MTRC053 | 80 | 124 | 44 | 0.20 | 0.02 | 0.05 | 0.04 | Fresh | Mission Sill |
| MTRC068 | 89 | 148 | 59 | 0.18 | 0.01 | 0.04 | 0.04 | Fresh | Mission Sill |
| MTRC071 | 82 | 98 | 16 | 0.24 | 0.01 | 0.06 | 0.08 | Fresh | Mission Sill |
| MTRC086 | 132 | 156 | 24 | 0.51 | 0.08 | 0.10 | 0.15 | Fresh | Mt Thirsty |
| *including* | *144* | *147* | *3* | *0.85* | *0.12* | *0.24* | *0.19* | *Fresh* | *Mt Thirsty* |
| MTRC096 | 123 | 150 | 27 | 0.58 | 0.12 | 0.13 | 0.18 | Fresh | Mt Thirsty |
| *including* | *135* | *138* | *3* | *1.1* | *0.19* | *0.23* | *0.26* | *Fresh* | *Mt Thirsty* |
| MTRC112* | 3 | 51 | 48 | 0.89 | 0.45 | 0.10 | 0.37 | Saprolite | Mission Sill |
| *including* | *31* | *36* | *5* | *2.1* | *1.4* | *0.13* | *0.23* | *Saprolite* | *Mission Sill* |
| MTRC128 | 92 | 94 | 2 | 2.4 | 0.63 | 0.003 | 0.11 | Fresh | Mission Sill |
| *including* | *92* | *93* | *1* | *4.3* | *1.1* | *0.005* | *0.12* | *Fresh* | *Mission Sill* |

** Drill holes MSSD001 and MTRC112 are twin holes. MSSD001 was not assayed for Pd, Pt or Rh from surface to 23m.*

***Table 5 – Key Rhodium Intersections for the Norseman Project[6]***

| Hole ID | From (m) | To (m) | Interval | Pd (g/t) | Pt (g/t) | Cu (%) | Ni (%) | Rh (g/t) | Oxidation |
|---|---|---|---|---|---|---|---|---|---|
| MSSD001 | 23 | 49 | 26 | 0.81 | 0.48 | 0.14 | 0.43 | 0.10 | Saprolite |
| *including* | *25* | *26* | *1* | *1.1* | *0.27* | *0.10* | *0.22* | *0.31* | *Saprolite* |
| *and* | *32* | *33* | *1* | *2.5* | *2.1* | *0.17* | *0.25* | *0.36* | *Saprolite* |
| *MTRC128* | *92* | *93* | *1* | *4.3* | *1.1* | *0.005* | *0.12* | *0.18* | *Fresh* |

Drilling completed in 2016 by Galileo beneath the cobalt-nickel laterite resource at Mt Thirsty intersected a previously unrecognised zone of sulphide containing highly anomalous levels of palladium, platinum, copper, and nickel (see section in Figure 11). This sulphide zone occurs within an ultramafic rock unit interpreted to be an apophysis from the Mt Thirsty sill which itself is visible as a pronounced high in the magnetic map to the east (Figure 13).

The stratigraphy at the drill hole location is flat and the sharp magnetic contact is believed to represent the position at which the sill crosscuts stratigraphy. This contact between the intruding sill and the flat lying stratigraphy is the prospective target zone with potential for higher grade mineralisation.

[10] Refer to Appendices in ASX announcement dated 17 May 2021 for drill hole details

The grade within the sulphide zone increases towards the east (Figure 11), supporting the idea that more mineralisation occurs within the target zone. The prospective contact zone is easily traced to the north over 5km of strike and represents a substantial target. There is no record of any historic exploration for palladium/platinum along this basal contact position.

***Figure 12 – Plan View of Anomalous Palladium Drill Holes and Prospective Contact Zone at the Mt Thirsty Prospect[6]***

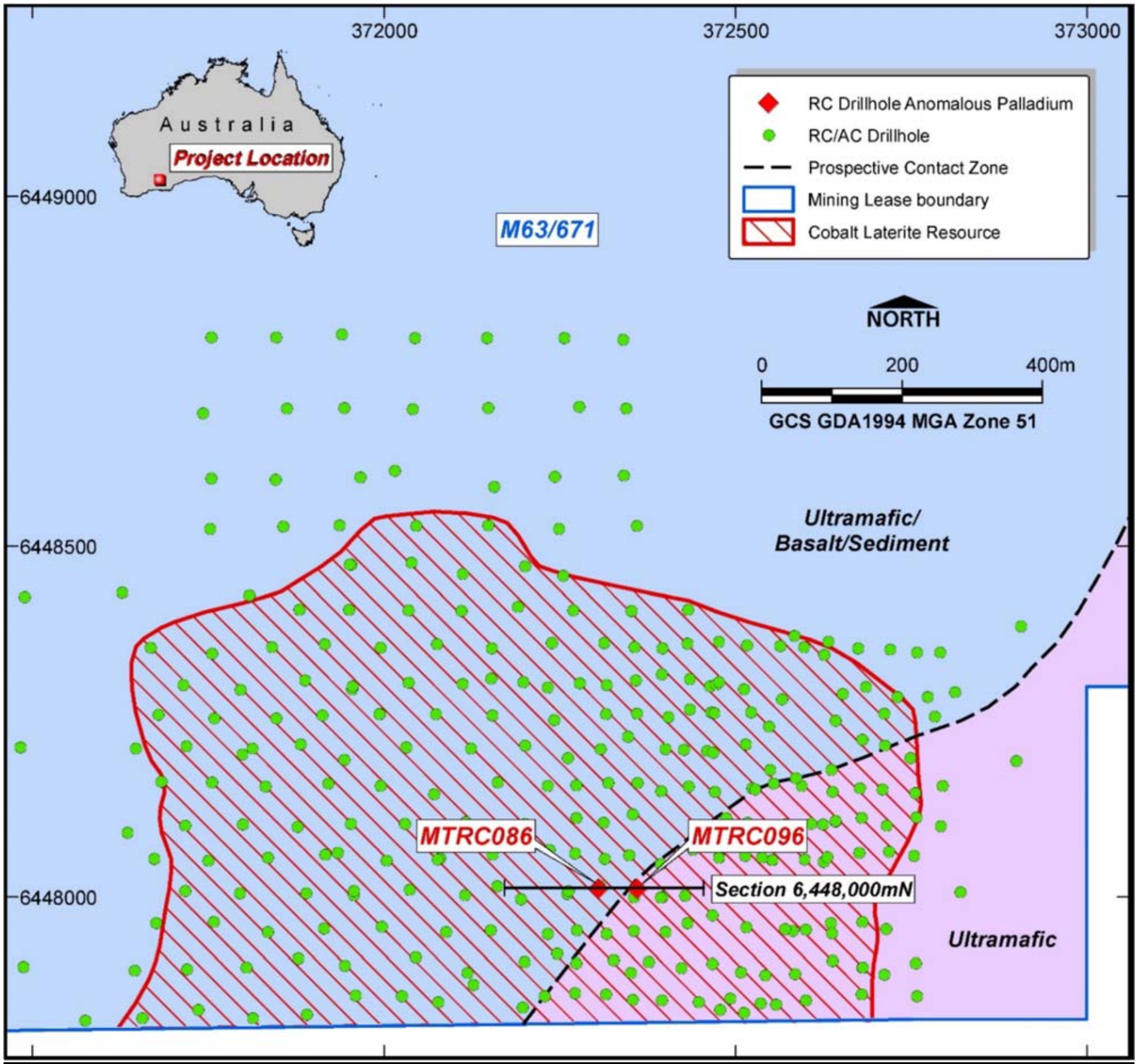


***Figure 13 – Magnetic Map (TMI) of Mt Thirsty Prospect showing over 5km of Prospective Contact Zone***

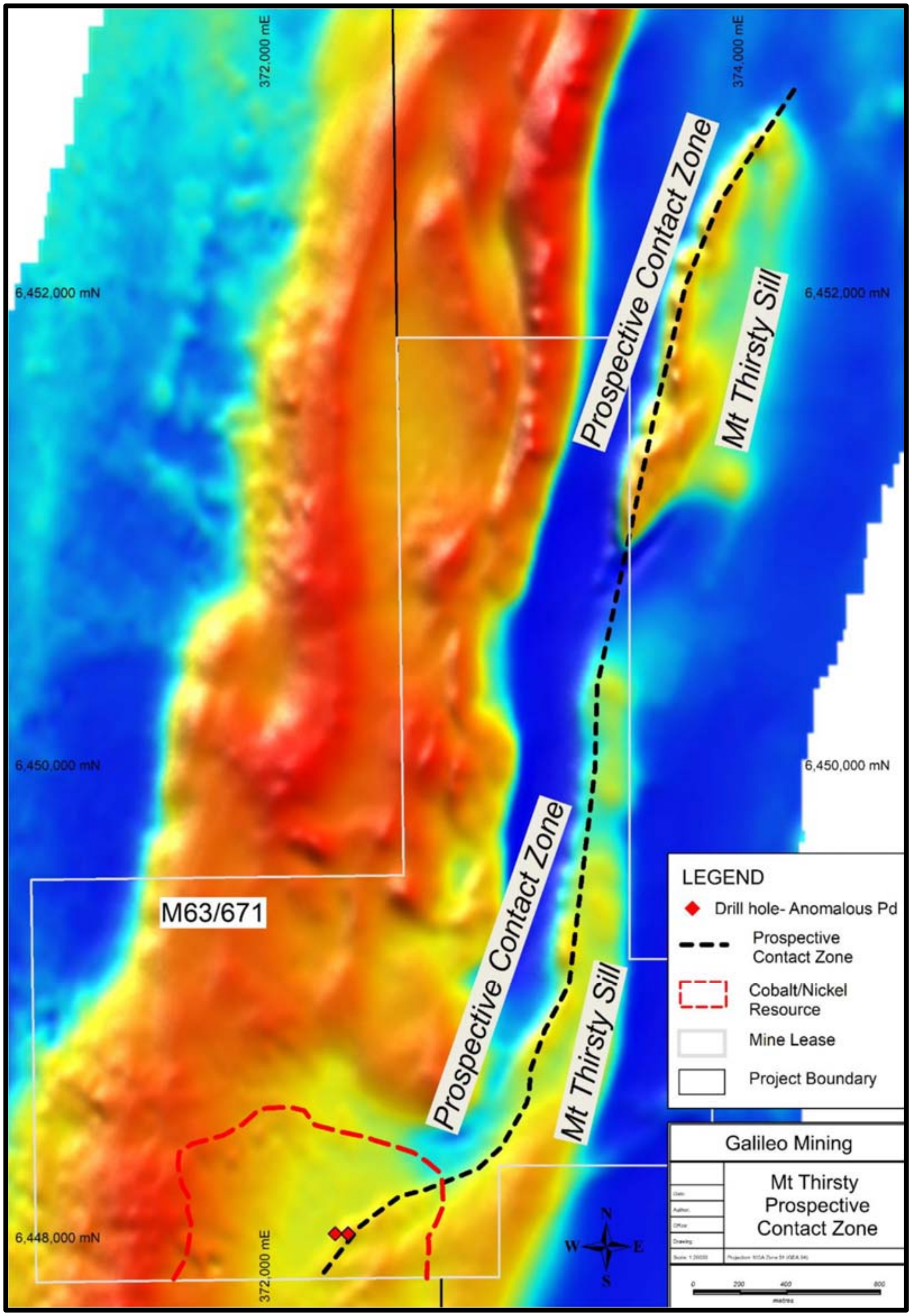
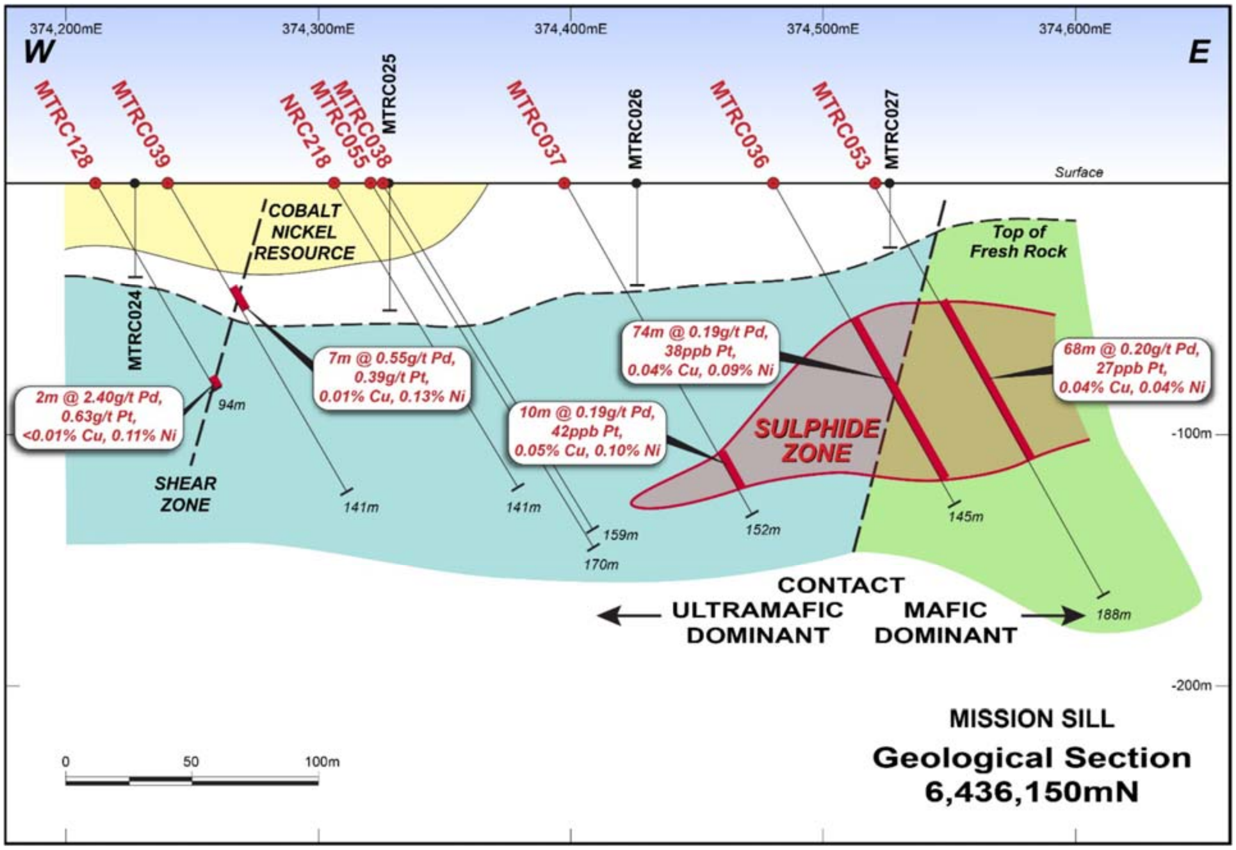


***Figure 14 – Drill Section with Basement Palladium Mineralisation and Target Contact Zone at the Mission Sill Prospect[6]***




Galileo assay results are further supplemented by historical results. Drilling at the Mission Sill in the year 2000 by Anaconda Nickel was designed to investigate the development of nickel laterite resources in the area. Seven drill holes in the original program intercepted anomalous palladium and platinum within the near surface saprolite overlying the ultramafic component of the Mission Sill. Later drilling by Australian Gold Resources (AGR) focussed on the platinum potential in fresh rock of the ultramafic unit. Subsequent drilling by Galileo also concentrated on platinum intercepts within the ultramafic as well as drilling out the cobalt-nickel laterite resource to JORC compliant resource standards.

The potential for palladium at the Mission Sill has now been recognised after a review of the data showed the existence of significant thicknesses of disseminated sulphide mineralisation (up to 5% in patches) at the contact between the ultramafic and mafic units of the Mission Sill. This contact position matches the location of multiple zones of anomalous mineralisation up to 74 metres thick containing approximately 0.2g/t palladium (MTRC036, Figure 14). The possibility of higher-grade mineralisation along this contact position is interpreted to be considerable, especially where the geometry and relative exhumation of the sill changes along strike.

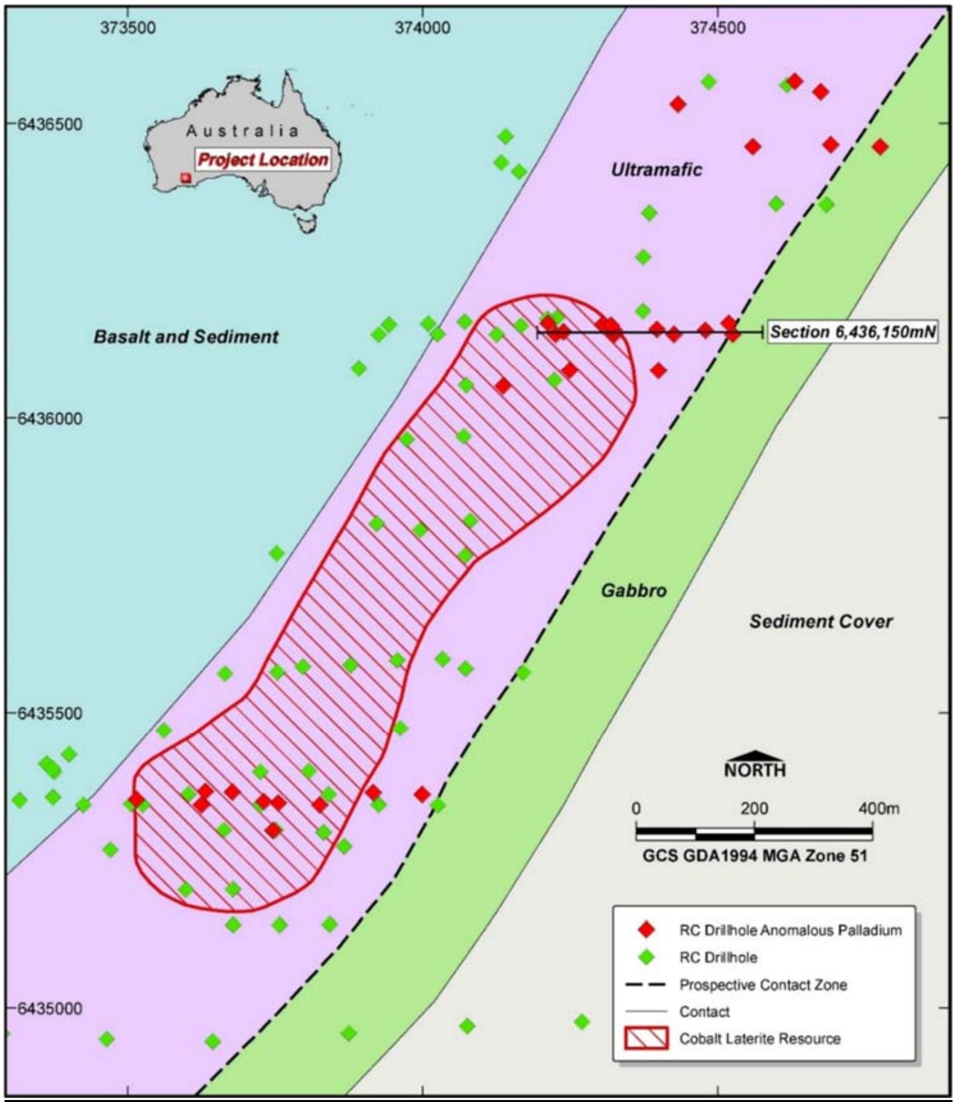
The prospective contact zone continues over 10km to the north with additional prospectivity to the south on the southern flank of an offset ultramafic block (Figure 12). This southern block also contains a cobalt-nickel laterite resource and was the subject of drilling by Galileo in 2018 to investigate the relationship between Platinum Group Metals (PGMs) and cobalt in the regolith.[11]

[11] Refer to ASX announcement dated 27th September 2018.

This southern prospect contains the highest-grade palladium intercepted in weathered rock (MTRC112), and the highest grades of rhodium in MSSD001. The contact zone between ultramafic and mafic units has not yet been drilled at this location and is a priority target.

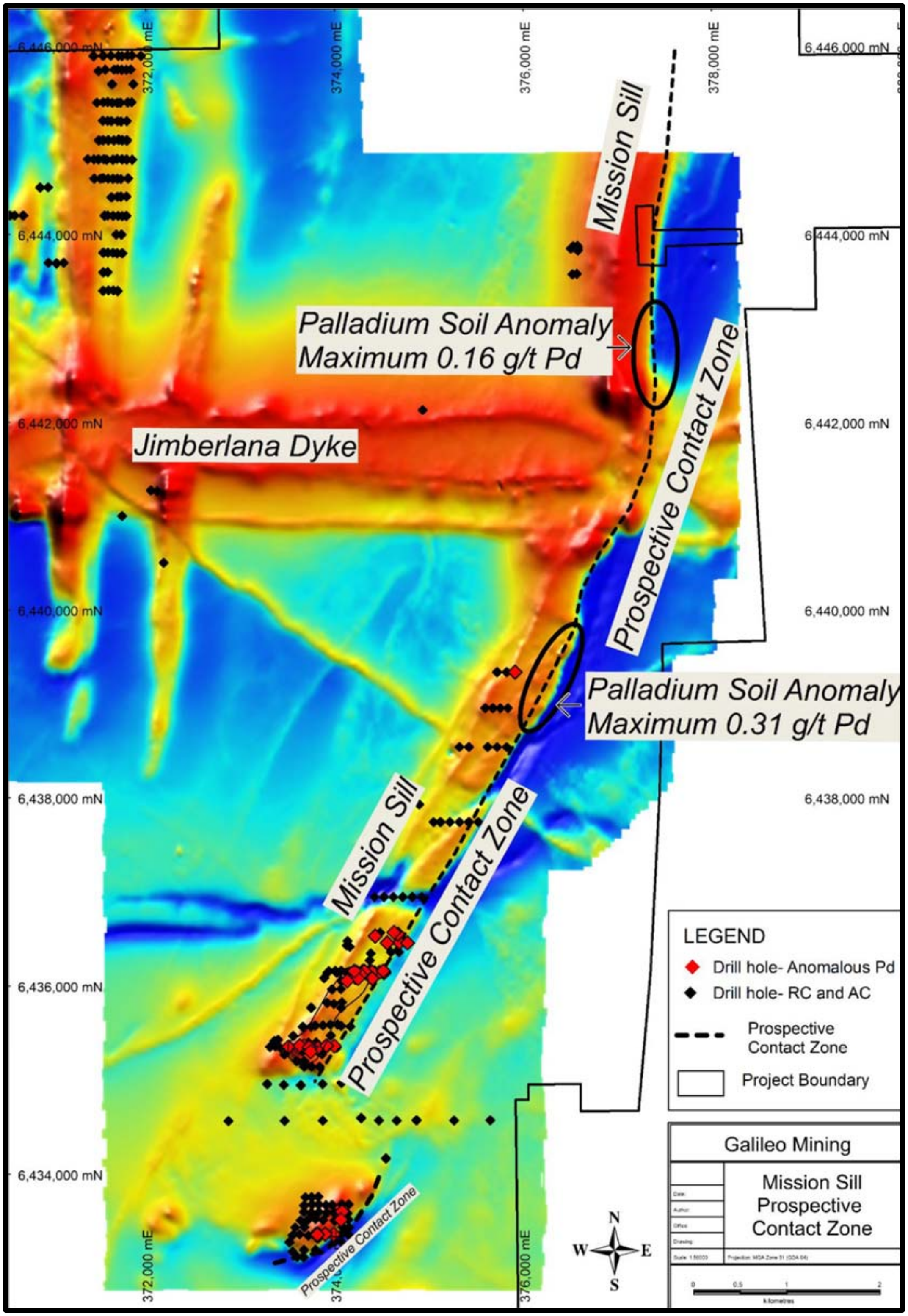
Two further drill ready targets occur on the Mission Sill where soil sampling completed late in 2020[12] highlighted two separate zones of anomalous palladium with maximum soil values of 0.31g/t Pd and 0.16g/t Pd respectively (shown on Figure 16).

***Figure 15 – Plan View of Anomalous Palladium Drill Holes and Prospective Contact Zone at the Mission Sill Prospect***




[12] Refer to ASX announcement dated 13th January 2021.

***Figure 16 – Magnetic Map of the Mission Sill Prospect with over 10km of Prospective Contact Zone***



Occurrences of high-grade palladium up to 4.3 g/t have also been observed within fresh rock of the ultramafic unit at Mission Sill (MTRC128, see section in Figure 14). This intersection was accompanied by a rhodium grade of 0.18g/t and demonstrates the fertility of the host rock units. However, the focus for exploration is currently on the ultramafic/mafic contact zones where sulphides occur in association with palladium. This is a similar position to where mineralisation occurs at other known deposits such as the Lac des Iles palladium mine in Canada and the Munni Muni platinum group metal deposit in Western Australia.

### Planned work programs at the Norseman Project

- Assaying of existing pulps for rhodium and platinum group metals
- RC drilling of the known sulphide zones at the Mt Thirsty Sill and the Mission Sill
- 10,000 meters of Aircore drilling of the prospective contact zone along strike of the sulphide zones at the Mission Sill and Mt Thirsty Sill
- Ongoing target generation work for nickel, copper and cobalt

## OPERATIONS POST YEAR END

### Fraser Range Project

RC drilling commenced at the Delta Blues prospect in August. The program of five drill holes for 1,000 metres of drilling is designed to test the top of EM conductors at the DB1 and DB2 targets with EM anomalies at both locations supported by positive interpretations of magnetic, gravity, and aircore drilling data. Follow up diamond drilling is anticipated to test the deeper parts of the EM conductors with timing subject to rig availability.

## CORPORATE

As at 30 June 2021, the Group had cash and deposits of approximately $5.4 million.

In September 2021, Galileo has completed a successful capital raising of $6.5 million (before costs) by a placement issuing 25 million shares at $0.26 per share. This puts the Group in a secure position during the current period of economic uncertainty.

Risks to the Group due to the ongoing global COVID-19 health emergency continue to be monitored. The Group's cash position provides insulation to any longer-term unforeseen impacts to funding and operating that may occur. All of Galileo's projects are located in Western Australia and, although the future risk from COVID-19 cannot be reliably estimated, the potential impact on Group's operations over the next 12 months does not appear significant.

## JORC Mineral Resource Estimates

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

**Table 1 - JORC Mineral Resource Estimates for the Norseman Cobalt Project ("Estimates") (refer to ASX "Prospectus" announcement dated May 25th 2018 and ASX announcement dated 11th December 2018, accessible at http://www.galileomining.com.au/investors/asx-announcements/). Galileo confirms that all material assumptions and technical parameters underpinning the Estimates continue to apply and have not materially changed).**

## Competent Person Statements

The information in this Table that relates to the Mt Thirsty Sill and Mission Sill Mineral Resource Estimates is based on, and fairly represents, information and supporting documentation prepared by Michael Elias, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr. Elias is employed by CSA Global Pty Ltd. Mr. Elias has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves". Mr. Elias consents to the inclusion in this Table of the matters based on his information in the form and context in which it appears.

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

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

## CAPITAL STRUCTURE

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

Quoted Securities:

| Number | Class |
|---|---|
| 168,101,205 | Ordinary Fully Paid Shares |

Un-quoted Securities:

| Number | Class |
|---|---|
| 2,272,727 | Unquoted Options exercisable at $0.44 expiring 29 April 2022 |
| 2,500,000 | Unquoted Options exercisable at $0.52 expiring 15 September 2023 |
| 12,500,000 | Class A Options exercisable at $0.20 expiring 31 January 2023 |
| 1,100,000 | Performance Rights expiring 31 January 2023 subject to vesting conditions |

## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

- The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not had a negative financial impact for the Group up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.
- On 6 August 2021 the Company announced that 100,000 Performance Rights had been cancelled effective 23 July 2021 due to conditions not being met. Effective 5 August 2021, 100,000 Performance Rights were issued in accordance with the terms and conditions of the Galileo Mining Ltd Employee Incentive Plan as part of the Company's employee equity incentive arrangements.
- Subsequent to balance date the Company completed a capital raising (refer ASX announcement 8 September 2021) to raise $6.5 million (before costs) by way of a placement to institutions and sophisticated investors ("Placement"). Settlement of the placement occurred on 15 September 2021 (refer ASX Announcement dated 15 September 2021) when the Company issued 25,000,000 at an issue price of $0.26 per share.

  As part of the fee for the lead manager to the Placement the Company also issued on 15 September 2,500,000 unquoted Options with an exercise price of $0.52 and an expiry date of 15 September 2023.

Other than the above, no other matters or circumstances have occurred subsequent to balance date that have or may significantly affect the operations or state of affairs of the Group in subsequent financial years.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group will continue its evaluation of its mineral projects and undertake generative work to identify and acquire new resource projects and opportunities. Due to the nature of the business, the result is not predictable.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than reported above in the Review of Operations, there were no significant changes in the state of affairs of the Group during the reporting period.

## ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Group is required to carry out the exploration and evaluation of its mining tenements in accordance with various State Government Acts and Regulations.

In regard to environmental considerations, the Group is required to obtain approval from various State regulatory authorities before any exploration requiring ground disturbance, such as line clearing, drilling programs and costeaning is carried out. It is normally a condition of such regulatory approval that any area of ground disturbed during the Group's activities is rehabilitated in accordance with various guidelines. The Group conducts its exploration activities in an environmentally sensitive manner and is not aware of any significant breaches of these guidelines.

## INFORMATION ON DIRECTORS AND SECRETARIES

### Current Directors

***Brad Underwood – Managing Director (appointed 13 September 2017) and Chairman (effective from 26 December 2019)***

Mr Underwood is a geologist with over 18 years' experience in exploration, prospecting and mining. He has been involved in nickel, gold, copper and cobalt discoveries and the development of numerous prospects over a variety of commodities.

Between 2010 and 2018 Mr Underwood worked for prospector and mining entrepreneur Mark Creasy as General Manager of several private companies. He has a wide range of skills including the strategic growth and commercialisation of mineral assets at different stages of development.

Mr Underwood played a key role in the discovery of the Silver Knight nickel-copper-cobalt deposit in the Fraser Range and the discovery of Galileo's Mission Sill cobalt resources.

Mr Underwood has a Bachelor of Science in Geology and a Post Graduate Diploma in Geology from the University of Auckland, and a Master of Science (Distinction) in Mineral Economics from Curtin University. Brad has not held any other directorships of listed entities in the last 3 years.

***Noel O'Brien –Non -Executive Director (appointed 6 February 2018)***

Noel O'Brien is a metallurgist with wide international and corporate experience. After a career spanning 40 years in Australia and Africa he established Trinol Pty Ltd, a Perth based consultancy, to provide process and project development services over a broad range of commodities.

Mr O'Brien has been actively involved with projects containing manganese, iron ore, gold, base metals, and the battery metals including lithium, graphite and cobalt.

He has served on the board of a number of ASX listed companies over the past 9 years and is currently a technical advisor to several listed companies with early to advanced stage projects.

Mr O'Brien has a Batchelor's degree in Metallurgical Engineering from the University of Melbourne, an MBA from the University of the Witwatersrand and is a Fellow of the AusIMM. Noel was a Non- executive Director of: Mali Lithium (ASX: MLL) from 1 December 2017 to 6 April 2020; and Metals Tech Limited (ASX: MTC) from 17 June 2019 to 6 July 2020.

***Mr Mathew Whyte – Non-Executive Director (Appointed 26 December 2019) and Company Secretary***

Mr Whyte is a CPA and a Chartered Secretary (FGIA FCG). He has over 25 years' commercial experience in the financial management, direction, and corporate governance of ASX listed companies.

Mr Whyte has held senior executive, company secretarial and directorship roles on a broad range of Australian ASX listed entities with operations in Australia and overseas in the mining exploration, mining services, power infrastructure and technology development industries. Mr Whyte was a Non-executive director and Company Secretary of Aurora Labs Ltd (ASX: A3D) from 26 July 2017 to 26 February 2020.

### DIRECTORS' INTERESTS IN SHARES AND PERFORMANCE RIGHTS OF THE COMPANY

As at the date of this report, the interest of the directors in securities of Galileo Mining Ltd were:

| | Number of Ordinary Shares | Options | Performance Rights |
|---|---|---|---|
| Brad Underwood | 300,000 | 10,000,000 | - |
| Noel O'Brien | 350,000 | 2,500,000 | - |
| Mathew Whyte | 200,000 | - | 400,000 |

### DIRECTORS' MEETINGS

The following table sets out the number of meetings of directors held during the year ended 30 June 2021 and the number of meetings attended by each director.

| | Number Eligible to Attend | Number Attended |
|---|---|---|
| Brad Underwood | 11 | 11 |
| Noel O'Brien | 11 | 11 |
| Mathew Whyte | 11 | 11 |

### REMUNERATION REPORT (Audited)

The Directors of Galileo Mining Ltd present the Remuneration Report ('the Report") for the Group for the year ended 30 June 2021 ("FY21"). This Report forms part of the Directors' Report and has been audited as required by section 300A of the Corporations Act 2001.

#### Key management personnel disclosed in this report

For the purposes of this Report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including a director (whether executive or otherwise) of the Company, and its subsidiaries.

Details of key management personnel:
Brad Underwood (Managing Director/Chairman)
Noel O'Brien (Non-executive Director)
Mathew Whyte (Non-executive Director and Company Secretary)

#### Remuneration Philosophy

The performance of the Group depends upon the quality of its Directors and Executives. To prosper the Group must attract, motivate and retain highly skilled directors and KMP.

To this end Galileo aims to reward executives with a level and mix of remuneration commensurate with their position and responsibility so as to align the interests of executives with those of shareholders and to ensure total remuneration is competitive by market standards.

Remuneration and nomination issues are handled at the full Board level. Due to the small number of directors and KMP no separate committee has been established for this purpose.

Board members, as per groupings detailed below, are responsible for determining and reviewing compensation arrangements.

In order to maintain good corporate governance, the Non-executive Directors assume responsibility for determining and reviewing compensation arrangements for the Executive Directors of the Group. The Executive Directors in turn are responsible for determining and reviewing the compensation arrangements for the Non-executive Directors.

The assessment considers the appropriateness of the nature and amount of remuneration of KMPs on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

Independent external advice is sought from remuneration consultants when required, however no advice has been sought during the year ended 30 June 2021. The Corporate Governance Statement provides further information on the Company's remuneration governance.

### Remuneration structure

In accordance with best practice corporate governance, the structure of Non-executive Director and Executive Director's remuneration is separate and distinct.

#### A. Non-executive Directors' remuneration

***Objective***

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

***Structure***

The Board policy is to remunerate non-executive directors at commercial market rates for comparable companies for their time, commitment and responsibilities.

On appointment to the Board, all non-executive directors sign a letter of appointment. The letter summarises the Board policies and terms including remuneration, relevant to the office of director.

The constitution and the ASX Listing rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by shareholders at general meeting.

Non-executive directors receive a fixed fee inclusive of superannuation contributions. Fees for non-executive directors are not linked to the performance of the Group. Subject to approval by shareholders, Non-executive directors' remuneration may also include an incentive portion consisting of Options and Performance Rights, which are granted for the same reasons and objectives and on the same terms as Options granted to Executive Directors as outlined in Section B below. To this end Non-executive Directors are also entitled to participate in Galileo's Long Term Incentive Plan (LTI Plan).

The remuneration of Non-executive Directors for the year ended 30 June 2021 is detailed in the table in Section C of this Report.

#### B. Executive Directors remuneration

***Objective***

The Group aims to reward Executive Directors with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- Align the interests of Executive Directors with those of shareholders.
- Link rewards with the strategic goals and performance of the Group
- Ensure total remuneration is competitive by market standards.

***Structure***

In determining the level of remuneration paid to Executive Directors, the Board takes into account the activities of the Group and available benchmarks.

An employment contract has been entered into with the Executive Director of Galileo. Details of this contract are provided in Section D of this Report.

Remuneration consist of the following key elements:

- Fixed remuneration
- Variable Remuneration – Long Term Incentive (LTI).

The proportion of fixed remuneration and variable remuneration is established for the Executive Director by the Board. The table in Section C of this Report details the fixed and variable components (%) of the Executive Directors of Galileo.

***Fixed Remuneration***

The level of fixed remuneration is set as a cash salary plus superannuation contributions so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

***Variable remuneration – Long Term Incentives (LTI)***

*Options*

LTI grants to executives are delivered in the form of Options.

The table in Section C provides details of Options granted and the value of equity instruments granted, exercised and lapsed during the year. Options were issued free of charge. Each option entitles the holder to subscribe for one (1) fully paid ordinary share in Galileo upon the exercise of the option based on achieving vesting conditions at a $0.20 exercise price. The terms and conditions including the service and performance criteria that must be met are as follows:-

Each Option will only vest and become exercisable when the 60-day volume weighted average market price (as defined in the Listing Rules) of Galileo's quoted Shares first exceeds $0.60 per Share. Options not so exercised shall automatically expire on the expiry date. Each Option entitles the holder to subscribe (in cash) for one Share in the capital of Galileo. Each Share allotted as a result of the exercise of any Option will rank in all respect pari passu with the existing Shares in the capital of Galileo on issue at the date of allotment.

Relationship between remuneration and the Group's performance

As the Group is a listed exploration Group, measuring performance is difficult. The most meaningful measure of internal performance is on goals that have an exploration focus.

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous financial years:

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| Net Loss | 688,244 | 912,561 | 1,097,116 |
| Share price (as at year end) | $0.275 | $0.21 | $0.135 |

### C. Remuneration Details

Details of the nature and amount of each element of the remuneration of each KMP of the Group are shown in the table below:

| | Short-term benefits | | Long-term benefits | Post employment | Share-based payments(1) | | | |
|---|---|---|---|---|---|---|---|---|
| | Salary & fees $ | Non monetary benefits $ | Long Service Leave $ | Super-annuation $ | Options $ | Perfor-mance Rights | Total $ | Perform-ance Related % |
| Brad Underwood (Managing Director) – appointed 13 September 2017 | | | | | | | | |
| 2021 | 325,000 | 12,319 | 5,928 | 30,875 | - | - | 374,122 | - |
| 2020 | 325,000 | 8,897 | 5,944 | 30,875 | - | - | 370,716 | - |
| Noel O'Brien (Non-Executive Director) – appointed 6 February 2018 | | | | | | | | |
| 2021 | 54,931 | - | - | 2,625 | - | - | 57,566 | - |
| 2020 | 75,000 | - | - | - | - | - | 75,000 | - |
| Mathew Whyte (2) (Non-Executive Director) – appointed 26 December 2019 | | | | | | | | |
| 2021 | 152,000 | - | - | 4,750 | - | 30,313 | 187,063 | 16.2 |
| 2020 | 123,640 | - | - | 2,056 | - | 30,396 | 156,092 | 19.5 |
| Simon Jenkins (Ex-Chairman) – appointed 13 September 2017, Deceased 24 December 2019 | | | | | | | | |
| 2021 | - | - | - | - | (66,500) | - | (66,500) | - |
| 2020 | 30,000 | - | - | - | - | - | 30,000 | - |
| **Total 2021** | **531,931** | **12,319** | **5,928** | **38,250** | **(66,500)** | **30,313** | **552,241** | **5.5** |
| **Total 2020** | **553,640** | **8,897** | **5,944** | **32,931** | **-** | **30,396** | **631,808** | **4.8** |

(1) Amounts recognised as Share Based Payments represent:

**Options** - the non-cash fair value of Class A Unquoted Options issued during FY 2018. Each Option is exercisable at $0.20 with 12,500,000 Options expiring on 31 January 2023 and 2,500,000 expired on 24 December 2020 without meeting exercise conditions. Options will only vest and become exercisable when the 60-day VWAP of the Company's quoted shares first exceeds $0.60 per share. All Options were released from escrow on 29 May 2020.

**Performance Rights** – the expensed non-cash fair value of performance rights issued during FY 2018 free of charge (Refer Note 20(b)). Each Performance Right entitles the holder to subscribe for one (1) fully paid ordinary share in the Company based on achieving vesting conditions at a nil exercise price.

The terms and conditions including the service and performance criteria that must be met are as follows: -

(a) Subject to the below paragraphs (b) to (d), each Performance Right will only vest and become exercisable when the 10 day volume weighted average market price (as defined in the ASX Listing Rules) of the Company's quoted Shares first exceeds $1.00 per Share (Vesting Condition).

(b) Maintain a minimum of 12 months continuous service with the Company.

(c) Each Performance Right will automatically be cancelled and will be redeemed by the Company for nil consideration if employment with the Company is terminated for any reason before the Vesting Condition is met.

(d) If a Good Leaver* and the Vesting Condition has been satisfied at the date of termination the Performance Rights may be exercised within 20 Business Days of termination of employment or contracting (as applicable) with the Company. If a Bad Leaver* and the Vesting Condition has been satisfied at the date of termination the Performance Rights will terminate.

*As defined in the Galileo Mining Ltd Employee Incentive Plan

(2) Mathew Whyte provided company secretarial services through his controlled entity Whypro Corporate Services ABN 53 844 654 790. Payments for company secretarial services during FY 2021 totalled $102,000 (excluding superannuation) (2020: $102,000). Mr Whyte also received a Non-executive director fee of $50,000 (plus superannuation of $4,750) (2020: $21,640 (plus superannuation $2,056).

### *Unlisted Options Issued to KMP*

No options were issued to KMP during, or since the end of, the current financial year ended 30 June 2021.

The following options over unissued ordinary shares are held by KMP as remuneration:

| Class | Expiry date | Exercise price | Date granted | Number of options | Grant date fair value | Vesting date |
|---|---|---|---|---|---|---|
| Unlisted Options | 31 Jan 2023 | $0.20 | 6 Feb 2018 | 12,500,000 | $0.0266 | Based on VWAP |

### *Option holdings of key management personnel (unlisted options)*

| KMP | Balance at beginning of the year | Options Granted | Options expired | Net change other | Balance at end of the year | Vested at end of year | |
|---|---|---|---|---|---|---|---|
| | | | | | | Exercisable | Not exercisable |
| **2021** | | | | | | | |
| B Underwood | 10,000,000 | - | - | - | 10,000,000 | - | - |
| N O'Brien | 2,500,000 | - | - | - | 2,500,000 | - | - |
| M Whyte | - | - | - | - | - | - | - |
| **Total** | **12,500,000** | **-** | **-** | **-** | **12,500,000** | **-** | **-** |

| KMP | Balance at beginning of the year | Options Granted | Options expired | Net change other | Balance at end of the year | Vested at end of year | |
|---|---|---|---|---|---|---|---|
| | | | | | | Exercisable | Not exercisable |
| **2020** | | | | | | | |
| B Underwood | 10,000,000 | - | - | - | 10,000,000 | - | - |
| N O'Brien | 2,500,000 | - | - | - | 2,500,000 | - | - |
| M Whyte | - | - | - | - | - | - | - |
| S Jenkins | 2,500,000 | - | - | (2,500,000)* | - | - | - |
| **Total** | **15,000,000** | **-** | **-** | **(2,500,000)** | **12,500,000** | **-** | **-** |

** 2,500,000 Options were cancelled on 24 December 2020 pursuant to their Terms and Conditions of issue*

### *Performance Rights Issued to KMP*

No performance rights were issued to KMP during, or since the end of, the current financial year ended 30 June 2021.

The following performance rights over unissued ordinary shares are held by KMP as remuneration:

| Class | Expiry date | Exercise price | Date granted | Number | Grant date fair value | Expected Vesting date |
|---|---|---|---|---|---|---|
| Performance Rights | 31 January 2023 | Nil | 29 June 2018 | 400,000 | $0.365 | 30 June 2022 |

### *Performance Rights of key management personnel (unlisted options)*

| KMP | Balance at beginning of the year | Performance Rights Granted | Performance Rights expired | Net change other | Balance at end of the year | Vested at end of year | |
|---|---|---|---|---|---|---|---|
| | | | | | | Exercisable | Not exercisable |
| **2021** | | | | | | | |
| M Whyte | 400,000 | - | - | - | 400,000 | - | - |
| **Total** | **400,000** | **-** | **-** | **-** | **400,000** | **-** | **-** |

| KMP | Balance at beginning of the year | Performance Rights Granted | Performance Rights expired | Net change other | Balance at end of the year | Vested at end of year | |
|---|---|---|---|---|---|---|---|
| | | | | | | Exercisable | Not exercisable |
| **2020** | | | | | | | |
| M Whyte | 400,000 | - | - | - | 400,000 | - | - |
| **Total** | **400,000** | **-** | **-** | **-** | **400,000** | **-** | **-** |

### *Shareholdings of key management personnel (ordinary shares)*

| KMP | Balance at beginning of the year | Granted as remuneration | Conversion of Convertible Notes | Net change other | Balance at end of the year |
|---|---|---|---|---|---|
| **2021** | | | | | |
| B Underwood | 300,000 | - | - | - | 300,000 |
| N O'Brien | - | - | - | - | - |
| M Whyte | 200,000 | - | - | - | 200,000 |
| **Total** | **500,000** | **-** | **-** | **-** | **500,000** |

| KMP | Balance at beginning of the year | Granted as remuneration | Conversion of Convertible Notes | Net change other | Balance at end of the year |
|---|---|---|---|---|---|
| **2020** | | | | | |
| B Underwood | 300,000 | - | - | - | 300,000 |
| N O'Brien | - | - | - | - | - |
| M Whyte | 200,000 | - | - | - | 200,000 |
| S Jenkins | 500,000 | - | - | (500,000)* | - |
| **Total** | **1,000,000** | **-** | **-** | **(500,000)** | **500,000** |

** Net change includes 500,000 Holding as at date ceased to be a director – 24/12/19*

### D. Service Agreements

Mr Brad Underwood – Managing Director and Chairman

Terms of Agreement – commenced as Managing Director on 6 February 2018, no fixed term, until terminated by either party.

- Termination – 3 months by Mr Underwood and 6 months by Galileo.
- Salary: Fixed remuneration of $325,000 per annum plus superannuation for the year ended 30/6/2021. Fixed remuneration of $360,000 per annum plus superannuation commencing from 1/7/2021 pursuant to a deed of variation dated 24 June 2021.

**E. Loans to key management personnel**

There were no loans to key management personal during the financial year or the previous financial year.

**F. Other KMP transactions**

1. As at 30 June 2021, there was nil amount relating to outstanding directors' fees payable to Trinol Pty Ltd, a company of which Noel O'Brien is a director (30 June 2020: $6,875).
2. Whypro Corporate Services a business of which Mathew Whyte is principal, provided company secretarial, corporate administration and CFO services to the Company totalling $102,000 (excluding GST) (30 June 2020: $102,000). As at 30 June 2021, $9,350 was payable to Whypro Corporate Services.

End of Remuneration Report

## SHARE OPTIONS

At the date of this report the unissued ordinary shares of the Company under option are as follows:

| Date of Expiry | Exercise Price | Held at 01 Jul 20 | Issued | Exercised | Lapsed / Cancelled | Held at 23 Sep 21 |
|---|---|---|---|---|---|---|
| 31 Jan 23 | $0.20 | 12,500,000 | - | - | - | 12,500,000 |
| 29 Apr 22 | $0.44 | 2,272,727 | - | - | - | 2,272,727 |
| 24 Dec 20 | $0.20 | 2,500,000 | - | - | (2,500,000) | - |

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate or in the issue of any other registered scheme.

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to any court pursuant to section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into a deed of indemnity with all existing directors and officers. Under the deed the Company has undertaken, subject to the restrictions in the Corporations Act, to indemnify all existing directors in certain circumstances whilst a director or officer and for 7 years after they have ceased to be a director or officer.

During the year, the Company paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all directors and the company secretary.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of the insurance policies is not disclosed as such disclosure is prohibited under the terms of the contract.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer.

## AUDIT COMMITTEE

The Group is not of a size nor are its financial affairs of such complexity to justify a separate audit committee of the board of directors. All matters that might properly be dealt with by such a committee are the subject of scrutiny at full board meetings.

## AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The Auditor's Independence Declaration immediately follows this Report and forms part of this Report. The Directors are satisfied as to the independence of the auditors.

During the financial year the entity's auditor, HLB Mann Judd, did not provide other non-audit services (2020: $Nil) (refer to note 21).

Signed in accordance with a resolution of directors.

For and on Behalf of the Board of Directors

**Mr Brad Underwood**
**Managing Director**
**Perth, 23 September 2021**

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Galileo Mining Ltd for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

HLB Mann Judd

**Perth, Western Australia**

**23 September 2021**

**D I Buckley**
**Partner**

hlb.com.au

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T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 30 JUNE 2021

| | Notes | 30 June 2021<br>$ | 30 June 2020<br>$ |
|---|---|---|---|
| Other income | 3 | 124,568 | 330,177 |
| Employee benefits and director fees expense | | (177,710) | (275,240) |
| Consulting fees | | (234,091) | (318,774) |
| Share-based payment (expense)/reversal | | 17,492 | (119,494) |
| Depreciation expense | | (85,133) | (92,876) |
| Exploration & evaluation refund | | 14,920 | 26,440 |
| Legal and audit expenses | | (39,181) | (93,728) |
| Other expenses | | (309,109) | (369,066) |
| **Loss before income tax expense** | | **(688,244)** | **(912,561)** |
| Income tax expense | 4 | - | - |
| **Net loss after income tax** | | **(688,244)** | **(912,561)** |
| Other comprehensive income | | - | - |
| **Total comprehensive loss for the year** | | **(688,244)** | **(912,561)** |

| | | 2021<br>¢ | 2020<br>¢ |
|---|---|---|---|
| **Loss per share (cents per share)** | | | |
| Basic loss per share for the year | 5 | (0.48) | (0.73) |
| Diluted loss per share for the year | 5 | (0.48) | (0.73) |

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## AS AT 30 JUNE 2021

| | Notes | 30 June 2021 $ | 30 June 2020 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | 17a | 5,395,503 | 4,192,061 |
| Cash on term deposits | 17a | - | 4,505,000 |
| Trade and other receivables | 6a | 46,301 | 104,355 |
| Other | 7a | 37,546 | 32,332 |
| **Total Current Assets** | | 5,479,350 | 8,833,748 |
| **Non-Current Assets** | | | |
| Property, plant and equipment | 8 | 4,549 | 13,713 |
| Right-of-use assets | 9 | 61,863 | 79,941 |
| Exploration and evaluation expenditure | 10 | 13,934,466 | 11,387,156 |
| Other assets | 7b | 26,071 | 26,071 |
| **Total Non-Current Assets** | | 14,026,949 | 11,506,881 |
| **TOTAL ASSETS** | | 19,506,299 | 20,340,629 |
| **LIABILITIES** | | | |
| **Current Liabilities** | | | |
| Trade and other payables | 11 | 124,599 | 235,157 |
| Lease Liabilities | 12 | 59,320 | 83,187 |
| Other Liabilities | 13a | 54,025 | 53,079 |
| **Total Current Liabilities** | | 237,944 | 371,423 |
| **Non-Current Liabilities** | | | |
| Other Liabilities | 13b | 29,915 | 25,030 |
| **Total Non-Current Liabilities** | | 29,915 | 25,030 |
| **TOTAL LIABILITIES** | | 267,859 | 396,453 |
| **NET ASSETS** | | **19,238,440** | **19,944,176** |
| **EQUITY** | | | |
| Issued capital | 14 | 22,929,035 | 22,929,035 |
| Reserves | 15 | 903,076 | 920,568 |
| Accumulated losses | 16 | (4,593,671) | (3,905,427) |
| **TOTAL EQUITY** | | **19,238,440** | **19,944,176** |

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 30 JUNE 2021

| | Issued capital<br>$ | Share based payment reserve<br>$ | Accumulated losses<br>$ | Total<br>$ |
|---|---|---|---|---|
| **As at 1 July 2020** | 22,929,035 | 920,568 | (3,905,427) | 19,944,176 |
| Loss for the year | - | - | (688,244) | (688,244) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss for the year | - | - | (688,244) | (688,244) |
| Share based payments | - | 94,330 | - | 94,330 |
| Reversal of cancelled options from reserve | - | (66,500) | - | (66,500) |
| Reversal of cancelled performance rights from reserve | - | (45,322) | - | (45,322) |
| **As at 30 June 2021** | 22,929,035 | 903,076 | (4,593,671) | 19,238,440 |
| | | | | |
| **As at 1 July 2019** | 18,411,245 | 593,719 | (3,048,917) | 15,956,047 |
| Loss for the year | - | - | (912,561) | (912,561) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss for the year | - | - | (912,561) | (912,561) |
| Issue of shares | 5,000,000 | - | - | 5,000,000 |
| Transaction costs of share issue | (482,210) | - | - | (482,210) |
| Share based payments | - | 382,900 | - | 382,900 |
| Transfer cancelled performance rights from reserve | - | (56,051) | 56,051 | - |
| **As at 30 June 2020** | 22,929,035 | 920,568 | (3,905,427) | 19,944,176 |

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

## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 30 JUNE 2021

| | Notes | 30 June 2021<br>$ | 30 June 2020<br>$ |
|---|---|---|---|
| **Cash Flow from Operating Activities** | | | |
| Payments to suppliers and employees | | (749,440) | (970,023) |
| Exploration and evaluation expenditure refund | | 14,920 | - |
| Interest received | | 38,710 | 78,630 |
| Other income | | 93,075 | 246,813 |
| GST received/(paid) | | 50,838 | (20,763) |
| Interest paid | | (2,710) | (7,093) |
| **Net cash (used in) operating activities** | **17b** | **(554,607)** | **(672,436)** |
| **Cash Flow from Investing Activities** | | | |
| Payments for exploration and evaluation expenditure | | (2,665,192) | (2,418,962) |
| Payment for purchase of tenements | | - | - |
| Payment for property, plant & equipment | | - | (6,730) |
| Security deposit receipt | | - | 20,232 |
| Receipts from/(payments for) term deposits | | 4,505,000 | (505,000) |
| **Net cash provided by/(used in) investing activities** | | **1,839,808** | **(2,910,460)** |
| **Cash Flow from Financing Activities** | | | |
| Proceeds from issue of shares | | - | 5,000,000 |
| Share issue costs | | - | (218,804) |
| Lease payments | | (81,759) | (76,695) |
| **Net cash provided by/(used in) financing activities** | | **(81,759)** | **4,704,501** |
| Net increase in cash held | | 1,203,443 | 1,121,605 |
| Cash at the beginning of the year | | 4,192,061 | 3,070,456 |
| **Cash at the end of the year** | **17a** | **5,395,503** | **4,192,061** |

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

## 1. CORPORATE INFORMATION

The financial report of Galileo Mining Ltd for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of directors on 23 September 2021.

Galileo Mining Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The address of the registered office is 13 Colin Street, West Perth WA 6005.

The Group's principal activity during the year was mineral exploration. Major exploration activities during the period are outlined in the Review of Operations as contained in the Directors' Report.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

For the purpose of preparing the consolidated financial statements, the Group is a for-profit entity.

The financial report is presented in Australian dollars and the accounting policies below have been consistently applied to all of the years presented unless otherwise stated. The financial report is for the Group consisting of Galileo Mining Ltd and its subsidiaries.

### (b) Basis of consolidation

The consolidated financial statements comprise the financial statements of Galileo Mining Ltd (Galileo) and its subsidiaries as at 30 June 2021 (the Group).

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee:
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Business combinations are accounted for using the acquisition method.

### (c) Compliance with IFRS

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

### (d) New Accounting Standards and Interpretations

***Standards and Interpretations applicable to 30 June 2021***

In the period ended 30 June 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review the Directors have determined that there is no material impact on the Group's accounting policies.

***Standards and Interpretations in issue not yet adopted***

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted as at 30 June 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group.

### (e) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the balance 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 initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

## (f) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – 2 to 6 years

### *Impairment*

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

If any such indication exists and where the carrying values exceeds the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

### *Disposal*

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected to arise from the continued use or disposal of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period the item is derecognised.

**(g) Trade and other receivables**

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 0 days to 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

**(h) Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**(i) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the balance date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflect the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

**(j) Other Income**

***Interest income***

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

***Government grants***

Grants that compensate the Group for expenses incurred are recognised as other income in the Statement of Comprehensive Income on a systematic basis in the same periods in which the related expenses are incurred.

**(k) Income tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry–forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Comprehensive Income.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

### (l) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

**(m) Trade and other payables**

Trade payables and other payables are initially measured at fair value and subsequently carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of the goods and services.

Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid with 30 days of recognition.

**(n) Employee Entitlements**

***Short-term obligations***

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

***Long Service Leave***

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Based on the Company's experience of employee departures, a long service leave liability is only recognised once an employee has been employed by the Company for a period of 5 years. Expected future payments are discounted using market yields at the reporting date on national Government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

**(o) Contributed equity**

Ordinary share capital is recognised at the fair value of the consideration received by the Group.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

**(p) Earnings/Loss per share (EPS)**

Basic EPS is calculated as net profit or loss attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit or loss attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividend and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number or ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

### (q) Share-based payment transactions

The Group provides benefits to employees (including directors and executives) of the Group and to third parties in the form of share-based payment transactions, whereby employees and third parties render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using an appropriate option pricing model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Galileo Mining Ltd ('market conditions').

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, other than forfeiture, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings/loss per share.

### (r) Significant Accounting Judgements, Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities with the next annual reporting period are:

*(i) Capitalised exploration and evaluation expenditure*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure, other than acquisition costs, is expensed as incurred. Acquisition costs in relation to mineral tenements are capitalised and carried forward provided the rights to tenure of the area of the interest are current and such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not, at balance date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves.

*(ii) Income tax*

Refer to Note 2(k) for the Group's accounting policy in relation to recognition of income tax balances.

## 3. OTHER INCOME

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Interest revenue | 31,493 | 83,363 |
| Research and development rebate | 24,575 | 191,791 |
| Other income | 68,500 | 55,023 |
| Total other income | 124,568 | 330,177 |

## 4. INCOME TAX EXPENSE

**a) Tax Expense**

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Current tax expense | - | - |
| Deferred tax expense | - | - |
| Total income tax expense | - | - |

| | 2021 $ | 2020 $ |
|---|---|---|
| **b) Numerical reconciliation between tax expense and pre-tax net loss** | | |
| **Net Loss from operations before income tax expense** | **(688,244)** | **(912,561)** |
| Corporate tax rate applicable | 30% | 30% |
| **Income tax benefit on above at applicable corporate rate** | **(206,473)** | **(273,768)** |
| Increase in income tax due to tax effect of: | | |
| Share based payments | - | 35,848 |
| Expenses not deductible | - | 348 |
| Current year tax losses not recognised | 291,638 | 367,654 |
| Decrease in income tax expense due to: | | |
| Deductible capital raising costs | (57,545) | (57,545) |
| Non-assessable income | (27,620) | (72,537) |
| Income tax expense / (benefit) | - | - |

**Deferred tax assets and liabilities**

| | | |
|---|---|---|
| **c) Recognised deferred tax assets and liabilities** | **30%** | **30%** |
| **Deferred tax assets** | | |
| Other provisions & accruals | 8,103 | 7,142 |
| Employee provisions | 25,182 | 23,433 |
| Tax losses | 3,813,259 | 3,024,739 |
| ROU Assets | (763) | 974 |
| Blackhole – Previously expensed | 175 | 263 |
| | 3,845,956 | 3,056,551 |
| Set -off of deferred tax liabilities | (3,845,956) | (3,056,551) |
| Net deferred tax assets | - | - |
| **Deferred tax liabilities** | | |
| Exploration and evaluation assets | (3,845,648) | (3,053,455) |
| Unearned income | (308) | (2,473) |
| Prepayments | - | (623) |
| Gross deferred tax liabilities | (3,845,956) | (3,056,551) |
| Set-off of deferred tax assets | 3,845,956 | 3,056,551 |
| Net deferred tax liabilities | - | - |

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| **d) Unused tax losses and temporary differences for which no deferred tax asset has been recognised** | | |
| Deferred tax assets have not been recognised in respect of the following using corporate tax rates of: | 30% | 30% |
| Deductible temporary difference | 84,113 | 141,659 |
| Tax Revenue Losses | 1,284,362 | 1,009,671 |
| Total Unrecognised deferred tax assets | 1,368,475 | 1,151,330 |

The corporate tax rates on both recognised and unrecognised deferred tax assets and deferred tax liabilities have been calculated with respect to the tax rate that is expected to apply in the year the deferred tax asset is realised or the liability is settled.

## 5. LOSS PER SHARE

| | 2021<br>¢ | 2020<br>¢ |
|---|---|---|
| **Loss per share (cents per share)** | | |
| Basic loss per share for the year | (0.48) | (0.73) |
| Diluted loss per share for the year | (0.48) | (0.73) |

The following reflects the loss used in the basic and diluted loss per share computations.

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| **(a) Loss used in calculating loss per share** | | |
| For basic and diluted loss per share: | | |
| Net loss for the year attributable to ordinary shareholders of the parent | (688,244) | (912,561) |

As the Group generated losses for the financial years ended 30 June 2020 and 2021, all potential ordinary shares on issue will not have a dilutionary effect and therefore no calculation of diluted earnings per share performed.

| | 2021<br>Number | 2020<br>Number |
|---|---|---|
| **(b) Weighted average number of shares** | | |
| For basic and diluted loss per share: | | |
| Weighted average number of ordinary shares | 143,101,205 | 124,099,714 |

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| **6. TRADE AND OTHER RECEIVABLES** | | |
| **(a) Current** | | |
| Accrued interest | 1,027 | 8,244 |
| Net GST receivable | 45,274 | 96,111 |
| | 46,301 | 104,355 |
| **7. OTHER ASSETS** | | |
| **(a) Current** | | |
| Cash deposited as security bond | 2,340 | 2,340 |
| Prepayments | 35,206 | 29,992 |
| | 37,546 | 32,332 |
| **(b) Non-current** | | |
| Cash deposited for rental bond | 26,071 | 26,071 |
| | 26,071 | 26,071 |

## 8. PROPERTY, PLANT AND EQUIPMENT

| | 2021 | 2020 |
|---|---|---|
| At cost | 38,015 | 38,015 |
| Accumulated depreciation | (33,466) | (24,302) |
| Net carrying amount | 4,549 | 13,713 |

**Reconciliation**

Reconciliation of the carrying amount of office furniture and equipment at the beginning and end of the current financial year.

| | 2021 | 2020 |
|---|---|---|
| ***Office furniture and equipment*** | | |
| At 1 July net of accumulated depreciation | 9,106 | 15,113 |
| Acquisitions | - | 3,295 |
| Depreciation charge for the year | (6,051) | (9,302) |
| At 30 June net of accumulated depreciation | 3,055 | 9,106 |
| ***Field equipment*** | | |
| At 1 July net of accumulated depreciation | 4,607 | 4,805 |
| Acquisitions | - | 3,434 |
| Depreciation charge for the year | (3,112) | (3,632) |
| At 30 June net of accumulated depreciation | 1,495 | 4,607 |
| **Total** | 4,549 | 13,713 |

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| **9. RIGHT-OF-USE ASSETS** | | |
| At cost | 217,773 | 159,882 |
| Accumulated depreciation | (155,910) | (79,941) |
| Net carrying amount | 61,863 | 79,941 |

**Reconciliation**

Reconciliation of the carrying amount of right-of-use assets at the beginning and end of the current financial year.

| | 2021 | 2020 |
|---|---|---|
| ***Right-of-use assets*** | | |
| At 1 July net of accumulated depreciation | 79,941 | - |
| Initial application of AASB16 | - | 159,882 |
| Lease modification | 57,891 | - |
| Depreciation charge for the year | (75,969) | (79,941) |
| At 30 June net of accumulated depreciation | 61,863 | 79,941 |

## 10. EXPLORATION AND EVALUATION EXPENDITURE

| | 2021 | 2020 |
|---|---|---|
| Costs carried forward in respect of: | | |
| Exploration and evaluation phase – at cost | 13,934,466 | 11,387,156 |
| **Reconciliation** | | |
| Opening balance | 11,387,156 | 9,003,810 |
| Acquisition of tenements | - | - |
| Incurred during the year | 2,547,310 | 2,383,346 |
| Total exploration and evaluation expenditure | 13,934,466 | 11,387,156 |

The ultimate recoupment of the Group's deferred mining tenements and exploration expenditure carried forward in respect of areas of interest still in the exploration and/or evaluation phases is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas.

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| **11. TRADE AND OTHER PAYABLES** | | |
| Current | | |
| Trade creditors | 81,190 | 164,732 |
| Other creditors | 43,409 | 70,425 |
| | 124,599 | 235,157 |

Trade and other payables are non-interest bearing and are normally settled on 30-day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| **12. LEASE LIABILITIES** | | |
| Current | | |
| Lease Liabilities | 59,320 | 83,187 |

| | 2021 $ | 2020 $ |
|---|---|---|
| **13. OTHER LIABILITIES** | | |
| **(a) Current** | | |
| Annual Leave | 54,025 | 53,079 |
| **(b) Non-current** | | |
| Long Service Leave provision | 29,915 | 25,030 |
| **14. ISSUED CAPITAL** | | |
| **(a) Ordinary shares** | 22,929,035 | 22,929,035 |

Movements of ordinary shares

| | 2021 Number | 2021 $ | 2020 Number | 2020 $ |
|---|---|---|---|---|
| Shares on issue | | | | |
| Beginning of financial year | 143,101,205 | 22,929,035 | 120,373,932 | 18,411,245 |
| Add shares issued | | | | |
| - Placement | - | - | 22,727,273 | 5,000,000 |
| Less capital raising costs | - | - | - | (482,210) |
| As at the end of the financial year | 143,101,205 | 22,929,035 | 143,101,205 | 22,929,035 |

**(b) Terms & conditions of issued capital**

***Ordinary shares***

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of the surplus assets in proportion to the number of and amounts paid up on shares held.

**(c) Options**

***Unlisted options***

The Company has the following unlisted options on issue:

- 12,500,000 options exercisable at $0.20 expiring on 31 January 2023.

Each option will only vest and become exercisable when the 60-day volume weighted average market price (as defined in the Listing Rules) of the Company's quoted Shares first exceeds $0.60 per Share. Options not so exercised shall automatically expire on the expiry date. Each option entitles the holder to subscribe (in cash) for one Share in the capital of the Company. Each Share allotted as a result of the exercise of any Option will rank in all respect pari passu with the existing Shares in the capital of the Company on issue at the date of allotment.

- 2,272,727 options exercisable at $0.44 expiring on 29 April 2022.

Each option entitles the holder to subscribe (in cash) for one Share in the capital of the Company. Each Share allotted as a result of the exercise of any Option will rank in all respect pari passu with the existing Shares in the capital of the Company on issue at the date of allotment. Options not exercised shall automatically expire on the expiry date.

***Performance Rights***

The Company has 1,100,000 rights on issue, expiring on 31 January 2023.

Performance Rights were issued free of charge. Each Performance Right entitles the holder to subscribe for one (1) fully paid ordinary share in the Company based on achieving vesting conditions at a nil exercise price. The terms and conditions including the service and performance criteria that must be met are as follows: -

(a) Subject to the below paragraphs (b) to (d), each Performance Right will only vest and become exercisable when the 10-day volume weighted average market price (as defined in the ASX Listing Rules) of the Company's quoted Shares first exceeds $1.00 per Share (Vesting Condition).
(b) Maintain a minimum of 12 months continuous service with the Company.
(c) Each Performance Right will automatically be cancelled and will be redeemed by the Company for nil consideration if employment with the Company is terminated for any reason before the Vesting Condition is met.
(d) If a Good Leaver* and the Vesting Condition has been satisfied at the date of termination the Performance Rights may be exercised within 20 Business Days of termination of employment or contracting (as applicable) with the Company. If a Bad Leaver* and the Vesting Condition has been satisfied at the date of termination the Performance Rights will terminate.

*As defined in the Galileo Mining Ltd Employee Incentive Plan refer to:
http://www.galileomining.com.au/about-us/corporate-governance/

Each Performance Right, issued for nil consideration, entitles the participant to acquire one (1) fully paid ordinary share, by way of issue of new Shares or transfer of existing Shares.

All Performance Rights that have not vested by the expiry date will automatically lapse and be forfeited.

## 15. RESERVES

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Share-based payment reserve | 903,076 | 920,568 |
| | | |
| Movement in share-based payment reserve | | |
| Balance at the beginning of the financial year | 920,568 | 593,719 |
| Share-based payments during the year | 94,330 | 382,900 |
| Reversal of cancelled options | (66,500) | (56,051) |
| Reversal of cancelled performance rights | (45,322) | - |
| Balance at the end of the financial year | 903,076 | 920,568 |

Share-based payment reserve records the value of shares, share options and performance rights issued to Galileo's employees or others. Refer to Note 20 for further details.

## 16. ACCUMULATED LOSSES

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Accumulated losses | (4,593,671) | (3,876,699) |
| | | |
| Movement in accumulated losses: | | |
| Balance at the beginning of the financial year | (3,905,427) | (3,048,917) |
| Transfer from share-based payment reserve | - | 56,051 |
| Net loss for the year | (688,244) | (912,561) |
| Balance at the end of the financial year | (4,593,671) | (3,905,427) |

## 17. STATEMENT OF CASH FLOWS

| | 2021 $ | 2020 $ |
|---|---|---|
| **(a) Reconciliation of cash** | | |
| Cash at bank and on hand | 33,665 | 51,257 |
| Short term deposits | 5,361,838 | 4,140,804 |
| Total cash and cash equivalents | 5,395,503 | 4,192,061 |
| Cash on term deposit (i) | - | 4,505,000 |

(i) This relates to term deposits which have an original maturity of greater than three months.

| | 2021 $ | 2020 $ |
|---|---|---|
| **(b) Reconciliation of net loss after tax to net cash flows from operations:** | | |
| Loss from ordinary activities after income tax | (688,244) | (912,561) |
| Adjustments for: | | |
| Depreciation | 85,133 | 92,876 |
| Employee share-based payment/(reversal) | (17,492) | 119,494 |
| Changes in assets and liabilities: | | |
| Increase in payables | 7,324 | 11,302 |
| Increase in provisions | 5,831 | 24,305 |
| (Increase)/Decrease in receivables | 58,055 | (5,264) |
| Increase in prepayments | (5,214) | (2,588) |
| Net cash used in operating activities | (544,607) | 672,436 |

| | 2021 $ | 2020 $ |
|---|---|---|
| **(c) Changes in liabilities arising from financing activities** | | |
| Opening balance | 83,187 | - |
| Net cash used in financing activities | (81,759) | (76,695) |
| Lease liability recognised on the adoption of AASB 16 | - | 159,882 |
| Lease liability recognised on modification of lease | 56,892 | - |
| Closing balance | 59,320 | 83,187 |

**(d) Non-cash financing & investing activities:**

Non-cash financing activities for the year include the office lease extension of 12 months commencing June 2021 at an initial value of $57,892.

There were no non-cash investing activities in 2021. During the previous year the Company issued 2,272,727 unlisted options exercisable at $0.44 and expiring 29 April 2022 to Nascent Capital as part payment for capital raised at a value of $263,406.

## 18. RELATED PARTY TRANSACTIONS

1) Whypro Corporate Services a business of which Mathew Whyte is principal, provided company secretarial, corporate administration and CFO services to the Company totalling $102,000 (excluding GST) (30 June 2020: $102,000). As at 30 June 2021, $9,350 was payable to Whypro Corporate Services.

## 19. DIRECTORS AND KEY MANAGEMENT PERSONNEL

**Compensation for Executive Directors and Key Management Personnel**

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Short-term benefits | 544,250 | 562,537 |
| Long-term benefits | 5,928 | 5,944 |
| Post-employment benefits | 38,250 | 32,931 |
| Share-based payments | (36,187) | 30,396 |
| Total compensation | 552,241 | 631,808 |

## 20. SHARE-BASED PAYMENTS

### (a) Options

No options were granted during the year.

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

| | 2021<br>Number | 2021<br>WAEP<br>$ | 2020<br>Number | 2020<br>WAEP<br>$ |
|---|---|---|---|---|
| Outstanding at the beginning of the year | 17,272,727 | 0.23 | 15,000,000 | 0.20 |
| Granted during the year | - | - | 2,272,727 | 0.44 |
| Exercised during the year | - | - | - | - |
| Expired or Cancelled during the year | (2,500,000) | 0.20 | - | - |
| Outstanding at the end of the year | 14,772,727 | 0.24 | 17,272,727 | 0.23 |
| Exercisable at reporting date | 2,272,727 | 0.44 | 2,272,727 | 0.44 |

### (b) Performance Rights

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

**Movement of Performance Rights:**

| | 2021 Number | 2020 Number |
|---|---|---|
| Outstanding at beginning of the year | 1,600,000 | 2,200,000 |
| Cancelled during the year | (500,000) | (600,000) |
| Outstanding at the end of the year | 1,100,000 | 1,600,000 |

| | 2021 $ | 2020 $ |
|---|---|---|
| **21. AUDITOR'S REMUNERATION** | | |
| The auditor of Galileo Mining Ltd is HLB Mann Judd | | |
| Amounts received or due and receivable by the auditors for: | | |
| - Auditing or reviewing accounts | 29,509 | 26,650 |
| | 29,509 | 26,650 |

The auditors received no other benefits.

**22. EXPENDITURE COMMITMENTS**

**(a) Exploration expenditure commitments**

The Group has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the financial report. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing of tenure or by new joint venture arrangements. Expenditure may be increased when new tenements are granted or joint venture agreements amended. The minimum expenditure commitment on the tenements is shown below.

| | 2021 $ | 2020 $ |
|---|---|---|
| Not later than one year | 863,080 | 806,180 |
| Later than one year and less than five years | 3,772,320 | 3,385,720 |
| | 4,635,400 | 4,191,900 |

## 23. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise cash and short-term deposits.

The Group has various other financial assets and liabilities such as trade receivables, and trade payables, which arise directly from its operations and other activities.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Notes 2, 6, 11 and 13 to the financial statements.

The Group manages its exposure to a variety of financial risks: market risk (interest rate risk), credit risk and liquidity risk in accordance with specific approved Group policies.

Primary responsibility for the identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessment of market forecast for interest rate. The Group manages credit risk by only dealing with recognized, creditworthy, third parties and liquidity risk is monitored through the development of future rolling cash flow forecasts.

### *Interest rate risk*

The Group's current exposure to the risk of changes in market interest rates relate primarily to cash assets rates and is managed by the Board approved investment policy. This policy defines maximum exposures and credit ratings limits.

The following table summarises the impact of reasonably possible changes on interest rates for the Group at 30 June 2021. The sensitivity is based on the assumption that interest rate changes by 100 basis points with all other variables held constant. The 100 basis points sensitivity is based on reasonably possible changes over a financial year, using the observed range of actual historical rates for the preceding 3 year period. The analysis is performed on the same basis for the comparative period.

The Group's exposure to interest rate risk arises from higher or lower interest income from cash and cash equivalents. The Parent's main interest rate risk arises from cash and cash equivalents and other assets with variable interest rates.

| | 30 June 2021<br>$ | 30 June 2020<br>$ |
|---|---|---|
| Financial assets | | |
| Cash and cash equivalents | 5,395,503 | 4,192,061 |
| Term deposits | - | 4,505,000 |
| | | |
| Impact on profit and equity | | |
| Post-tax gain/(loss) | | |
| 100 bp increase | 53,955 | 41,921 |
| 100 bp decrease | (53,955) | (41,921) |

### Credit risk

Credit risk arises in the event that counterparty will not meet its obligations under a financial instrument leading to financial losses. The Group is exposed to credit risk from its operating activities and financing activities including deposits with banks.

The credit risk control procedures adopted by the Group is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences. Investment limits are set in accordance with limits set by the Board of Directors based on the counterparty credit rating. The limits are assigned to minimise concentration of risks and mitigate financial loss through potential counterparty failure. The compliance with credit limits is regularly monitored as part of day-to-day operations. Any credit concerns are highlighted to senior management.

***Credit quality of financial assets:***

| | | S&P Credit rating | | | | |
|---|---|---|---|---|---|---|
| | | **AAA** | **A1+** | **A1** | **A2** | **Unrated** |
| **30 June 2021** | | | | | | |
| Cash & cash equivalents | ($) | - | 5,395,503 | - | - | - |
| Other Assets | ($) | - | 28,411 | - | - | - |

| | | S&P Credit rating | | | | |
|---|---|---|---|---|---|---|
| | | **AAA** | **A1+** | **A1** | **A2** | **Unrated** |
| **30 June 2020** | | | | | | |
| Cash & cash equivalents | ($) | - | 4,192,061 | - | - | - |
| Other Assets | ($) | - | 4,533,411 | - | - | - |

Alternatives for sourcing our future capital needs include the Group's current cash position, future operating cash flow, project debt financings and equity raisings. These alternatives are evaluated to determine the optimal mix of capital resources for the Group's capital needs.

### *Liquidity risk*

The responsibility for liquidity risk management rests with the Board of Directors.

The Group manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The Group's liquidity needs can be met through a variety of sources, including: short and long term borrowings and issue of equity instruments.

The following table details the Group's non-derivative financial instruments according to their contractual maturities. The amounts disclosed are based on contractual undiscounted cash flows.

| | **Less than 6** | **6 months – 12** | **1-2 years** | **> 2 years** |
|---|---|---|---|---|
| | **$** | **$** | **$** | **$** |
| As at 30 June 2021 | | | | |
| Trade and other receivables | 1,027 | - | - | - |
| As at 30 June 2020 | | | | |
| Trade and other receivables | 8,244 | - | - | - |

**Capital risk management**

Capital consists of total equity $19,238,440 (2020: $19,944,176).

When managing capital, management's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, enter into joint ventures or sell assets.

The entity does not have a defined share buy-back plan.

No dividends were paid in 2020 and no dividend will be paid in 2021.

There is no current intention to incur debt funding on behalf of the Company as on-going exploration expenditure will be funded via equity or joint ventures with other companies.

The Company is not subject to any externally imposed capital requirements.

**24. EVENTS SUBSEQUENT TO BALANCE DATE**

- The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not had a negative financial impact for the Group up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.
- On 6 August 2021 the Company announced that 100,000 Performance Rights had been cancelled effective 23 July 2021 due to conditions not being met. Effective 5 August 2021, 100,000 Performance Rights were issued in accordance with the terms and conditions of the Galileo Mining Ltd Employee Incentive Plan as part of the Company's employee equity incentive arrangements.
- Subsequent to the balance date the Company completed a capital raising (refer ASX announcement 8 September 2021) to raise $6.5 million (before costs) by way of a placement to institutions and sophisticated investors ("Placement"). Settlement of the placement occurred on 15 September 2021 (refer ASX Announcement dated 16 September 2021) when the Company issued 25,000,000 at an issue price of $0.26 per share.

  As part of the fee for the lead manager to the Placement the Company also issued on 15 September 2,500,000 unquoted Options with an exercise price of $0.52 and an expiry date of 15/9/2023.

Other than the above, no other matters or circumstances have occurred subsequent to balance date that have or may significantly affect the operations or state of affairs of the Group in subsequent financial years.

## 25. EXPLORATION AGREEMENTS

### Dunstan JV Agreement

On 22 January 2018, Mark Creasy and Dunstan Holdings Pty Ltd (ACN 009 686 691) ("Dunstan") entered into an agreement with the Company's wholly owned subsidiary, FSZ Resources Pty Ltd (ACN 622 898 882) ("FSZ") ("Dunstan JV Agreement"). Mark Creasy was a director of the Company from 18 March 2003 to 12 March 2018.

The Dunstan JV Agreement provides for three phases of collaboration on the exploration and mining of Dunstan's mining tenements E63/1539, E63/1623 and E63/2624 ("Dunstan Tenements"). First, the Dunstan JV Agreement provided for the partial sale of Dunstan's interest in the Dunstan Tenements to FSZ ("Tenement Sale"), which was settled during the financial year ended 30 June 2018 by a payment of $530,000 to Dunstan (of which $478,955 (plus GST) was paid in cash and $51,045 settled by the issue of 510,455 fully paid ordinary shares at a deemed issue price of $0.10 per share). Second, the Dunstan JV Agreement established an unincorporated joint venture between Dunstan and FSZ for the exploration of the Dunstan Tenements and completion of a bankable feasibility study in respect of all or part of the Dunstan Tenements ("Exploration Joint Venture"). Third, the Dunstan JV Agreement regulates the manner in which the parties may determine their respective involvement in any mining operations to implement a bankable feasibility study on all or part of the Dunstan Tenements ("Mining Joint Venture").

### GSN JV Agreement

On 22 January 2018, Mark Creasy and Great Southern Nickel Pty Ltd (ACN 135 382 142) ("GSN") entered into an agreement with the Company's wholly owned subsidiary, NSZ Resources Pty Ltd (ACN 622 900 396) ("NSZ") ("GSN JV Agreement"). Mark Creasy was a director of the Company from 18 March 2003 to 12 March 2018.

The GSN JV Agreement provides for three phases of collaboration on the exploration and mining on GSN's mining tenement E28/2064 ("GSN Tenement"). First, the GSN JV Agreement provided for the partial sale of GSN's interest in the GSN Tenement to NSZ ("Tenement Sale"), which was settled during the financial year ended 30 June 2018 by a payment of $870,000 to GSN. Second, the GSN JV Agreement established an unincorporated joint venture between GSN and NSZ for the exploration of the GSN Tenement and completion of a bankable feasibility study in respect of all or part of the GSN Tenement ("Exploration Joint Venture"). Third, the GSN JV Agreement regulates the manner in which the parties may determine their respective involvement in any mining operations to implement a bankable feasibility study on all or part of the GSN Tenement ("Mining Joint Venture").

## 26. SEGMENT INFORMATION

For management purposes, the Group is organised into one main business and geographic segment, which involves exploration of mineral deposits. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from the segment are equivalent to the financial statement of the Group as a whole. The accounting policies used by the Group in reporting segment internally are the same as those contained in Note 2 to the consolidated financial statements.

## 27. CONTROLLED ENTITIES

| Name | Country of Incorporation | Principal Activity | Beneficial Percentage Interest Held By Group | |
|---|---|---|---|---|
| | | | 2021 % | 2020 % |
| FSZ Resources Pty Ltd | Australia | Mineral exploration | 100 | 100 |
| NSZ Resources Pty Ltd | Australia | Mineral exploration | 100 | 100 |
| Norseman Resources Pty Ltd | Australia | Mineral exploration | 100 | 100 |
| Ganymede Resources Pty Ltd * | Australia | Mineral exploration | 100 | - |

* Subsidiary incorporated 4 December 2020.

## 28. PARENT ENTITY INFORMATION

### Information relating to Galileo Mining Ltd

The immediate parent and ultimate controlling party of the Group is Galileo Mining Ltd. Interests in subsidiaries are set out in Note 27.

| | 2021 $ | 2020 $ |
|---|---|---|
| Current Assets | 5,474,534 | 8,833,748 |
| Non-Current Assets | 14,115,279 | 11,532,194 |
| TOTAL ASSETS | 19,589,813 | 20,365,942 |
| Current Liabilities | 237,944 | 371,422 |
| Non-Current Liabilities | 29,915 | 25,031 |
| TOTAL LIABILITIES | 267,859 | 396,453 |
| NET ASSETS | 19,321,954 | 19,969,489 |
| EQUITY | | |
| Issued capital | 22,929,035 | 22,929,035 |
| Reserves | 903,076 | 920,568 |
| Accumulated losses | (4,510,157) | (3,880,114) |
| TOTAL EQUITY | 19,321,954 | 19,694,489 |
| Loss of the parent entity | (658,771) | (927,432) |
| Total comprehensive loss of the parent entity | (658,771) | (927,432) |

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

The accounting policies of the parent entity are consistent with those of the Group as disclosed in Note 2, except for investment in subsidiaries, which are accounted for at cost.

## 29. GUARANTEES AND CONTINGENT LIABILITIES

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

## 30. FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities approximates the carrying amount at balance date.

## DIRECTORS' DECLARATION

## FOR THE YEAR ENDED 30 JUNE 2021

In accordance with a resolution of the directors of Galileo Mining Ltd, we state that:

In the opinion of the directors:

(a) the financial statements and notes of the Group in pages 37 to 62 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2 (c); and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act for the year ended 30 June 2021.

For and on behalf of the Board of Directors.

**Mr Brad Underwood**
**Managing Director**
**Perth, 23 September 2021**

MANN JUDD
ADVISORY AND ACCOUNTING

**INDEPENDENT AUDITOR'S REPORT**

To the members of Galileo Mining Ltd

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of Galileo Mining Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

*Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
**T:** +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Exploration and evaluation expenditure**<br>Note 10 to the financial report | |
| In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises exploration and evaluation expenditure.<br><br>Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation expenditure asset, due to this asset being the most significant asset of the Group. | Our procedures included but were not limited to the following:<br>• We obtained an understanding of the key processes associated with management's review of the carrying value of the capitalised exploration and evaluation expenditure asset;<br>• We considered the Directors' assessment of potential indicators of impairment;<br>• We obtained evidence that the Group has current rights to tenure of its areas of interest;<br>• We examined the exploration and evaluation budget for the year ending 30 June 2022 and discussed with management the nature of planned ongoing activities. |

*Information other than the financial report and auditor's report thereon*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual financial report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.

*Responsibilities of the directors for the financial report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 to cease operations, or have no realistic alternative but to do so.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

*Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Galileo Mining Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

**HLB Mann Judd**
**Chartered Accountants**

**Perth, Western Australia**
**23 September 2021**

**D I Buckley**
**Partner**

## CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such Galileo Mining Ltd has adopted the fourth edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council and became effective for financial years beginning on or after 1 July 2020.

The Company's Corporate Governance Statement for the financial year ending 30 June 2021 was approved by the Board on 23 September 2021. The Corporate Governance Statement can be located on the Company's website http://www.galileomining.com.au/about-us/corporate-governance/

### ADDITIONAL ASX SHAREHOLDERS' INFORMATION (As at 16 September 2021)

The following additional information is required by the Australian Securities Exchange in respect of listed public companies. As at 16 September 2021 there were 3,300 holders of Ordinary Fully Paid Shares.

### VOTING RIGHTS

The voting rights attached to each class of equity security are as follows:

- **Ordinary shares:** Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- **Unlisted Options and Performance Rights:** Options and performance rights do not entitle the holders to vote in respect of that equity instrument, nor participate in dividends, when declared, until such time as the options are exercised or performance rights convert and subsequently registered as ordinary shares.

### 20 LARGEST SHAREHOLDERS – ORDINARY SHARES AS AT 16 SEPTEMBER 2021

| | Holder Name | Holding | %IC |
|---|---|---|---|
| 1 | Australian Gold Resources Pty Ltd | 41,371,895 | 24.61 |
| 2 | IGO Newsearch Pty Ltd | 14,943,182 | 8.89 |
| 3 | Citicorp Nominees Pty Ltd | 2,154,368 | 1.28 |
| 4 | Blakfyre Investments Pty Ltd | 1,700,000 | 1.01 |
| 5 | AJF Fabbro Pty Ltd <AJF Fabbro Family A/C> | 1,572,000 | 0.94 |
| 6 | Mr Bernie Peter Johnson | 1,403,216 | 0.83 |
| 7 | Pindan Investments Pty Ltd <Pindan Investment A/c> | 1,200,000 | 0.71 |
| 8 | S3 Consortium Holdings Pty Ltd <NextInvestors Dot Com A/C> | 1,185,000 | 0.70 |
| 9 | BNP Paribas Nominees Pty Ltd <IB AU NOMS Retail Client DRP> | 991,705 | 0.59 |
| 10 | Mr Stephen John Lowe & Mrs Suzanne Lee Lowe <Tahlia Family A/C> | 987,500 | 0.59 |
| 11 | Blacktusk Pty Ltd <Contract Diving Ser S/F A/C> | 900,000 | 0.54 |
| 12 | Cospiqua Pty Ltd <The Millennium MacNo1 A/C> | 830,000 | 0.49 |
| 13 | Shaw and Partners Limited <Placement A/C> | 769,231 | 0.46 |
| 14 | S3 Consortium Pty Ltd | 750,000 | 0.45 |
| 15 | Certane CT Pty Ltd | 692,308 | 0.41 |
| 16 | BNP Paribas Nominees Pty Ltd Six Sis Ltd <DRP A/C> | 655,154 | 0.39 |
| 17 | Northmead Holdings Pty Ltd <The Greenwell Family A/C> | 625,000 | 0.37 |
| 18 | Mr Peter Piotr Mackow | 581,277 | 0.35 |
| 19 | Sunset Capital Management Pty Ltd <Sunset Superfund A/C> | 576,923 | 0.34 |
| 20 | Mr Brenton Paul Gill | 557,500 | 0.33 |
| | **Totals** | **74,447,218** | **44.29** |

### SUBSTANTIAL ORDINARY SHAREHOLDER AS AT 16 SEPTEMBER 2021

The names of the substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

- Mark Gareth Creasy, Australian Gold Resources Pty Ltd (ACN 006 712 956), and Dunstan Holdings Pty Ltd (ACN 008 686 691): 41,371,895 Fully Paid Ordinary Shares (24.61%)
- IGO Ltd (ACN 092 786 304): 14,943,182 Fully Paid Ordinary Shares (8.89%)

### DISTRIBUTION OF ORDINARY SHAREHOLDER AS AT 16 SEPTEMBER 2021

| Holding Range | Holders | Total Units | % Issued Ordinary Capital |
|---|---|---|---|
| 1 - 1,000 | 60 | 8,658 | 0.01% |
| 1,001 - 5,000 | 1,104 | 3,266,568 | 1.94% |
| 5,000 - 10,000 | 604 | 4,939,870 | 2.94% |
| 10,001 – 100,000 | 1,383 | 51,658,346 | 30.73% |
| 100,001 – and over | 179 | 108,227,763 | 64.38% |
| **TOTALS** | **3,300** | **168,101,205** | **100.00%** |

Unmarketable Parcels – as at 16 September 2021 there were 232 holders with less than a marketable parcel of shares.

### ON MARKET BUY-BACK

There is no current on-market buy-back of shares.

### UNQUOTED SECURITIES

As at 16 September 2021 the following unquoted securities are on issue:

***12,500,000 Class A Director Options Expiring 31 January 2023 @ $0.20 - 2 Holders***

Holders with more than 20%

| Holder Name | Holding | % |
|---|---|---|
| Mr Richard Bradley Underwood | 10,000,000 | 80.00% |
| Mr Noel Mark O'Brien | 2,5000,000 | 20.00% |

***2,500,000 Broker Options Expiring 15 September 2023 @ $0.52 - 1 Holder***

Holders with more than 20%

| Holder Name | Holding | % |
|---|---|---|
| Inyati Fund Pty Ltd | 2,5000,000 | 100.00% |

**2,272,727 Broker Options Expiring 29 April 2022 @ $0.44 - 7 Holders**

Holders with more than 20%

| Holder Name | Holding | % |
|---|---|---|
| 3VL Pty Ltd <Wylie Family A/C> | 938,870 | 42.85% |
| Mr Mark Jonathan Sandford <Stratton A/C> | 519,325 | 22.85% |

***1,100,000 Performance Rights – 3 Holders***

## OTHER ASX ADDITIONAL INFORMATION

**1. Corporate Governance**

The Company's Corporate Governance Statement as at 30 June 2021 as approved by the Board can be viewed at http://www.galileomining.com.au/about-us/corporate-governance/

**2. Company Secretary**

The name of the Company Secretary is Mathew Whyte

**3. Address and telephone details of the Company's Registered Office**

13 Colin Street, West Perth WA 6005 Telephone: +61 8 9463 0063

**4. Address and telephone details of the office at which a registry of securities is kept**

Automic Group
Level 2, 267 St Georges Terrace
PERTH WA 6000
Telephone: 1300 288 644 (within Australia)
+61 (0) 2 9698 5414 (International)
Web: www.automicgroup.com.au

**5. Review of Operations**

A review of operations is contained in the Directors Report.

## 6. Tenement Schedule (As at 16 September 2021)

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

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

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