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**GALILEO MINING LTD**  
**ANNUAL FINANCIAL REPORT**  
For the Year Ended 30 June 2022

# GALILEO MINING LTD

ABN 70 104 114 132

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**CHAIRMAN'S LETTER**

Dear Shareholder,

FY2022 has proven to be a watershed year in the short history of Galileo Mining Ltd with the discovery of the Callisto palladium-platinum-rhodium-gold-copper-nickel target at our wholly-owned Norseman project in Western Australia in May.

While discovery drill hole NRC266 returned significant palladium-platinum-gold-copper-nickel-rhodium mineralisation over 33 metres, what made this a particularly outstanding discovery was all six RC drill holes in the initial exploration program contained significant zones of mineralisation with strong confirmation of the initial results from NRC266.

On the back of these results, we spent little time before kicking off our second round of RC drilling, consisting of 16 holes for 3,939m, to expand on the early results with drilling designed at a 50-metre spacing across strike and followed by drill lines along strike to the north.

Post year end, we reported assays from the first four RC drill holes of this second program at Callisto which demonstrated the extensive continuity of mineralisation intercepted with significant thicknesses over 20 metres at the 1.0 g/t 3E cut-off grade and over 30 metres at the lower 0.5 g/t 3E cut-off reported.

Most importantly, the mineralisation is open at the end of the 6,448,000-drill line where it starts to dip east, further onto our granted Mine Lease. NRC278 ended in mineralisation at this location and will be completed with a diamond drill rig, as will further step out holes to the east.

An additional eleven drill holes were completed with each drill hole intersecting disseminated sulphide mineralisation geologically consistent with the first round of drilling.

A third round of RC drilling has now begun with diamond drilling scheduled to start this month.

At Fraser Range, we undertook a RC drilling campaign at Empire Rose prospect with drilling intersecting disseminated sulphides. Meanwhile, at the Delta Blues prospect, two diamond drill holes tested a conductive target beneath sulphide mineralisation at DB2 with matrix, stringer, and disseminated sulphides intercepted in both holes.

We also acquired a new strategic Fraser Range tenement along strike from known nickel-copper sulphide mineralisation at the Lantern Prospect where we are undertaking EM surveying to gain a better understanding of the prospect's potential. In addition, we are planning infill EM surveying of the highly conductive Green Moon prospect to refine targets for drill testing.

On the corporate front, we were very pleased with the strong market support for our \$20.4 million placement post year end with \$8.7 million of the funds coming from our major shareholders, Mark Creasy and IGO. This funding allows us to aggressively explore this significant new palladium province within our Norseman Project area.

In addition, we welcomed highly experienced mining lawyer Cecilia Camarri to the board as an Independent Non-Executive Director. Cecilia's appointment will assist us with our aim to transition from an exploration company to a resource development company on the back of the Callisto discovery.

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Lastly, I would like to thank our loyal shareholders for their unwavering support over the past year. With over five kilometres of strike length at Callisto, I genuinely feel that we have a significant company-making discovery with upcoming drilling campaigns to further unearth its mineralisation potential. Coupled with highly prospective targets at the Jimberlana and Mission Sill prospects, ongoing exploration at Fraser Range and cash in the bank to aggressively turn the drill bit, the potential to build on our mineralisation is very high and I can't wait to share our successes during FY2023 with you.



Yours faithfully,

**Brad Underwood**

Chairman & Managing Director

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

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 2022.

**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)
- Cecilia Camarri (Non-executive Director) – Appointed 7 June 2022
- 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 2022 after providing for income tax amounted to \$1,190,216 (2021: \$688,244).

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 \$7,019,993 (2021: \$5,395,503) and Net Assets of \$24,349,620 (2021: \$19,238,440).

**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 (Figure 1) being:

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

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

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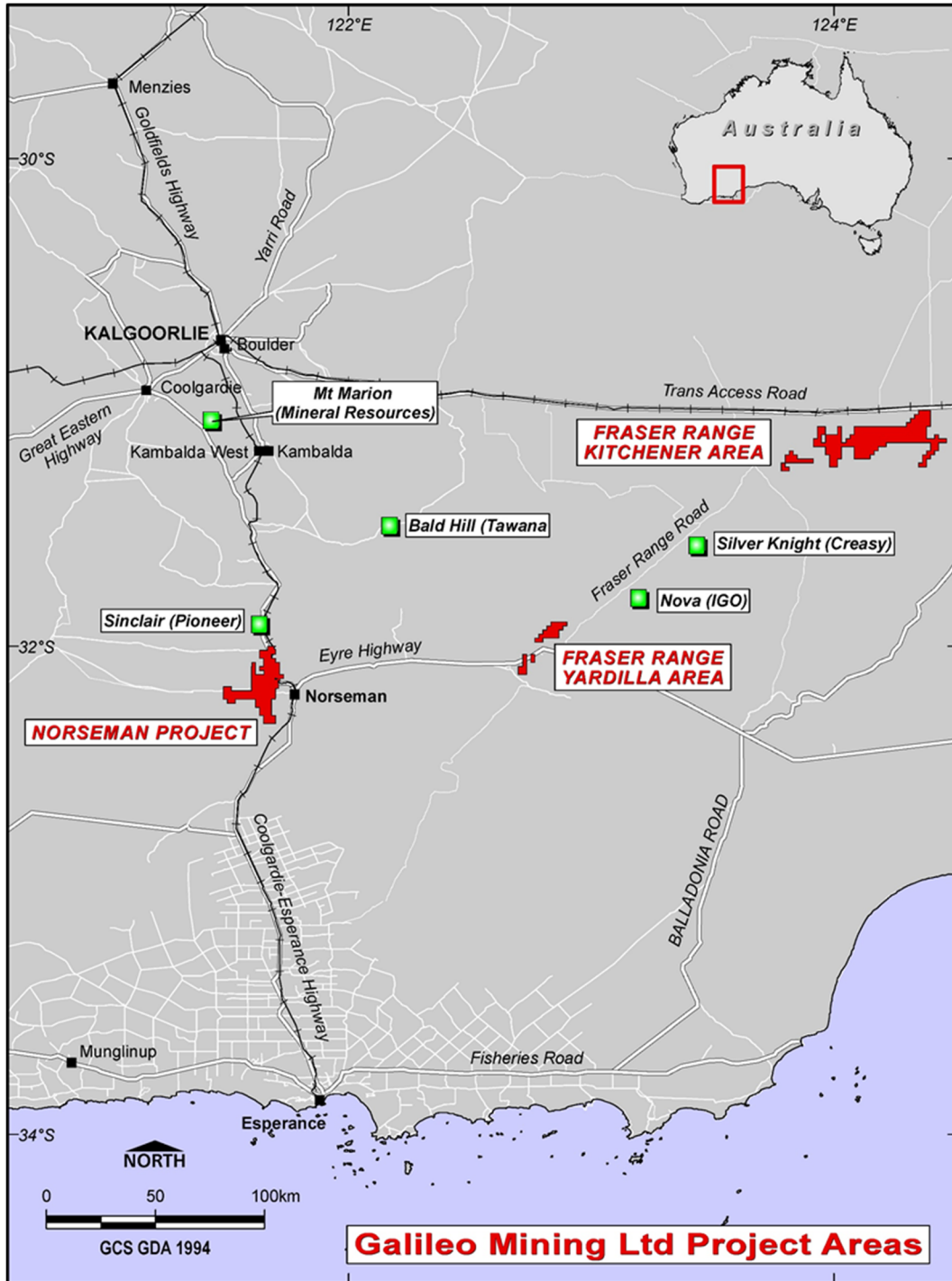


Figure 1: Galileo Mining's Project Areas

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

### Norseman Project (100% owned)

- Significant exploration event during June Quarter 2022 with major palladium-platinum discovery at Norseman - the Callisto discovery
- Discovery drillhole (NRC266) returned significant palladium-platinum-gold-copper-nickel-rhodium mineralisation over 33 metres;
  - 33 metres @ 2.05 g/t 4E (1.64 g/t Pd, 0.28 g/t Pt, 0.09 g/t Au, 0.05 g/t Rh), 0.32% Cu & 0.30% Ni from 144m

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- All six RC drill holes completed at Callisto contained significant zones of mineralisation and confirm initial results from the discovery drill hole NRC266.
- GAL received significant nickel-copper-cobalt-palladium assay results from its first aircore drilling campaign from:
  - Jimberlana prospect (JD1 & JD2)
  - Northern Mission Sill prospect (MS2 & MS3)
  - Southern Mission Sill prospect (MS1)
- Assay results significantly increase the prospectivity of Galileo's project area with mineralised nickel-copper-cobalt-palladium sulphides confirmed at shallow depths
  - One metre of sulphide from 60 metres downhole with 1 metre @ 0.24% nickel, 0.35% copper, 0.04% cobalt and 0.25 g/t palladium (NAC105)

## Subsequent events

- Second round of RC drilling at Callisto completed with 3,939m drilled over 16 drill holes and three pre-collars
- First four holes returned significant palladium-platinum-gold-copper-nickel assays
- Highest grade palladium and platinum assays recorded to date with 8.25 g/t Pd & 1.94 g/t Pt over one metre in NRC275
- Samples from reported intersections were analysed for rhodium content with assays reported in August
- 11 drill holes hit sulphide mineralisation with portable XRF analyses confirming the presence of nickel and copper sulphides. Positive assays were reported to the ASX in August.
- Mineralised sulphide zone extends over 300m across strike on the southern and central lines, and over 200m across strike on the northern line

## Fraser Range Project (JV with Creasy Group)

- EM surveying of recently acquired tenement along strike of sulphide mineralisation at the Lantern South prospect is continuing
- Infill EM surveying of highly conductive Green Moon prospect is planned to refine targets for drill testing
- RC drilling commenced and completed at the Empire Rose prospect with ultramafic rock unit prospective for nickel intersected in drill hole FSRC005
- Drilling intersected disseminated sulphides associated with an interpreted graphitic shear zone in drill holes FSRC001, FSRC002, and FSRC003
- Two deep diamond drill holes completed at the Delta Blues prospect with matrix, stringer, and disseminated sulphides intercepted
- The drill holes tested for mineralisation beneath initial prospective RC drill intercepts:
  - 4m @ 0.29 g/t gold and 0.29% copper from 188m (DBRC001) including 1 metre @ 0.61 g/t gold and 0.66% copper from 190m
  - 5m @ 0.10 g/t gold and 0.25% copper from 167m (DBRC002)
  - 4m @ 0.21 g/t gold and 0.27% copper from 154m (DBRC003)
- Sulphides occur in association with tonalite intrusion (described petrographically as a trondhjemite)
- Further potential at Delta Blues to be assessed through laboratory assays and down hole EM surveys
- Acquired new strategic Fraser Range tenement along strike from known nickel-copper sulphide mineralisation at the Lantern Prospect
- New nickel target less than 5km from nickel sulphides previously drilled at the Lantern South prospect
  - Modelled EM conductor is a large-scale target 750 metres long and only 165 metres below surface
  - Ongoing target generation work delivering results with high quality drill targets developed

**Corporate**

- Highly experienced mining lawyer Cecilia Camarri joins the board as an Independent Non-Executive Director
- In September Quarter FY22, successfully raised \$6.5 million (before costs) through a Placement with cornerstone investments by major shareholders Creasy Group and IGO
- Funds used to accelerate exploration program
- Well-funded to continue exploration programs with approximately \$7.0 million in cash as at 30 June 2022

**Subsequent event**

- Successful Placement raising \$20.4 million (before costs) with cornerstone investments by major shareholders Mark Creasy and IGO
- Funds to be used for RC and diamond drill programs at Callisto and drilling at the highly prospective Mission Sill and Jimberlana palladium and nickel targets at Norseman

**Norseman Project**

During the year, Galileo reported the discovery of significant palladium-platinum-copper-nickel-sulphide at the Callisto target.<sup>1</sup>

Six holes for 1,142 metres were drilled at Callisto<sup>2</sup>. The target is a mineralised sulphide unit developed at the base of an ultramafic sill where it intrudes into a package of sedimentary rocks.

Drill holes from the initial campaign were completed on two east-west lines spaced 50 metres apart with a 50-metre drill spacing along the lines.

Each of the six drill holes intersected palladium-platinum-gold-copper-nickel sulphide intersections. Of the six holes, drill hole NRC266 recorded the widest interval of sulphide mineralisation with sulphide abundance increasing to the east in the drilling.

Interpretation of results from Callisto have shown similarities with South Africa’s Platreef deposits with disseminated sulphide mineralisation hosted in the lower unit of a layered ultramafic sill.

Drill assays from NRC266 were analysed to include the presence of rhodium in addition to palladium-platinum-gold-copper-nickel.<sup>3</sup> These metals also occur in the Platreef deposits in a similar disseminated mineralisation style and in a similar host rock. Petrographical examination of drill chips from NRC266 is ongoing with the intention of describing the host rock in more detail.

**Table 1: Significant intersections for drill hole NRC266**

Hole ID	From (m)	To (m)	Interval (m)	3E (Pd+ Pt+ Au; g/t)	Palladium (g/t)	Platinum (g/t)	Gold (g/t)	Copper (%)	Nickel (%)
NRC266	144	177	33	2.00	1.64	0.28	0.09	0.32	0.30
including	159	165	6	2.69	2.21	0.37	0.11	0.41	0.36
and	176	177	1	3.21	2.66	0.41	0.14	0.48	0.46

<sup>1</sup> Refer to ASX announcement dated 11<sup>th</sup> May 2022

<sup>2</sup> Refer to ASX announcement dated 4<sup>th</sup> May 2022

<sup>3</sup> Refer to ASX announcement dated 27<sup>th</sup> May 2022

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**Table 2: Significant intersections for drill holes NRC264, NRC265, NRC267, NRC268, NRC269. Cut off is 1 g/t 3E, maximum of 2m internal dilution**

Hole ID	From (m)	To (m)	Interval (m)	3E (Pd+ Pt+ Au; g/t)	Palladium (g/t)	Platinum (g/t)	Gold (g/t)	Copper (%)	Nickel (%)
NRC264	133	147	14	1.26	1.02	0.19	0.06	0.25	0.28
NRC265	135	147	12	1.36	1.11	0.19	0.06	0.19	0.22
NRC267	124	143	19	1.69	1.38	0.23	0.09	0.24	0.28
NRC268	137	165	28	1.58	1.29	0.22	0.07	0.27	0.26
NRC269	135	157	22	1.60	1.32	0.21	0.07	0.25	0.26

In June, the Company commenced a second program of RC drilling at the Callisto discovery (Figure 2) to expand on the early results with drilling designed at a 50-metre spacing across strike to be followed by drill lines along strike to the north.<sup>4</sup> In total, 16 drill holes were completed in this program and three pre-collars prepared for diamond drill tails.

**Figure 2: RC Drilling Underway at Galileo's Callisto Discovery near Norseman**

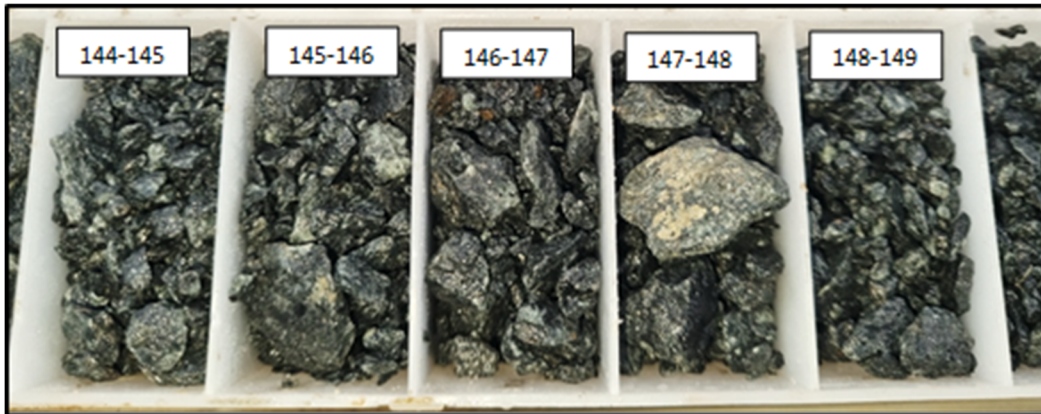


Galileo reported each of the first four drill holes of the 20-hole program<sup>5</sup> had intersected disseminated sulphide mineralisation geologically consistent with the first round of drilling (Figure 3).

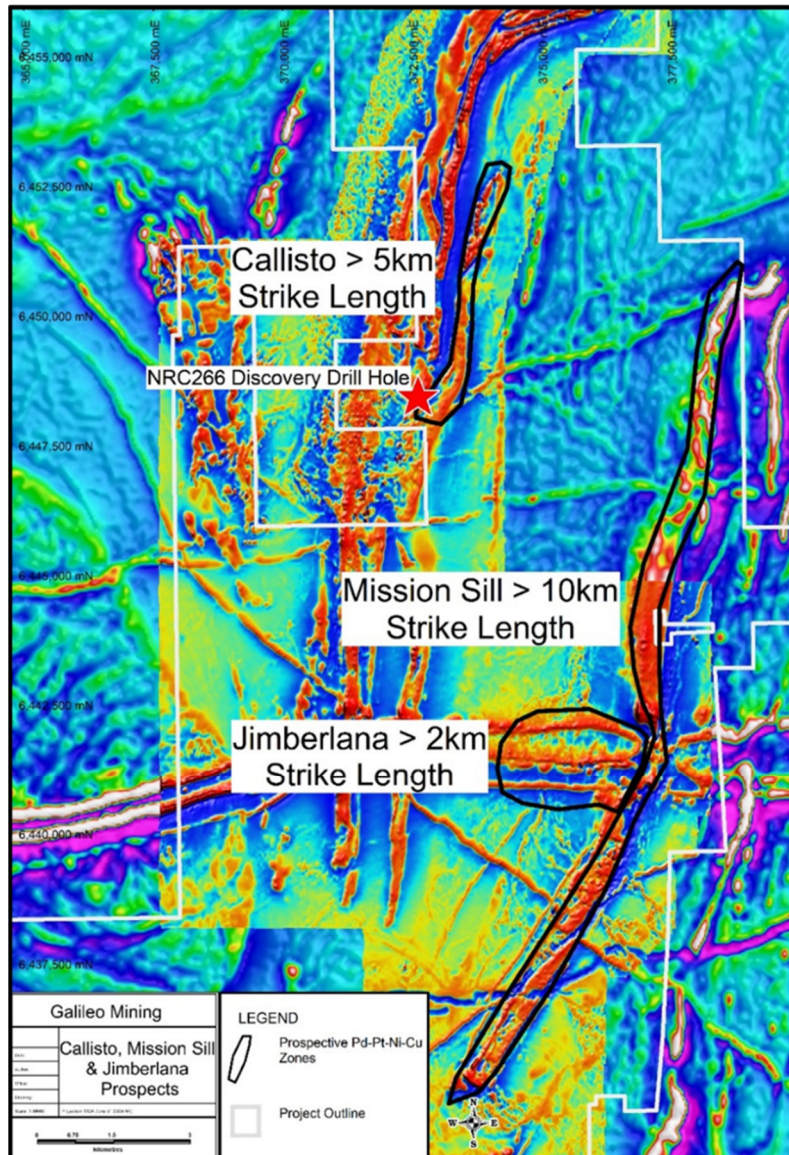
<sup>4</sup> Refer to ASX announcement dated 6<sup>th</sup> June 2022

<sup>5</sup> Refer to ASX announcement dated 21<sup>st</sup> June 2022

**Figure 3: RC chips with disseminated sulphides (1% – 5%) in NRC274. Depth labels in metres**



**Figure 4: Norseman Project with Callisto, Mission Sill and Jimberlana palladium-nickel-copper prospects outlined (over TMI1VD magnetic image).**

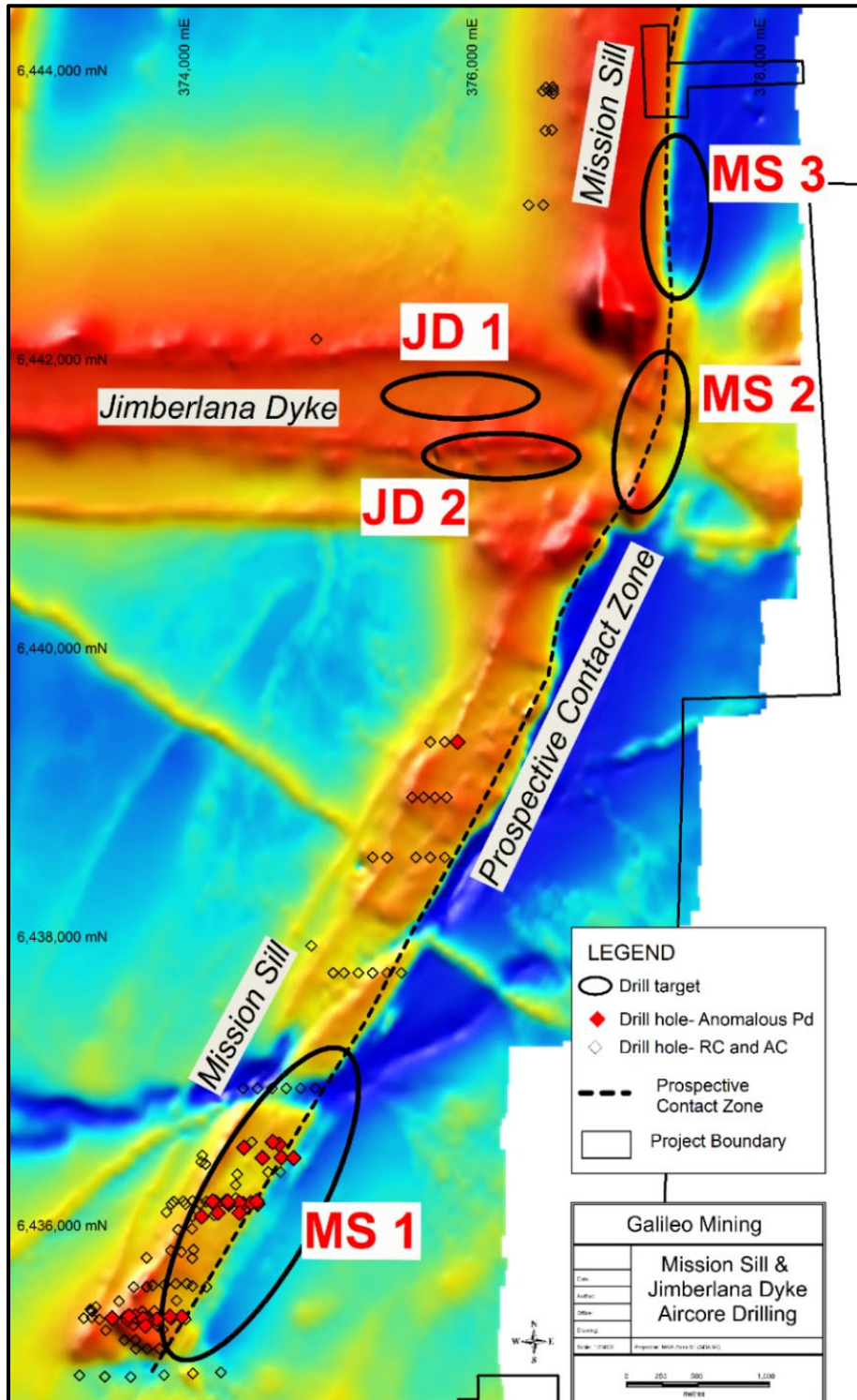


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In addition to success at the Callisto discovery, Galileo also received significant nickel-copper-cobalt-palladium assay results from its first pass aircore drilling program consisting of 8,700m drilled at:

- Jimberlana prospect (JD1, JD2)
- Northern Mission Sill prospect (MS2 & MS3)
- Southern Mission Sill prospect (MS1)

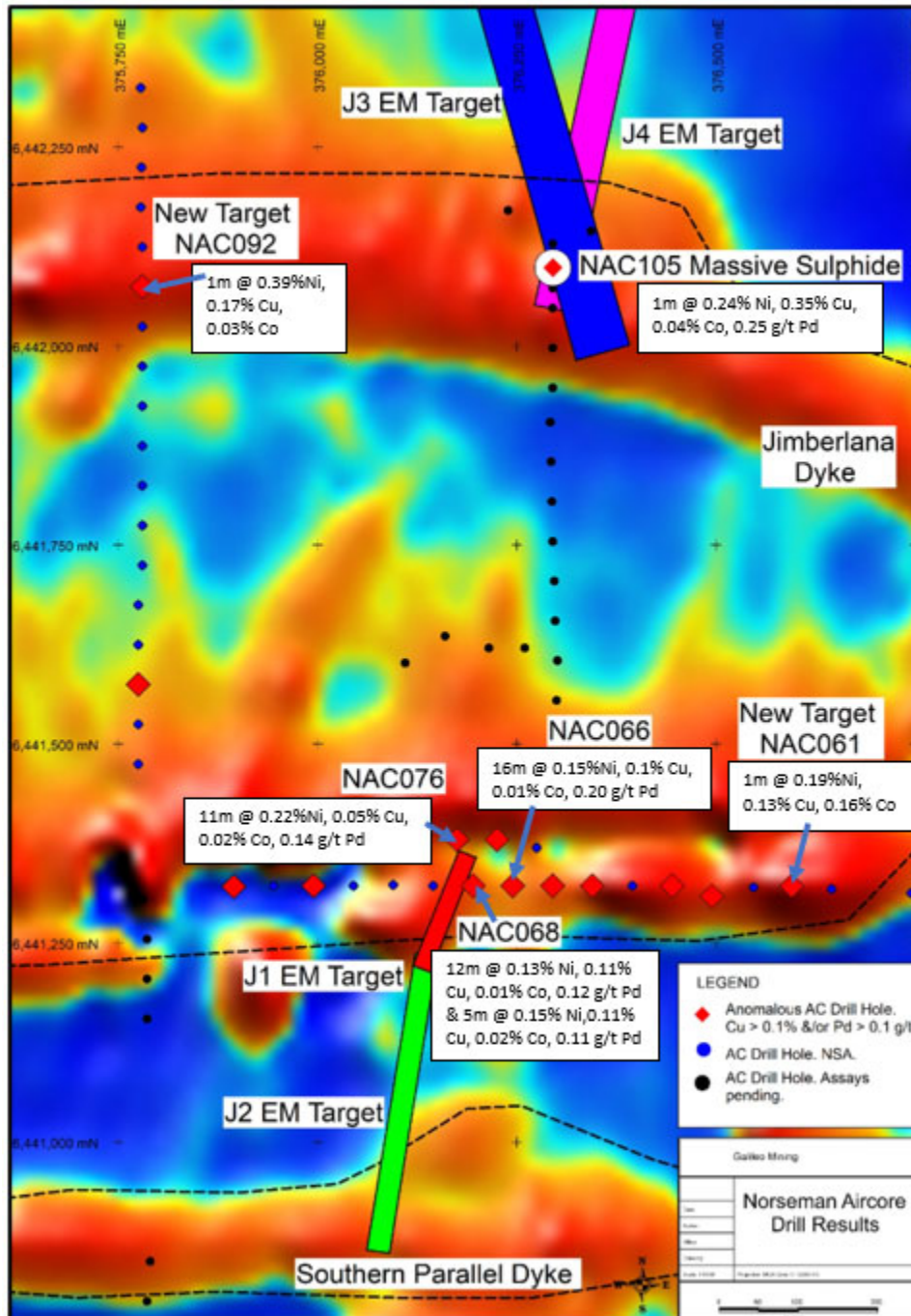
**Figure 5: Location of significant Norseman aircore drilling campaign**



**Jimberlana (JD 1 and JD 2)**

Significant assays were received from drill holes around the southern EM conductor (labelled "J1 EM Target" in Figure 6) and are listed in Table 3.6 Of particular note was the presence of nickel, copper, cobalt and palladium in NAC068 which is located up dip of the J1 conductive target. Results from neighbouring drill holes NAC066 and NAC076 also support the drill target at the modelled conductor.

**Figure 6 — Location of aircore drilling with anomalous results and EM conductors. TMI1VD magnetic image in background.**



<sup>6</sup> Refer to ASX announcement dated 3rd March 2022

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**Table 3: Significant intersections of drillholes NAC066, NAC068 and NAC076 close to the southern EM conductor target.**

Hole ID	From (m)	To (m)	Interval	Nickel (%)	Copper (%)	Cobalt (%)	Palladium (g/t)	Platinum (ppb)
NAC066	0	16	16	0.15	0.10	0.01	0.20	43
NAC068	8	20	12	0.13	0.11	0.01	0.12	24
NAC068	24	29	5	0.15	0.11	0.02	0.11	20
NAC076	4	8	4	0.29	0.12	0.02	0.12	37
NAC076	16	27	11	0.22	0.05	0.02	0.14	35

At J3 and J4 EM targets, results from drill holes adjacent to the previously reported massive sulphide intercept in NAC105 were also reported.<sup>7</sup> The bottom of hole sample from NAC105 was a follow up of sampling reported on the 1st December 2021 and confirmed the palladium, copper, and nickel sulphide mineralisation previously reported of 1m @ 0.24% nickel, 0.35% copper, 0.04% cobalt and 0.25 g/t palladium. NAC092, drilled 500m west of NAC105, had an anomalous result of 1m @ 0.39% nickel, 0.17% copper, 0.03% cobalt and 73 ppb palladium while NAC108, which was drilled 150m south of NAC105, also had an anomalous result of 4m @ 0.11 g/t Pd from 16m. Both results extend the zone of interest of this prospect area and further demonstrates that this is a priority area for follow up drilling.

Parameters of all the modelled conductors at the Jimberlana prospect are described in Table 4.

**Table 4: Jimberlana modelled conductors:**

Prospect	Conductivity	Length	Height	Depth to Top
Jimberlana 1 (J1)	48,700S	155m	189m	-21m
Jimberlana 2 (J2)	20,580S	379m	243m	-40m
Jimberlana 3 (J3)	14,000S	800m	120m	-67m
Jimberlana 4 (J4)	24,780S	700m	241m	-80m

## Southern Mission Sill (MS1)

Galileo announced numerous aircore drill holes from the southern end of the Mission Sill prospect returning anomalous palladium results greater than 0.1 g/t Pd (see Table 5). Drill holes were undertaken on drill lines between 200 and 800 metres apart with a nominal drill spacing of 50 metres along the line. The target zone is the contact between the ultramafic and mafic units of the Mission Sill. This contact can be delineated in the magnetic imagery and previous RC drilling at this margin has encountered disseminated sulphides in fresh rock (up to 5% in patches, with up to 74m @ 0.19 g/t Pd in fresh rock).<sup>8</sup> Those assays considered to be significantly anomalous contain greater than 0.1 g/t Pd over the width of the assay interval. Most assays were received from four metre composite samples with three, two or one metre samples used where required by the end depth of the drill hole.

<sup>7</sup> Refer to ASX announcement 24 March 2022

<sup>8</sup> Refer to Galileo's ASX announcements dated 17th May 2021

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**Table 5: Significant intersections of drillholes NAC001 to NAC054 (cut-off grade  $\geq 0.1$  g/t Pd). Intersections with  $\geq 0.2$  g/t Pd are highlighted in red. Full assays are reported in Appendix 2**

Hole ID	From (m)	To (m)	Interval (m)	Palladium (g/t)	Platinum (g/t)	Nickel (%)	Copper (%)
NAC007	0	4	4	0.10	0.08	0.02	0.01
NAC008	4	8	4	0.13	0.02	0.02	0.02
NAC009	0	28	28	0.14	0.10	0.14	0.04
	<b>29</b>	<b>30</b>	<b>1</b>	<b>0.38</b>	<b>0.11</b>	<b>0.17</b>	<b>0.09</b>
NAC010	0	8	8	0.15	0.08	0.11	0.02
	24	38	14	0.13	0.06	0.16	0.03
NAC016	0	4	4	0.11	0.02	0.03	0.01
NAC017	<b>0</b>	<b>18</b>	<b>18</b>	<b>0.29</b>	<b>0.08</b>	<b>0.23</b>	<b>0.11</b>
NAC018	<b>0</b>	<b>22</b>	<b>22</b>	<b>0.21</b>	<b>0.07</b>	<b>0.20</b>	<b>0.04</b>
NAC019	0	20	20	0.15	0.06	0.14	0.03
	28	35	7	0.14	0.06	0.18	0.03
NAC023	0	4	4	0.13	0.05	0.07	0.02
NAC024	<b>0</b>	<b>5</b>	<b>5</b>	<b>0.28</b>	<b>0.09</b>	<b>0.08</b>	<b>0.05</b>
NAC025	<b>0</b>	<b>7</b>	<b>7</b>	<b>0.40</b>	<b>0.13</b>	<b>0.06</b>	<b>0.10</b>
NAC026	<b>0</b>	<b>6</b>	<b>6</b>	<b>0.30</b>	<b>0.06</b>	<b>0.10</b>	<b>0.05</b>
NAC028	4	6	2	0.11	0.11	0.01	0.00
NAC031	0	4	4	0.15	0.06	0.06	0.02
NAC032	0	2	2	0.15	0.03	0.02	0.01
NAC033	0	14	14	0.17	0.04	0.07	0.04
NAC034	<b>0</b>	<b>32</b>	<b>32</b>	<b>0.20</b>	<b>0.07</b>	<b>0.23</b>	<b>0.03</b>
	<b>42</b>	<b>43</b>	<b>1</b>	<b>0.32</b>	<b>0.05</b>	<b>0.14</b>	<b>0.03</b>
NAC035	0	4	4	0.11	0.07	0.21	0.02
	34	35	1	0.13	0.05	0.10	0.01
NAC040	2	3	1	0.10	0.02	0.02	0.02
NAC041	<b>2</b>	<b>3</b>	<b>1</b>	<b>0.28</b>	<b>0.09</b>	<b>0.11</b>	<b>0.06</b>
NAC042	0	32	32	0.14	0.07	0.26	0.03
	36	44	8	0.12	0.04	0.12	0.02

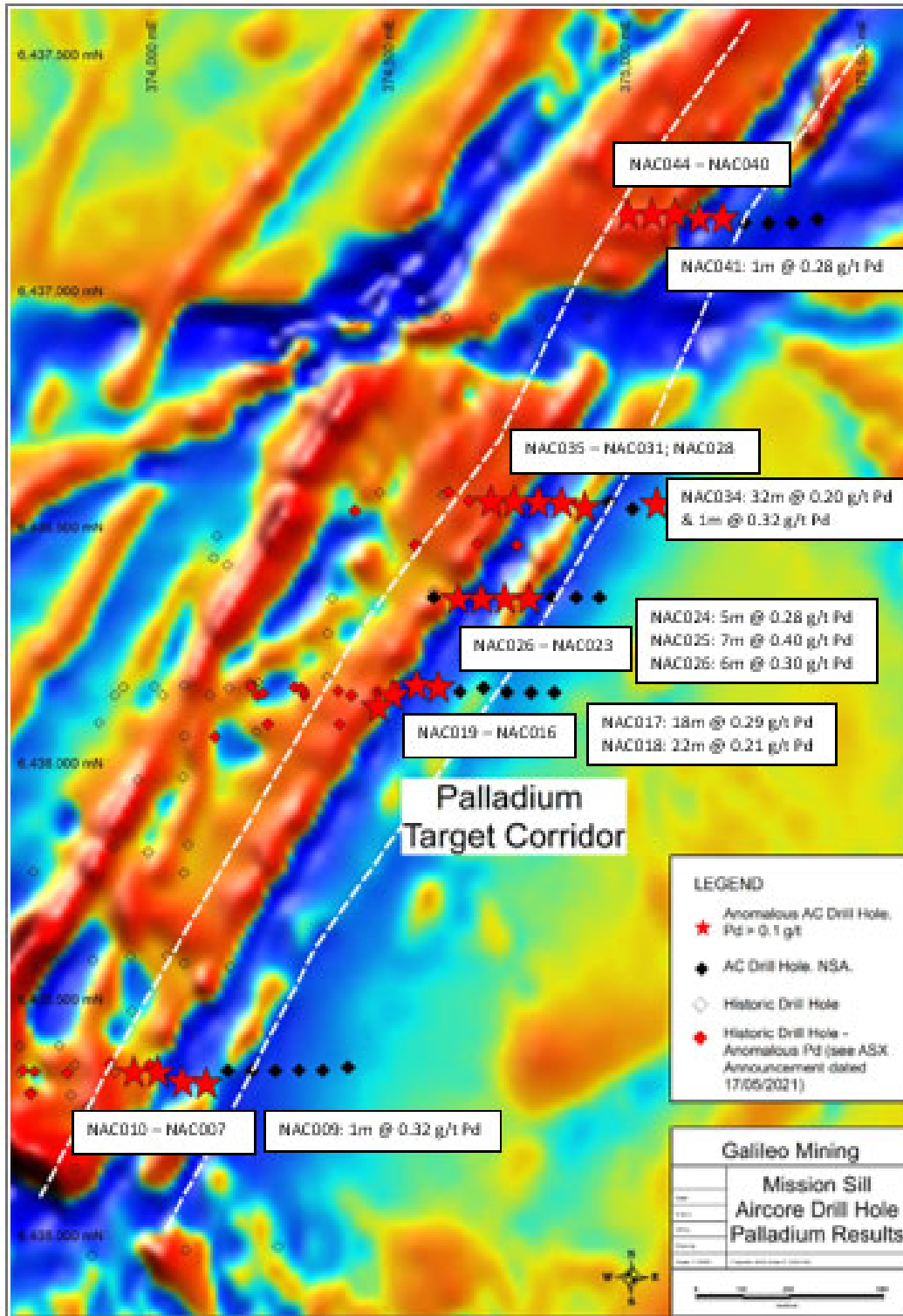
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Hole ID	From (m)	To (m)	Interval (m)	Palladium (g/t)	Platinum (g/t)	Nickel (%)	Copper (%)
NAC043	0	4	4	0.11	0.07	0.10	0.00
	44	48	4	0.13	0.04	0.11	0.02
	56	60	4	0.10	0.03	0.08	0.02
	64	65	1	0.17	0.03	0.13	0.03
NAC044	0	4	4	0.11	0.04	0.07	0.01
	28	32	4	0.14	0.04	0.10	0.03
	52	56	4	0.11	0.02	0.08	0.01
NAC050	4	8	4	0.17	0.03	0.14	0.13
NAC053	8	12	4	0.13	0.06	0.31	0.11

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**Figure 7 — Location of Mission Sill aircore drilling with anomalous palladium  $\geq 0.1$  g/t. Drill holes with  $> 0.2$  g/t Pd noted on map – see Table 1 for details. TMI1VD magnetic image in background.**



**Northern Mission Sill (MS2 and MS3)**

Laboratory assays were received from drilling completed at the northern end of Mission Sill along the same prospective geological contact zone as at the southern end of Mission Sill.<sup>9</sup> Assay results demonstrate the continuity of palladium mineralisation over 9km of strike length at the Mission Sill prospect of which 4km remains untested by drilling (Figures 8 and 10). IP surveying and RC drilling will be used to explore this extensive

<sup>9</sup> Refer to ASX announcement dated 21 March 2022.

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zone looking for disseminated sulphides at depth that could represent economic accumulations of palladium and/or nickel.

**Figure 8 — Location of Jimberlana/Mission Sill aircore drilling with a selection of anomalous assays. 2E = palladium + platinum, see Tables 6 & 7 for full details. TMI magnetic image in background.**

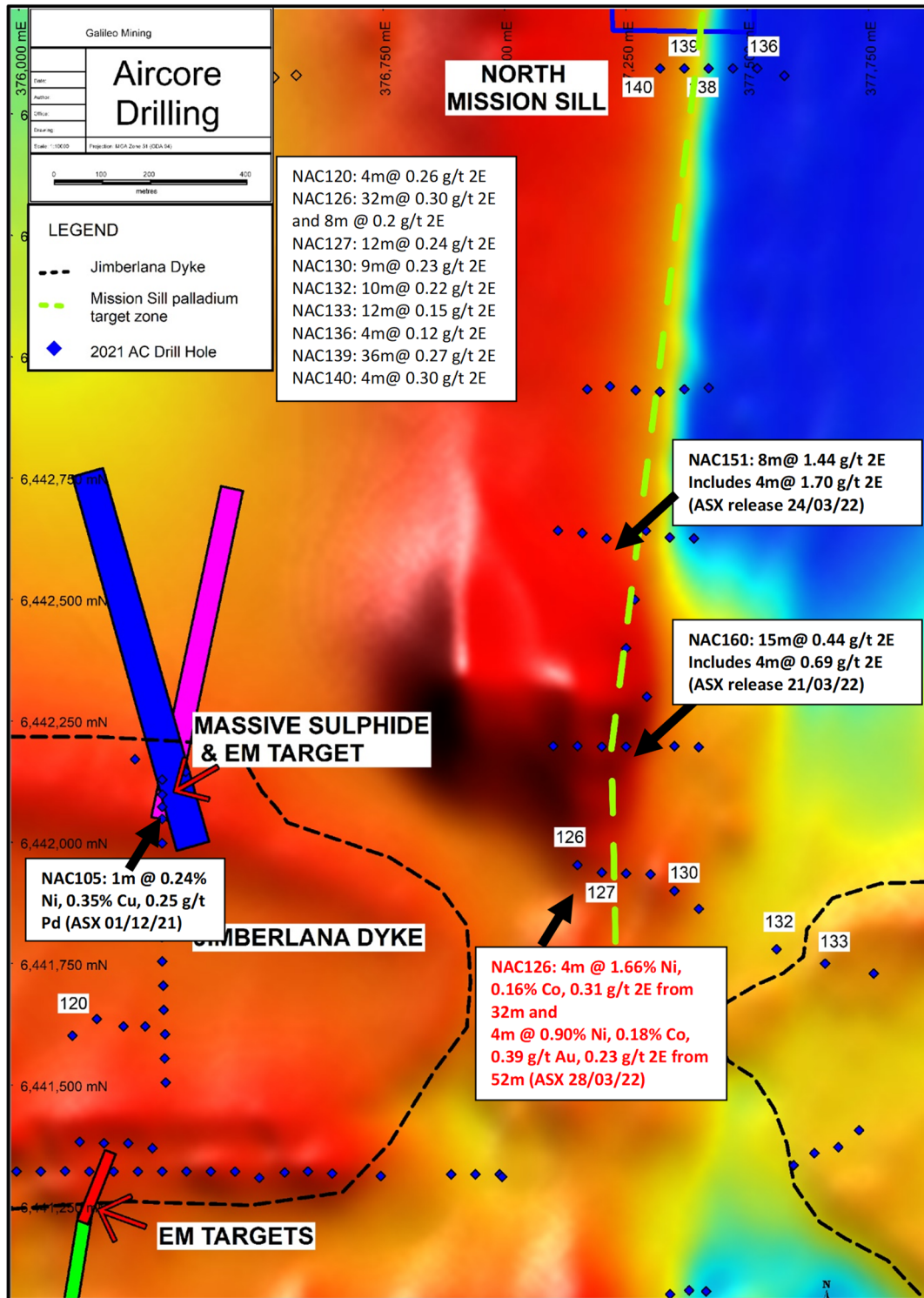


Figure 8 shows the position of the drill holes. The best results obtained were from aircore drill holes NAC126, NAC151, and NAC160 as shown below:

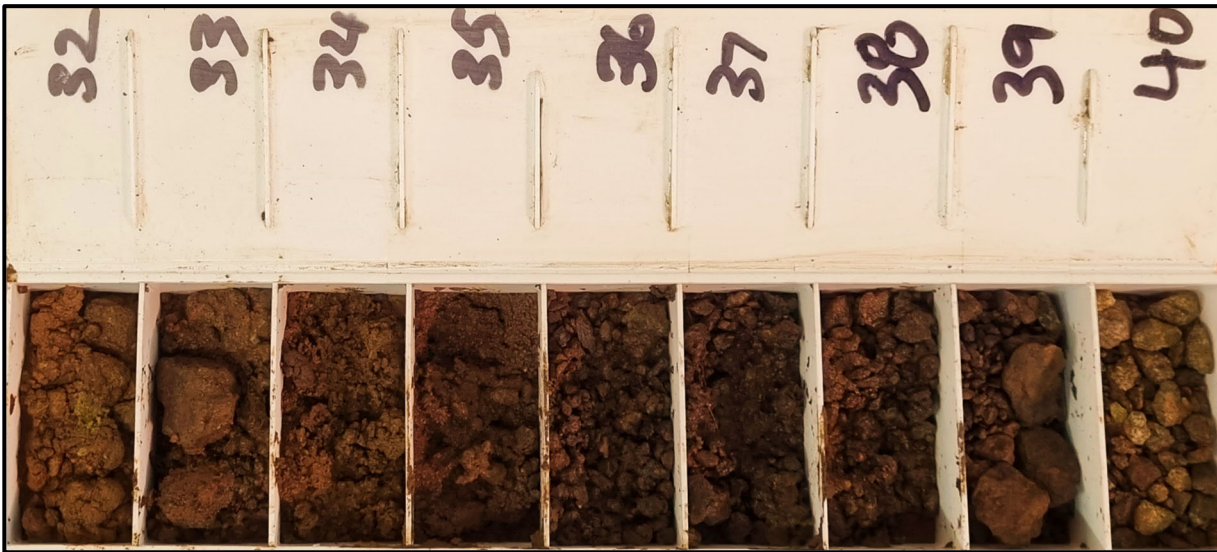
- 4 metres @ 1.66% nickel, 0.16% cobalt, 0.31 g/t 2E (palladium + platinum) from 32m; and 4 metres @ 0.90% nickel, 0.18% cobalt, 0.39 g/t gold, 0.23 g/t 2E (palladium + platinum) from 52m in NAC126
- 8 metres @ 1.44 g/t 2E including 4m @ 1.7 g/t 2E

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- 15 metres @ 0.44 g/t 2E, including 4m @ 0.69 g/t 2E in NAC160

The high nickel and cobalt results in NAC126 were drilled in a zone on the northern margin of the Jimberlana Dyke where it comes in contact with the Mission Sill prospect. NAC126 is approximately 800m east of NAC105 which intersected massive sulphides in bottom of hole chips. Subsequent EM surveying around NAC105 delineated large EM conductors beneath drill hole NAC105. Additional EM surveying and IP surveying is now being planned to follow up the results from NAC126.

**Figure 9 - NAC126 aircore chips with nickel/cobalt/palladium & platinum. Iron rich weathered ultramafic (saprolite) - 4 metres @ 1.66% nickel, 0.16% cobalt, 0.31 g/t 2E from 32m. See Tables 4 & 5 for assay details. Metre numbers are the end of the interval ie. 33 denotes the interval from 32 to 33m**



NAC 160 occurs at the interpreted contact between ultramafic and mafic rock. The drill line is a few hundred metres north of the east-west trending Jimberlana Dyke.<sup>10</sup> The area of interaction between the Jimberlana Dyke and Mission Sill is a priority exploration target for upcoming work programs. Figure 10 shows the extent of Mission Sill with the prospective target zone and the four kilometres of untested strike length with no palladium exploration. This unexplored contact position will be targeted with first pass aircore drilling, IP surveying, and follow up RC drill testing.

**Table 6: Significant intersections of aircore drillholes (cut-off grade  $\geq 0.1$  g/t Pd, rounded to two decimal places). Cobalt results with gold are in Table 2.**

Hole ID	From (m)	To (m)	Interval (m)	Palladium (g/t)	Platinum (g/t)	Nickel (%)	Copper (%)
NAC120	8	12	4	0.13	0.13	0.20	0.00
NAC126	12	44	32	0.18	0.12	0.54	0.03
<b>including</b>	<b>32</b>	<b>36</b>	<b>4</b>	<b>0.18</b>	<b>0.14</b>	<b>1.66</b>	<b>0.05</b>
NAC126	48	56	8	0.15	0.05	0.76	0.01
NAC127	16	28	12	0.18	0.06	0.27	0.02
NAC127	32	36	4	0.12	0.02	0.12	0.01
NAC130	8	17	9	0.16	0.07	0.10	0.06
NAC132	4	14	10	0.19	0.03	0.05	0.01

<sup>10</sup> See Galileo ASX announcements dated 1st December 2021 and 9th February 2022

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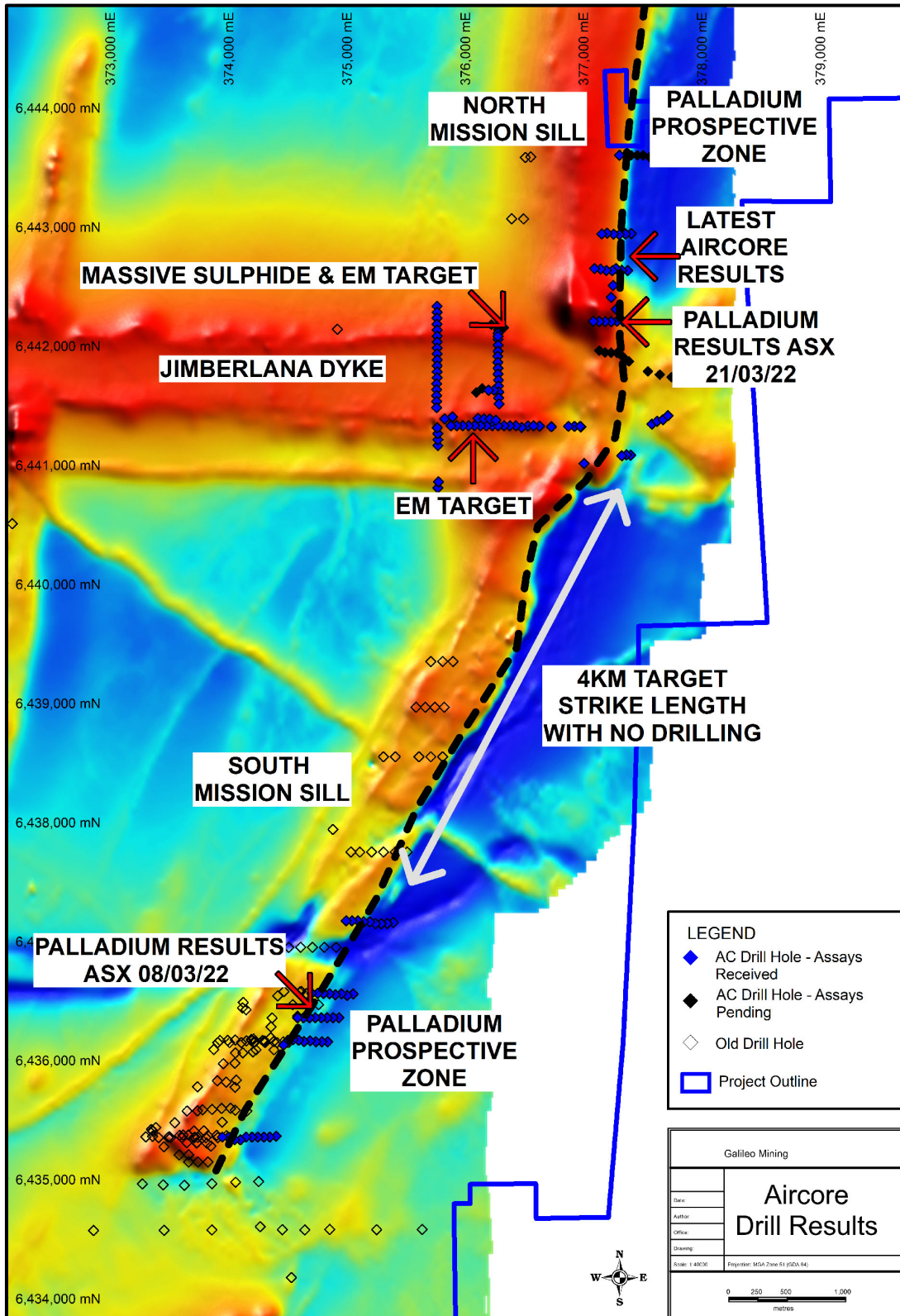
Hole ID	From (m)	To (m)	Interval (m)	Palladium (g/t)	Platinum (g/t)	Nickel (%)	Copper (%)
NAC133	8	20	12	0.13	0.05	0.36	0.03
NAC136	20	24	4	0.10	0.02	0.11	0.02
NAC138	16	22	6	0.20	0.06	0.13	0.08
NAC139	0	36	36	0.19	0.09	0.17	0.02
NAC139	40	44	4	0.13	0.07	0.18	0.07
NAC140	0	4	4	0.13	0.17	0.11	0.00

**Table 7: Significant intersections of aircore drillholes (cut-off grade  $\geq 0.1\%$  cobalt, rounded to two decimal places, gold results included where  $Au > 0.1$  g/t).**

Hole ID	From (m)	To (m)	Interval (m)	Gold (g/t)	Nickel (%)	Cobalt (%)	Copper (%)	Palladium (g/t)	Platinum (g/t)
NAC126	32	40	8	NA	1.21	0.15	0.04	0.16	0.10
including	32	36	4	NA	1.66	0.16	0.05	0.18	0.14
NAC126	48	60	12	NA	0.78	0.13	0.00	0.12	0.04
including	52	60	8	0.32	0.87	0.14	0.00	0.13	0.04
and	52	56	4	0.39	0.90	0.18	0.01	0.19	0.04

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**Figure 10 — Location of aircore drilling over the Mission Sill and the Jimberlana Dyke. Palladium prospective zone with untested 4km strike length as marked. Magnetic background is TMI**



### Planned work programs at the Norseman Project

The next assays from the second-round drill program at Callisto are anticipated in August 2022.

The third round of RC drilling at Callisto commenced in early August. This drilling aims to expand the known mineralisation along strike and to the west.

Diamond drilling is also planned to start in August and will focus on the down dip zones to the east.

The drilling programs allow for a broader interpretation of the mineralisation setting, and a better understanding of the regional potential for more discoveries.

Drill programs at the Mission Sill and Jimberlana prospects are also being planned for later in the year. These programs aim to follow up on the multitude of anomalous aircore drilling results generated in these areas (see ASX announcements dated 03/08/22, 08/03/22, 21/03/22, 24/03/22 and 28/03/22).

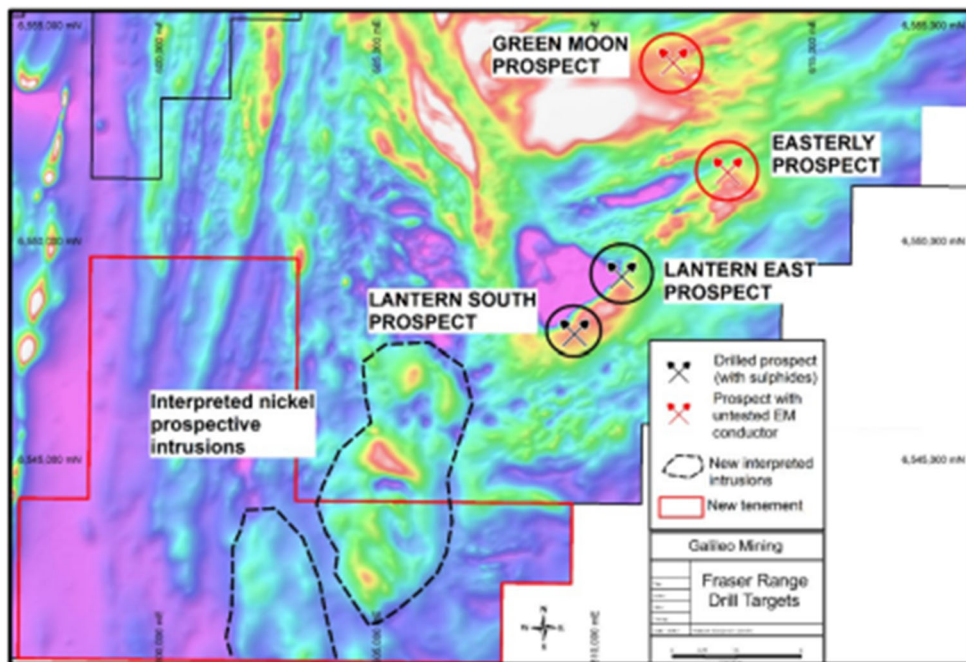
### Fraser Range Project

While the priority for Galileo during the financial year was exploration at Norseman, the Company continued to progress exploration work at its Fraser Range project.

EM surveying is ongoing at Galileo's northern Fraser Range project area with the aim of defining new undercover nickel targets for drill testing. Previous drilling at the Lantern South and Lantern East prospects has established the area as highly prospective for sulphides. The conductive anomaly at the Easterly prospect is northeast along strike from known sulphide mineralisation at the Lantern prospect and is ready for drill testing.

The conductive target at the Green Moon prospect requires infill EM surveying to refine the target prior to drill testing. The current parameters of the EM models at these locations are shown in Table 8 with magnetic background imagery shown in Figure 11.

**Figure 11 – Location of untested EM targets at the Easterly and Green Moon prospects and the interpreted intrusive targets on new tenement to the south (TMI magnetic background imagery)**

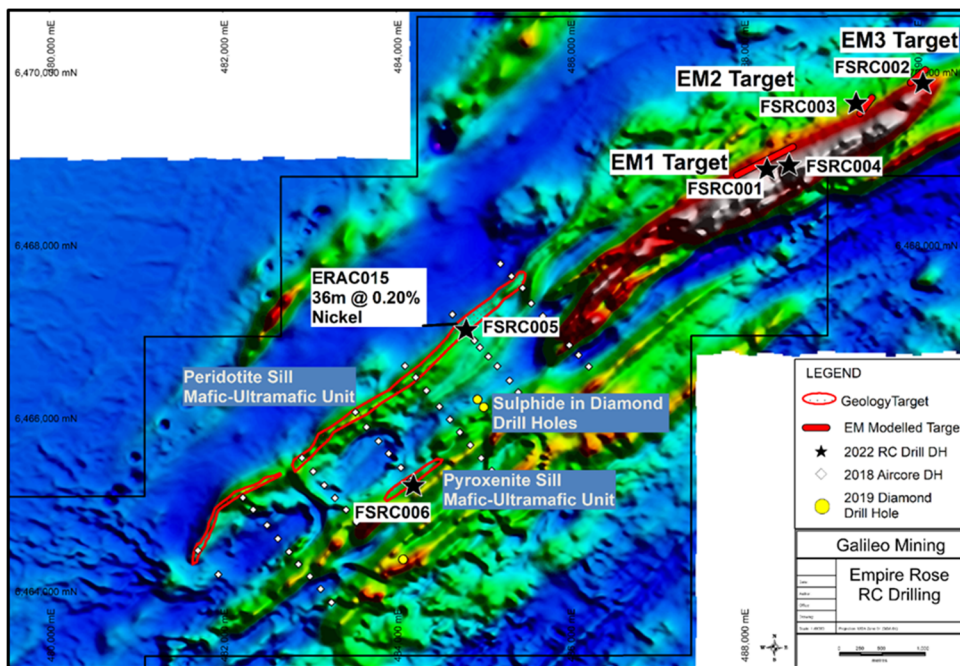


**Table 8: Modelled parameters of Green Moon and Easterly conductors**

Prospect	Conductance	Length	Height	Depth to Top
Green Moon (*)	4,000S	300m	400m	545m
Easterly (*)	1,140S	750m	134m	165m

During the March Quarter, Galileo undertook an RC drill campaign at the Empire Rose prospect consisting of 940m over six drill holes.<sup>11</sup> All targets were under shallow cover and represented a combination of geological and geophysical anomalies. Figure 12 shows the location of the six RC drill holes completed and summary logs with drill hole details are contained in Appendices 1 and 2. Figure 8 —Empire Rose prospect with 2022 RC drill holes and geological/geophysical targets drill tested (over TMI magnetic image).

**Figure 12 —Empire Rose prospect with 2022 RC drill holes and geological/geophysical targets drill tested (over TMI magnetic image)**



Conductive anomalies EM1, EM2, and EM3 (drill holes FSRC001, FSRC003, FSRC002 respectively) were found to be related to an interpreted graphitic shear zone with disseminated sulphides over significant drilled thicknesses of greater than 50 metres in FSRC002.

Disseminated sulphides were predominantly pyrrhotite and pyrite and were typically 0.5 to 3% of the one metre drilled interval, where recorded. FSRC004 was a short drill hole designed to ascertain the cause of the strong magnetic anomaly beneath cover. The bottom of hole rock chips showed magnetic paragneiss/mafic metasedimentary unit. FSRC005 and FSRC006 were drilled beneath ultramafic rock units first identified by aircore drilling. More ultramafic rock was recognised from drill chips which will now be sent for petrographical analyses to determine nickel fertility. Down hole EM surveying and laboratory assaying will also be used to establish whether there are further targets for drilling within the prospect area.

<sup>11</sup> See ASX announcement dated 14 March 2022

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Assays from diamond drilling completed at the Delta Blues prospect in the Fraser Range were also received during the March Quarter. Although matrix, disseminated and stringer sulphides were intersected in drilling (see ASX announcement dated 15 December 2021), assays indicated the majority of the sulphide was pyrrhotite, in line with geological logging. Copper and gold values were sporadic through the sulphide zones with a maximum copper value of 0.51% (from 399 to 400m in DBDD001) and maximum gold values of 0.20 g/t (from 181 to 182m in DBDD001 and from 298 to 299m in DBDD002).

In October 2021, Galileo reported the results of EM surveying from the Company's Delta Blues prospect within the Fraser Range Belt in Western Australia.<sup>12</sup>

This followed positive assay results from three reverse circulation (RC) drill holes completed in September at the Delta Blues DB2 prospect<sup>13</sup> with all three drill holes targeting the very top of a large electro-magnetic (EM) conductor and all three holes recording sulphide intercepts with anomalous amounts of copper and gold.

DHEM surveying at the Delta Blues DB2 prospect defined a highly conductive target with modelled conductivity up to 10,500 Siemens. The most conductive zone was positioned below drill holes DBRC001 and DBRC003. Both RC drill holes recorded sulphide intercepts with anomalous amounts of copper and gold in the first round of drilling undertaken at the prospect.<sup>14</sup> Modelled conductor dimensions up to 500m by 500m represent a large-scale target with all three drill holes completed to date showing sulphide indications over a minimum strike length of 210 metres.

Drill holes DBDD001 and DBDD002 were subsequently drilled to test the conductive target beneath sulphide mineralisation at the DB2 target (Figure 13).<sup>15</sup>

**Figure 13 – Diamond drilling at the Delta Blues prospect in the Fraser Range**



Matrix, stringer, and disseminated sulphides were intercepted in both drill holes (Figure 14). However, the Company is unsure whether the modelled conductor can be adequately explained by the mineralisation intercepted or is in part related to graphite which accompanies some sections of the sulphide mineralisation.<sup>16</sup>

<sup>12</sup> Refer to ASX announcement dated 27<sup>th</sup> October 2021

<sup>13</sup> Refer to ASX announcement dated 13<sup>th</sup> September 2021

<sup>14</sup> Refer to ASX announcement dated 13<sup>th</sup> September 2021

<sup>15</sup> Refer to ASX announcement dated 13<sup>th</sup> September 2021

<sup>16</sup> Refer to ASX announcement dated 15<sup>th</sup> December 2021

**Figure 14 - Matrix sulphide mineralisation at 399m downhole in DBDD001 (field of view approximately 20cm across)**



Observed sulphides are predominantly pyrrhotite with minor chalcopyrite. Geological logging recorded typical Fraser Range meta-sediments and mafic granulites as well as units of felsic (tonalite) intrusive rocks. The intrusive units occur proximal and adjacent to the sulphides and may have a causative relationship. Felsic intrusive samples from RC drill hole DBRC001 were examined petrographically under the microscope and were determined to be trondhjemite, a variety of tonalite.

EM surveying at the Delta Blues DB1 prospect was not successful in replicating earlier modelling and the target wasn't drilled during this drill program.

#### **Planned work programs at the Fraser Range Project**

Ongoing EM surveying at Galileo's northern Fraser Range project area with the aim of defining new undercover nickel targets for drill testing.

The conductive target at the Green Moon prospect requires infill EM surveying to refine the target prior to drill testing.

#### **OPERATIONS POST YEAR END**

##### **Norseman Project**

Post end of FY2022, Galileo reported drill assays from the first four RC holes of the second RC drill program at Callisto and confirmed significant palladium-platinum-gold-copper-nickel results.<sup>17</sup>

This included the highest-grade palladium and platinum assays recorded to date of 8.25 g/t Pd & 1.94 g/t Pt over one metre in NRC275 which add even more prospectivity to the Callisto area with the possibility of high-grade zones occurring within the mineralised system.

The Company reported significant thicknesses over 20 metres at the 1.0 g/t 3E cut-off grade and over 30 metres at the lower 0.5 g/t 3E cut-off.

Mineralisation is open in all directions and now extends over 300 metres across strike on section 6,448,000N.

<sup>17</sup> Refer to ASX announcement dated 11<sup>th</sup> July 2022

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**Table 9: Significant intersections for drill holes NRC274, NRC275, NRC276, NRC277 with a 1.0 g/t 3E cut off, maximum of 1m internal dilution. Rounding may have slight effect on the calculation of 3E**

Hole ID	From (m)	To (m)	Interval (m)	3E (Pd+ Pt+ Au; g/t)	Palladium (g/t)	Platinum (g/t)	Gold (g/t)	Copper (%)	Nickel (%)
NRC274	144	167	23	2.12	1.74	0.30	0.09	0.35	0.35
and	172	174	2	1.79	1.43	0.26	0.10	0.29	0.28
NRC275	143	172	29	2.22	1.80	0.33	0.09	0.32	0.31
<b>including</b>	<b>170</b>	<b>171</b>	<b>1</b>	<b>10.46</b>	<b>8.25</b>	<b>1.94</b>	<b>0.26</b>	<b>0.36</b>	<b>0.22</b>
NRC276	150	170	20	1.79	1.47	0.25	0.07	0.27	0.30
and	174	176	2	1.28	1.07	0.18	0.03	0.92	0.20
and	180	181	1	1.00	0.83	0.13	0.04	0.23	0.17
NRC277	147	159	12	1.81	1.48	0.25	0.08	0.31	0.30
and	172	173	1	1.16	0.94	0.17	0.05	0.17	0.22
and	177	199	22	1.67	1.33	0.23	0.11	0.27	0.27

**Table 10: Significant intersections for drill holes NRC274, NRC275, NRC276, NRC277 with a 0.5 g/t 3E cut off, maximum of 3m internal dilution. Rounding may have slight effect on the calculation of 3E**

Hole ID	From (m)	To (m)	Interval (m)	3E (Pd+ Pt+ Au; g/t)	Palladium (g/t)	Platinum (g/t)	Gold (g/t)	Copper (%)	Nickel (%)
NRC274	138	174	36	1.63	1.33	0.23	0.07	0.27	0.28
NRC275	136	174	38	1.84	1.49	0.28	0.08	0.26	0.28
NRC276	146	183	37	1.26	1.04	0.18	0.05	0.25	0.22
NRC277	142	159	17	1.50	1.22	0.21	0.07	0.25	0.26
NRC277	169	200	31	1.40	1.11	0.19	0.09	0.22	0.24

Eleven additional drill holes have been completed with each drill hole intersecting disseminated sulphide mineralisation geologically consistent with the first round of drilling.<sup>18</sup>

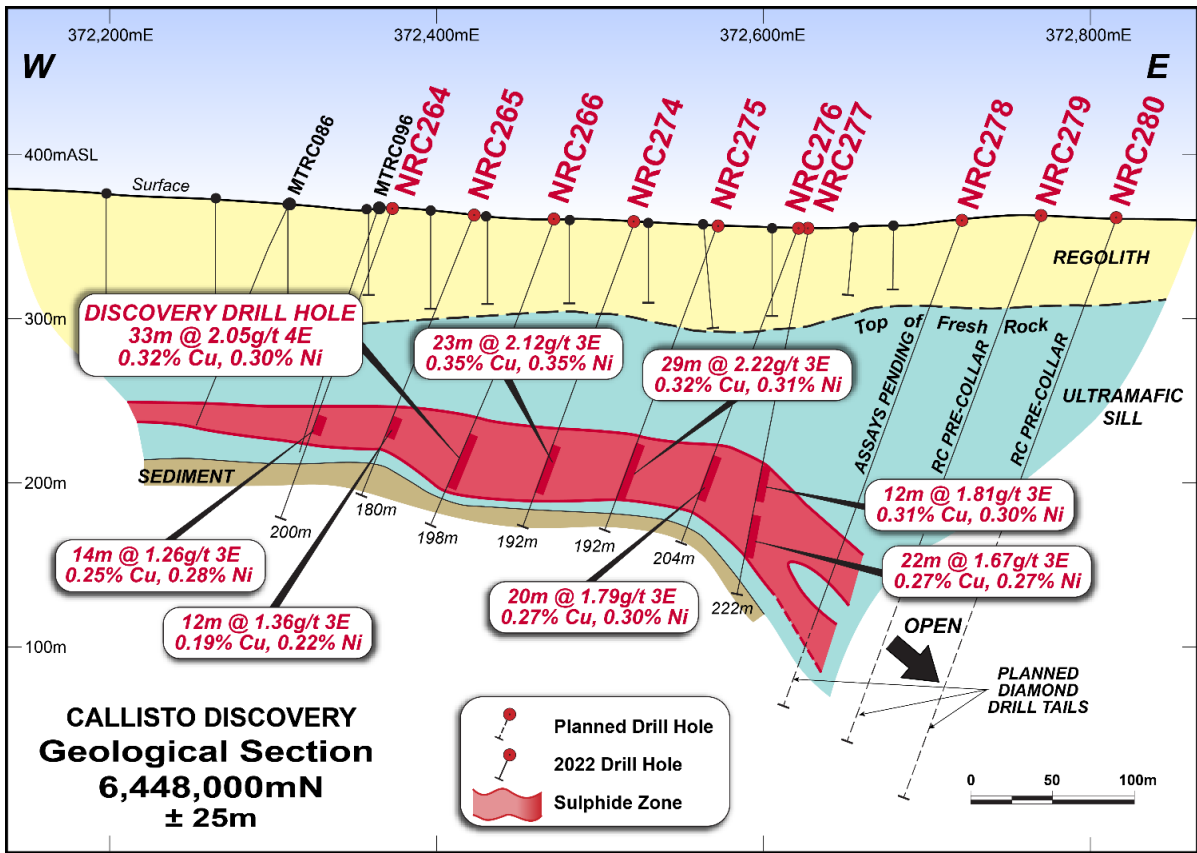
The geometry of the sulphide mineralisation appears to be flat lying before it begins to dip to the east. Mineralisation is not yet closed off on the flat lying areas to the west with the possibility of extensions to the west at a relatively shallow depth below surface. Mineralisation is also open to the north, south and east.

<sup>18</sup> Refer to ASX announcement dated 13<sup>th</sup> July

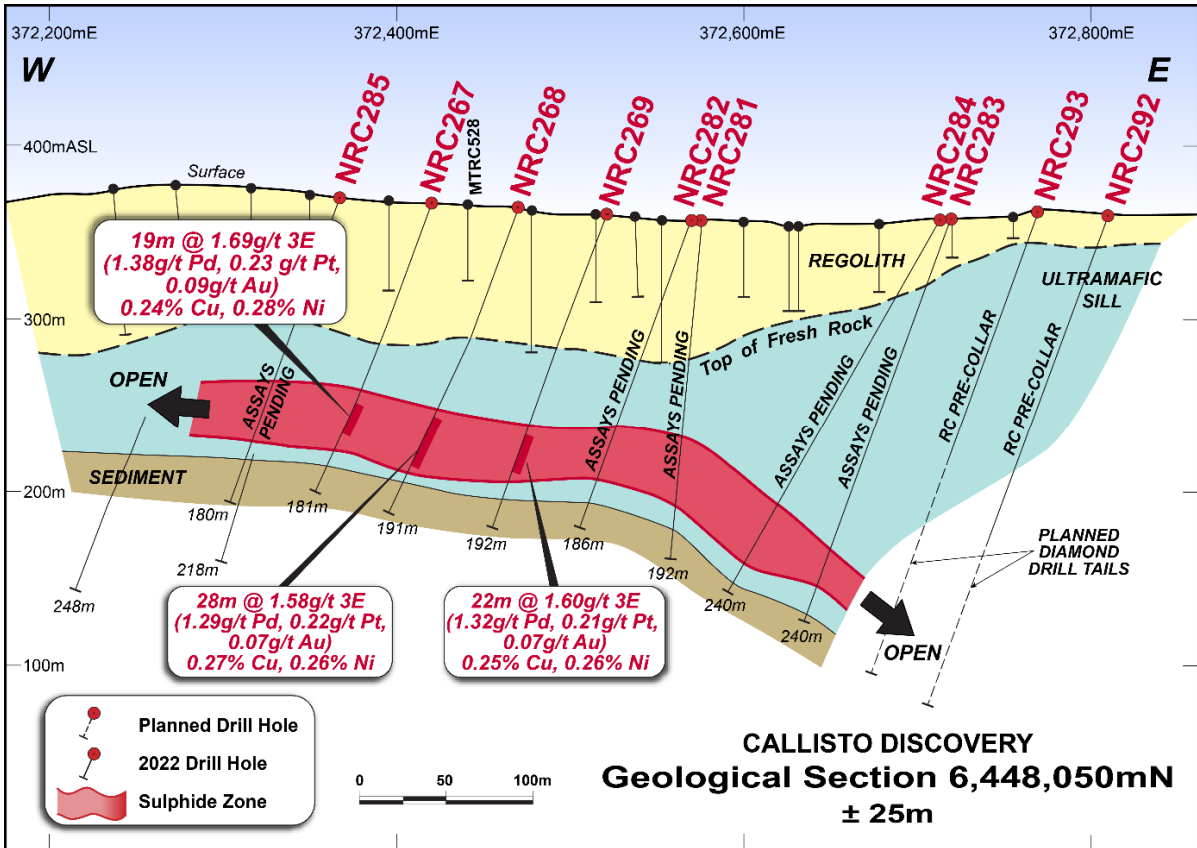
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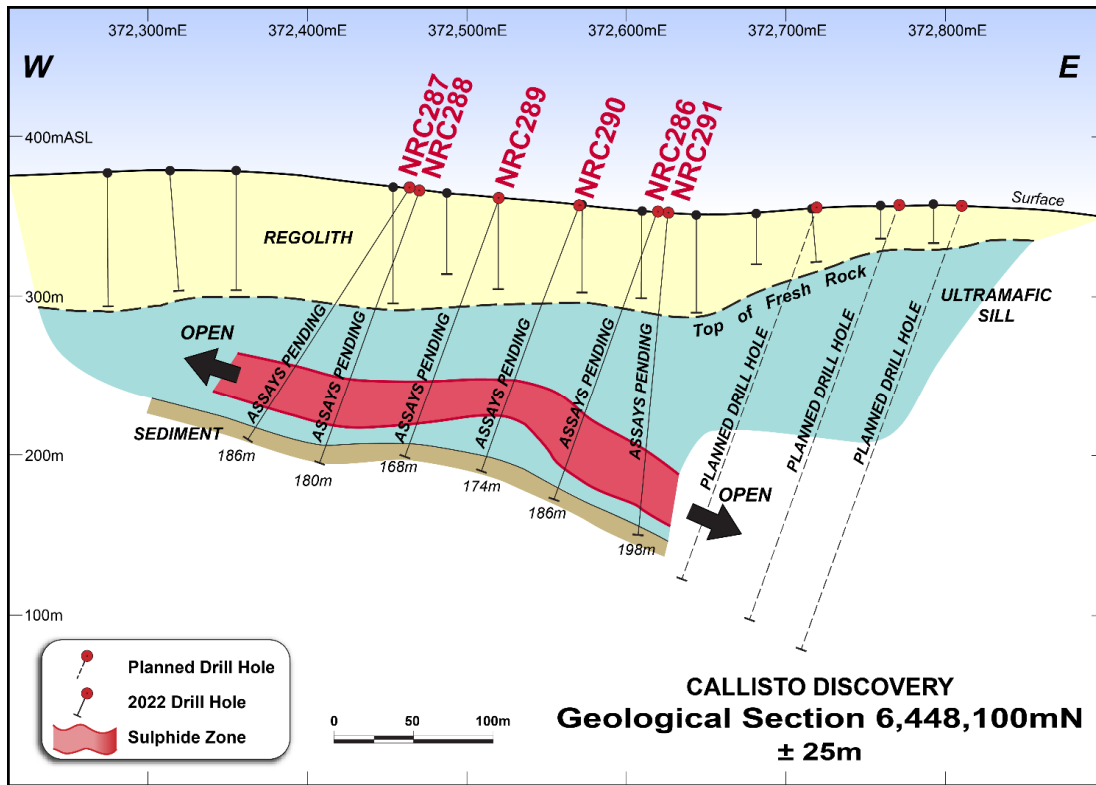
**Figure 15: Callisto preliminary geological drill section 6,448,000mN with major drill intercepts at 1.0 g/t 3E cut-off. NRC278 finished in mineralisation and NRC279/280 are pre-collars.**



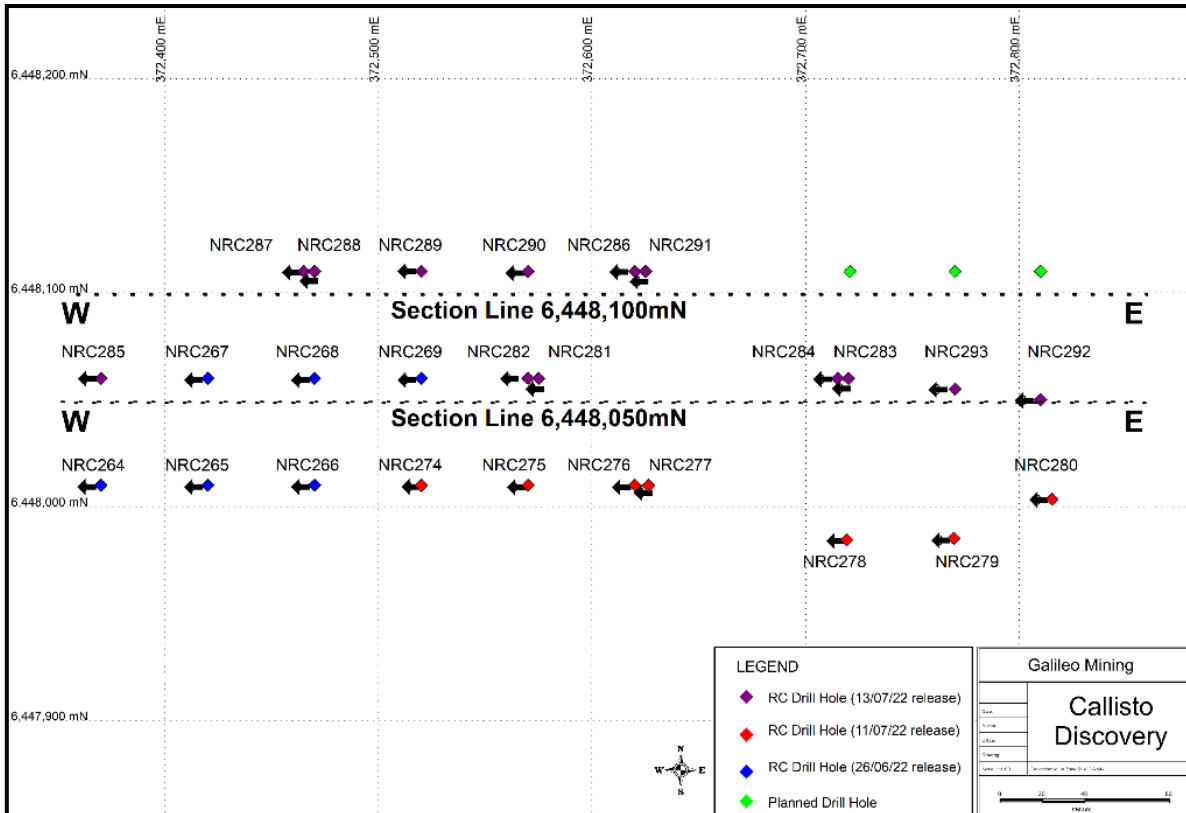
**Figure 16: Callisto preliminary geological section 6,448,050mN with target sulphide zone.**



**Figure 17: Callisto preliminary geological section 6,448,100mN with target sulphide zone.**



**Figure 18: Plan map view of completed drilling. 6,448,050mN and 6,448,100mN section lines are in Figures 4 & 5 respectively**



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## CORPORATE

During the year, Galileo announced the appointment of highly experienced mining lawyer Cecilia Camarri as an Independent Non-Executive Director of the Company.

Cecilia is Special Counsel at a WA law firm and has extensive experience specialising in the mining industry. Cecilia acts as a legal adviser to private and listed mining companies and has both operational and management experience.

As at 30 June 2022, the Group had cash and deposits of approximately \$7 million.

Notably, post period-end Galileo successfully closed a placement of 17,000,000 shares at an issue price of \$1.20 per share to raise gross proceeds of \$20.4 million.

The Placement received strong backing, with \$8.7 million of the funds coming from major shareholders, Mark Creasy and IGO, and ensures the Company is well positioned for future exploration activities.

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
<b>MT THIRSTY SILL</b>						
0.06 %	Indicated	10.5	0.12	12,100	0.58	60,800
	Inferred	2.0	0.11	2,200	0.51	10,200
	<b>Total</b>	<b>12.5</b>	<b>0.11</b>	<b>14,300</b>	<b>0.57</b>	<b>71,100</b>
<b>MISSION SILL</b>						
0.06 %	Inferred	7.7	0.11	8,200	0.45	35,000
<b>GOBLIN</b>						
0.06 %	Inferred	4.9	0.08	4,100	0.36	16,400
<b>TOTAL JORC COMPLIANT RESOURCES</b>						
0.06 %	<b>Total</b>	<b>25.1</b>	<b>0.11</b>	<b>26,600</b>	<b>0.49</b>	<b>122,500</b>

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).

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## 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 Directors' report the Company's Capital structure is as follows:

### Quoted Securities:

Number	Class
197,408,260	Ordinary Fully Paid Shares

### Un-quoted Securities:

Number	Class
2,500,000	Unquoted Options exercisable at \$0.52 expiring 15 September 2023
974,615	Unquoted Options exercisable at \$2.40 expiring 14 July 2024

## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

- Subsequent to balance date the Company completed a capital raising (refer ASX announcements 6 and 14 July 2022) to raise \$20.4 million (before costs) by way of a placement to institutions and sophisticated investors ("Placement"). Settlement of the placement occurred on 14 July 2022 when the Company issued 17,000,000 at an issue price of \$1.20 per share. As part of the fee for the lead manager to the Placement the Company also issued on 14 July 974,615 unquoted Options with an exercise price of \$2.40 and an expiry date of 14 July 2022.
- On 14 July 2022 the Company announced 1,600,000 fully paid ordinary shares were issued in full satisfaction of the exercise of 1,600,000 Performance Rights issued in accordance with the terms and conditions of the Galileo Mining Ltd Employee Incentive Plan.

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 19 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 Bachelor'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 appointed as a Non-

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executive Director of Resource Mining Corporation Ltd (ASX:RMI) on 20 June 2022 and was previously 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.

## ***Ms Cecilia Camarri – Independent Non-Executive Director (Appointed 7 June 2022)***

Cecilia Camarri is Special Counsel at a WA law firm and has extensive experience specialising in the mining industry. Ms Camarri acts as a legal adviser to private and listed mining companies and has both operational and management experience.

Ms Camarri began her mining career in 1996 at the historic Great Fingall Gold Mine at Day Dawn near Cue in WA. Following this she undertook community and public relations management roles at the Super Pit / Mt Charlotte underground mine and Alcoa's Wagerup Refinery before becoming a lawyer.

Ms Camarri has acted for many WA based exploration and mining companies and was the In-House Counsel for the Creasy Group between 2012 and 2016.

Ms Camarri has a Bachelor of Laws, a Graduate Diploma in Journalism, a Bachelor of Arts, and is a member of the Australian Institute of Company Directors. Ms Camarri has not held any other directorships of listed entities in the last 3 years.

## ***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 26 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:

	<b>Number of Ordinary Shares</b>
Brad Underwood	8,619,244
Noel O'Brien	2,429,811
Cecilia Camarri	-
Mathew Whyte	350,000

## **DIRECTORS' MEETINGS**

The following table sets out the number of meetings of directors held during the year ended 30 June 2022 and the number of meetings attended by each director.

	<b>Number Eligible to Attend</b>	<b>Number Attended</b>
Brad Underwood	14	14
Noel O'Brien	14	14
Cecilia Camarri	1	1
Mathew Whyte	14	14

**REMUNERATION REPORT (Audited)**

The Directors of Galileo Mining Ltd present the Remuneration Report ("the Report") for the Group for the year ended 30 June 2022 ("FY22"). 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)

Cecilia Camarri (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 2022. 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 2022 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 for one

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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 has regard to the following indices in respect of the current financial year and the previous financial years:

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Net Loss	1,190,216	688,244	912,561
Share price (as at year end)	\$1.30	\$0.275	\$0.21

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## 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 <sup>(1)</sup>			Performance Related %
	Salary & fees	Non monetary benefits	Long Service Leave	Super-annuation	Options	Performance Rights	Total	
	\$	\$	\$	\$	\$		\$	
Brad Underwood (Managing Director) – appointed 13 September 2017								
2022	360,000	18,119	8,867	36,000	-	-	422,986	-
2021	325,000	12,319	5,928	30,875	-	-	374,122	-
Noel O'Brien (Non-Executive Director) – appointed 6 February 2018								
2022	49,773	-	-	4,977	-	-	54,750	-
2021	54,931	-	-	2,625	-	-	57,556	-
Cecilia Camarri (Non-Executive Director) – appointed 7 June 2022								
2022	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-
Mathew Whyte <sup>(2)</sup> (Non-Executive Director) – appointed 26 December 2019								
2022	154,773	-	-	4,977	-	40,793	200,543	20.3
2021	152,000	-	-	4,750	-	30,313	187,063	16.2
Simon Jenkins (Ex Chairman) – appointed 13 September 2017, Deceased 24 December 2019								
2022	-	-	-	-	-	-	-	-
2021	-	-	-	-	(66,500)	-	(66,500)	-
<b>Total 2022</b>	<b>564,546</b>	<b>18,119</b>	<b>8,867</b>	<b>45,954</b>	<b>-</b>	<b>40,793</b>	<b>678,279</b>	<b>6.0</b>
<b>Total 2021</b>	<b>531,931</b>	<b>12,319</b>	<b>5,928</b>	<b>38,250</b>	<b>(66,500)</b>	<b>30,313</b>	<b>552,241</b>	<b>5.5</b>

<sup>(1)</sup> 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 and expires on 31 January 2023 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. On 27 May 2022 12,500,000 options were exercised for 10,399,055 shares pursuant to a cashless exercise facility (Refer Note 20(a)).

**Performance Rights** – the expensed non-cash fair value of performance rights issued during FY 2018 and FY 2022 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

<sup>(2)</sup> 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 2022 totaled \$105,000 (excluding superannuation) (2021: \$102,000). Mr Whyte also received a Non-executive director fee of \$49,773 (plus superannuation of \$4,977) (2021: \$50,000 (plus superannuation \$4,750)).

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## **Unlisted Options Issued to KMP**

No options were issued to KMP during, or since the end of, the current financial year ended 30 June 2022.

The following options over unissued ordinary shares held by KMP as remuneration were exercised during the year:

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 (exercised)*	Balance at end of the year	Vested at end of year	
						Exercisable	Not exercisable
<b>2022</b>							
B Underwood	10,000,000	-	-	(10,000,000)	-	-	-
N O'Brien	2,500,000	-	-	(2,500,000)	-	-	-
C Camarri	-	-	-	-	-	-	-
M Whyte	-	-	-	-	-	-	-
<b>Total</b>	<b>12,500,000</b>	<b>-</b>	<b>-</b>	<b>(12,500,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* On 27 May 2022 12,500,000 options were exercised for 10,399,055 shares pursuant to a cashless exercise facility (Refer Note 20(a)).

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
<b>2021</b>							
B Underwood	10,000,000	-	-	-	10,000,000	-	-
N O'Brien	2,500,000	-	-	-	2,500,000	-	-
M Whyte	-	-	-	-	-	-	-
<b>Total</b>	<b>12,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,500,000</b>	<b>-</b>	<b>-</b>

## **Performance Rights Issued to KMP**

The following performance rights over unissued ordinary shares were issued to KMP during, or since the end of, the current financial year ended 30 June 2022:

Class	Expiry date	Exercise price	Date granted	Number	Grant date fair value	Expected Vesting date
Performance Rights	31 January 2023	Nil	25 November 2021	200,000	\$0.0524	31 January 2023*

\* The rights vested prior to 30 June 2022

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## 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
<b>2022</b>							
M Whyte	400,000	200,000	-	-	600,000	600,000	-
<b>Total</b>	<b>400,000</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>600,000</b>	<b>600,000</b>	<b>-</b>

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
<b>2021</b>							
M Whyte	400,000	-	-	-	400,000	-	-
<b>Total</b>	<b>400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400,000</b>	<b>-</b>	<b>-</b>

## Shareholdings of key management personnel (ordinary shares)

KMP	Balance at beginning of the year	Granted as remuneration	Exercised Options*	Net change other	Balance at end of the year
<b>2022</b>					
B Underwood	300,000	-	8,319,244	-	8,619,244
N O'Brien	-	-	2,079,811	350,000	2,429,811
C Camarri	-	-	-	-	-
M Whyte	200,000	-	-	-	200,000
<b>Total</b>	<b>500,000</b>	<b>-</b>	<b>10,399,055</b>	<b>350,000</b>	<b>11,249,055</b>

\* On 27 May 2022 12,500,000 options were exercised for 10,399,055 shares pursuant to a cashless exercise facility (Refer Note 20(a)).

The value of the options at the time of exercise was \$12,293,136. The value was calculated using a 5-day VWAP leading up to the conversion.

KMP	Balance at beginning of the year	Granted as remuneration	Exercise Options	Net change other	Balance at end of the year
<b>2021</b>					
B Underwood	300,000	-	-	-	300,000
N O'Brien	-	-	-	-	-
M Whyte	200,000	-	-	-	200,000
<b>Total</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500,000</b>

### C. 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.

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- Salary: Fixed remuneration of \$360,000 per annum plus superannuation for the year ended 30/6/2022. Fixed remuneration of \$420,000 per annum plus superannuation commencing from 1/7/2022 pursuant to a deed of variation dated 21 July 2022.

## D. Loans to key management personnel

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

## E. Other KMP 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 \$105,000 (excluding GST) (30 June 2021: \$102,000). As at 30 June 2022, \$12,650 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 21	Issued	Exercised	Lapsed / Cancelled	Held at 19 Aug 22
31 Jan 23	\$0.20	12,500,000	-	(12,500,000)*	-	-
29 April 22	\$0.44	2,272,727	-	-	(2,272,727)	-
15 Sept 23	\$0.52	2,500,000	-	-	-	2,500,000
14 July 2024	\$2.40	-	974,615	-	-	974,615

\* On 27 May 2022 12,500,000 options were exercised for 10,399,055 shares pursuant to a cashless exercise facility (Refer Note 20(a)).

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.

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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 (2021: \$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, 18 August 2022**

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**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 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



**Perth, Western Australia**  
**18 August 2022**

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

**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@hbw.com.au

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	30 June 2022 \$	30 June 2021 \$
Other income	3	21,689	124,568
Employee benefits and director fees expense		(218,022)	(177,710)
Consulting fees		(246,944)	(234,091)
Share-based payment (expense)/reversal		(74,170)	17,492
Depreciation expense		(70,208)	(85,133)
Exploration & evaluation (expense)/refund		(2,450)	14,920
Legal and audit expenses		(62,628)	(39,181)
Other expenses		(537,483)	(309,109)
<b>Loss before income tax expense</b>		<b>(1,190,216)</b>	<b>(688,244)</b>
Income tax expense	4	-	-
<b>Net loss after income tax</b>		<b>(1,190,216)</b>	<b>(688,244)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(1,190,216)</b>	<b>(688,244)</b>
		<b>2022</b>	<b>2021</b>
<b>Loss per share (cents per share)</b>		<b>¢</b>	<b>¢</b>
Basic loss per share for the year	5	(0.73)	(0.48)
Diluted loss per share for the year	5	(0.73)	(0.48)

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

# GALILEO MINING LTD

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	30 June 2022 \$	30 June 2021 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	17a	7,019,993	5,395,503
Trade and other receivables	6a	99,809	46,301
Other	7a	27,845	37,546
<b>Total Current Assets</b>		<b>7,147,647</b>	<b>5,479,350</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	1,052	4,549
Right-of-use assets	9	111,483	61,863
Exploration and evaluation expenditure	10	17,718,791	13,934,466
Other assets	7b	26,136	26,071
<b>Total Non-Current Assets</b>		<b>17,857,462</b>	<b>14,026,949</b>
<b>TOTAL ASSETS</b>		<b>25,005,109</b>	<b>19,506,299</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	411,847	124,599
Lease liabilities	12a	56,707	59,320
Other liabilities	13a	85,804	54,025
<b>Total Current Liabilities</b>		<b>554,358</b>	<b>237,944</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	12b	55,049	-
Other liabilities	13b	46,082	29,915
<b>Total Non-Current Liabilities</b>		<b>101,131</b>	<b>29,915</b>
<b>TOTAL LIABILITIES</b>		<b>655,489</b>	<b>267,859</b>
<b>NET ASSETS</b>		<b>24,349,620</b>	<b>19,238,440</b>
<b>EQUITY</b>			
Issued capital	14	28,864,590	22,929,035
Reserves	15	936,417	903,076
Accumulated losses	16	(5,451,387)	(4,593,671)
<b>TOTAL EQUITY</b>		<b>24,349,620</b>	<b>19,238,440</b>

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

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

	<b>Issued capital</b>	<b>Share based payment reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 1 July 2021</b>	22,929,035	903,076	(4,593,671)	19,238,440
Loss for the year	-	-	(1,190,216)	(1,190,216)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(1,190,216)	(1,190,216)
Issue of shares	6,580,080	-	-	6,580,080
Transaction costs of share issue	(644,525)	-	-	(644,525)
Share based payments	-	393,376	-	393,376
Transfer cancelled performance rights from reserve	-	(27,535)	-	(27,535)
Transfer of exercised options from reserve	-	(332,500)	332,500	-
<b>As at 30 June 2022</b>	28,864,590	936,417	(5,451,387)	24,349,620
<b>As at 1 July 2020</b>	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)
<b>As at 30 June 2021</b>	22,929,035	903,076	(4,593,671)	19,238,440

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

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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	30 June 2022 \$	30 June 2021 \$
<b>Cash Flow from Operating Activities</b>			
Payments to suppliers and employees		(999,391)	(749,440)
Exploration and evaluation (expenditure)/refund		(2,450)	14,920
Interest received		17,436	38,710
Other income		3,172	93,075
GST received/(paid)		(52,428)	50,838
Interest paid		(2,376)	(2,710)
<b>Net cash (used in) operating activities</b>	<b>17b</b>	<b>(1,036,037)</b>	<b>(554,607)</b>
<b>Cash Flow from Investing Activities</b>			
Payments for exploration and evaluation expenditure		(3,327,990)	(2,665,192)
Payment for purchase of tenements		(94,670)	-
Security deposit paid		(65)	-
Receipts from/(payments for) term deposits		-	4,505,000
<b>Net cash provided by/(used in) investing activities</b>		<b>(3,422,725)</b>	<b>1,839,808</b>
<b>Cash Flow from Financing Activities</b>			
Proceeds from issue of shares		6,500,025	-
Share issue costs		(352,879)	-
Lease payments		(63,894)	(81,759)
<b>Net cash provided by/(used in) financing activities</b>		<b>6,083,252</b>	<b>(81,759)</b>
Net increase in cash held		1,624,490	1,203,443
Cash at the beginning of the year		5,395,503	4,192,061
<b>Cash at the end of the year</b>	<b>17a</b>	<b>7,019,993</b>	<b>5,395,503</b>

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

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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### 1. CORPORATE INFORMATION

The financial report of Galileo Mining Ltd for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of directors on 18 August 2022.

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 2022 (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.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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, comprising 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 2022*

In the period ended 30 June 2022, 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 2022. 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

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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

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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.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 of 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.

For equity-settled share-based payment transactions, the entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity, indirectly by reference to the fair value of the equity instruments granted.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### (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) Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Trinomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 20 further information.

	2022	2021
	\$	\$
<b>3. OTHER INCOME</b>		
Interest revenue	18,517	31,493
Research and development rebate	-	24,575
Other income	3,172	68,500
Total other income	<u>21,689</u>	<u>124,568</u>
<b>4. INCOME TAX EXPENSE</b>		
<b>a) Tax Expense</b>		
Current tax expense	-	-
Deferred tax expense	-	-
Total income tax expense	<u>-</u>	<u>-</u>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
<b>b) Numerical reconciliation between tax expense and pre-tax net loss</b>		
<b>Net Loss from operations before income tax expense</b>	<b>(1,190,216)</b>	<b>(688,244)</b>
Corporate tax rate applicable	30%	30%
<b>Income tax benefit on above at applicable corporate rate</b>	<b>(357,064)</b>	<b>(206,473)</b>
Increase in income tax due to tax effect of:		
Share based payments	-	-
Non-deductible expenses	10,002	-
Current year tax losses not recognised	443,279	291,638
Decrease in income tax expense due to:		
Deductible capital raising costs	(96,217)	(57,545)
Non-assessable income	-	(27,620)
Income tax expense / (benefit)	-	-
<b>Deferred tax assets and liabilities</b>		
<b>c) Recognised deferred tax assets and liabilities</b>	<b>30%</b>	<b>30%</b>
<b>Deferred tax assets</b>		
Other provisions & accruals	8,864	8,103
Employee provisions	39,566	25,182
Tax losses	4,908,554	3,813,259
ROU Assets	82	(763)
Blackhole – Previously expensed	88	175
	4,957,154	3,845,956
Set -off of deferred tax liabilities	(4,957,154)	(3,845,956)
Net deferred tax assets	-	-
<b>Deferred tax liabilities</b>		
Exploration and evaluation assets	(4,956,522)	(3,845,648)
Unearned income	(632)	(308)
Prepayments	-	-
Gross deferred tax liabilities	(4,957,154)	(3,845,956)
Set-off of deferred tax assets	4,957,154	3,845,956
Net deferred tax liabilities	-	-

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
<b>d) Unused tax losses and temporary differences for which no deferred tax asset has been recognised</b>		
Deferred tax assets have not been recognised in respect of the following using corporate tax rates of:	30%	30%
Deductible temporary difference	181,254	84,113
Tax Revenue Losses	1,727,514	1,284,362
	<hr/>	<hr/>
Total Unrecognised deferred tax assets	1,908,768	1,368,475

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

	2022 ¢	2021 ¢
<b>Loss per share (cents per share)</b>		
Basic loss per share for the year	(0.73)	(0.48)
Diluted loss per share for the year	(0.73)	(0.48)

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

	2022 \$	2021 \$
<b>(a) Loss used in calculating loss per share</b>		
For basic and diluted loss per share: Net loss for the year attributable to ordinary shareholders of the parent	<hr/> <hr/> (1,190,216)	<hr/> <hr/> (688,244)

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.

	2022 Number	2021 Number
<b>(b) Weighted average number of shares</b>		
For basic and diluted loss per share: Weighted average number of ordinary shares	<hr/> <hr/> 163,027,221	<hr/> <hr/> 143,101,205

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FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
<b>6. TRADE AND OTHER RECEIVABLES</b>		
<b>(a) Current</b>		
Accrued interest	2,108	1,027
Net GST receivable	97,701	45,274
	<u>99,809</u>	<u>46,301</u>
<b>7. OTHER ASSETS</b>		
<b>(a) Current</b>		
Cash deposited as security bond	2,340	2,340
Prepayments	25,505	35,206
	<u>27,845</u>	<u>37,546</u>
<b>(b) Non-current</b>		
Cash deposited for rental bond	26,135	26,071
	<u>26,135</u>	<u>26,071</u>
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
At cost	38,015	38,015
Accumulated depreciation	(36,963)	(33,466)
Net carrying amount	<u>1,052</u>	<u>4,549</u>
<b>Reconciliation</b>		
Reconciliation of the carrying amount of office furniture and equipment at the beginning and end of the current financial year.		
<b>Office furniture and equipment</b>		
At 1 July net of accumulated depreciation	3,055	9,106
Depreciation charge for the year	(2,124)	(6,051)
At 30 June net of accumulated depreciation	<u>931</u>	<u>3,055</u>
<b>Field equipment</b>		
At 1 July net of accumulated depreciation	1,495	4,607
Depreciation charge for the year	(1,374)	(3,112)
At 30 June net of accumulated depreciation	<u>121</u>	<u>1,495</u>
<b>Total</b>	<u>1,052</u>	<u>4,549</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

	2022 \$	2021 \$
<b>9. RIGHT-OF-USE ASSETS</b>		
At cost	334,104	217,773
Accumulated depreciation	(222,621)	(155,910)
Net carrying amount	<u>111,483</u>	<u>61,863</u>

**Reconciliation**

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

**Right-of-use assets**

At 1 July net of accumulated depreciation	61,863	79,941
Lease modification (see note 17(d))	116,330	57,891
Depreciation charge for the year	(66,710)	(75,969)
At 30 June net of accumulated depreciation	<u>111,483</u>	<u>61,863</u>

**10. EXPLORATION AND EVALUATION EXPENDITURE**

Costs carried forward in respect of:

Exploration and evaluation phase – at cost	<u>17,718,791</u>	<u>13,934,466</u>
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**Reconciliation**

Opening balance	13,934,466	11,387,156
Acquisition of tenements	174,750	-
Incurred during the year	3,610,475	2,547,310
Written off during the year	(900)	-
Total exploration and evaluation expenditure	<u>17,718,791</u>	<u>13,934,466</u>

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

	2022 \$	2021 \$
<b>11. TRADE AND OTHER PAYABLES</b>		
Current		
Trade creditors	360,870	81,190
Other creditors	50,977	43,409
	<u>411,847</u>	<u>124,599</u>

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.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
<b>12. LEASE LIABILITIES</b>		
<b>(a) Current</b>		
Lease Liabilities	56,707	59,320
<b>(b) Non-current</b>		
Lease Liabilities	55,049	-
<b>13. OTHER LIABILITIES</b>		
<b>(a) Current</b>		
Annual Leave	85,804	54,025
<b>(b) Non-current</b>		
Long Service Leave provision	46,082	29,915
<b>14. ISSUED CAPITAL</b>		
<b>(a) Ordinary shares</b>	28,864,590	22,929,035

Movements of ordinary shares

	2022		2021	
	Number	\$	Number	\$
Shares on issue				
Beginning of financial year	143,101,205	22,929,035	143,101,205	22,929,035
Add shares issued				
- Placement	25,000,000	6,500,000	-	-
- Part Payment of tenement purchase	308,000	80,080	-	-
- Options Exercised*	10,399,055	-	-	-
Less capital raising costs	-	(644,525)	-	-
	178,808,260	28,864,590	143,101,205	22,929,035
As at the end of the financial year	178,808,260	28,864,590	143,101,205	22,929,035

\* On 27 May 2022 12,500,000 options were exercised for 10,399,055 shares pursuant to a cashless exercise facility (Refer Note 20(a)).

**(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 at balance date:

- 2,500,000 options exercisable at \$0.52 expiring on 15 September 2023.

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

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# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 1,600,000 rights on issue at balance date, 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 either 6 or 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.

	2022	2021
	\$	\$
<b>15. RESERVES</b>		
Share-based payment reserve	936,417	903,076
Movement in share-based payment reserve		
Balance at the beginning of the financial year	903,076	920,568
Share-based payments during the year	393,376	94,330
Transfer of previously expensed options on exercise to accumulated losses	(332,500)	-
Reversal of cancelled options	-	(66,500)
Reversal of cancelled performance rights	(27,535)	(45,322)
Balance at the end of the financial year	936,417	903,076

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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>16. ACCUMULATED LOSSES</b>		
Accumulated losses	(5,451,387)	(4,593,671)
Movement in accumulated losses:		
Balance at the beginning of the financial year	(4,593,671)	(3,905,427)
Transfer from share-based payment reserve	332,500	-
Net loss for the year	(1,190,216)	(688,244)
Balance at the end of the financial year	(5,451,387)	(4,593,671)
<b>17. STATEMENT OF CASH FLOWS</b>		
<b>(a) Reconciliation of cash</b>		
Cash at bank and on hand	627,570	33,665
Short term deposits	6,392,423	5,361,838
Total cash and cash equivalents	7,019,993	5,395,503
<b>(b) Reconciliation of net loss after tax to net cash flows from operations:</b>		
Loss from ordinary activities after income tax	(1,190,216)	(688,244)
Adjustments for:		
Depreciation	70,208	85,133
Employee share-based payment/(reversal)	74,170	(17,492)
Changes in assets and liabilities:		
Increase in payables	5,663	7,324
Increase in provisions	47,946	5,831
(Increase)/Decrease in receivables	(53,509)	58,055
(Increase)/Decrease in prepayments	9,700	(5,214)
Net cash used in operating activities	(1,036,038)	(544,607)
<b>(c) Changes in liabilities arising from financing activities</b>		
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Opening balance	59,320	83,187
Net cash used in financing activities	(63,894)	(81,759)
Lease liability recognised on modification of lease	116,330	56,892
Closing balance	111,756	59,320

# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

Non-cash financing activities for the year include the office lease extension of 24 months commencing June 2022 at an initial value of \$116,330 (2021: \$57,892).

During the year the Company issued 2,500,000 unlisted options exercisable at \$0.52 and expiring 15 September 2023 to Inyati Capital as part payment for capital raised at a value of \$291,645. 308,000 ordinary shares in the Company were issued as part payment of a tenement purchase. There were no non-cash investing activities in 2021.

### 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 \$105,000 (excluding GST) (30 June 2021: \$102,000). As at 30 June 2022, \$12,650 was payable to Whypro Corporate Services.

### 19. DIRECTORS AND KEY MANAGEMENT PERSONNEL

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

	2022 \$	2021 \$
Short-term benefits	582,665	544,250
Long-term benefits	8,867	5,928
Post-employment benefits	45,954	38,250
Share-based payments	40,793	(36,187)
Total compensation	678,279	552,241

### 20. SHARE-BASED PAYMENTS

#### (a) Options

During the year the following options were granted to a third party, Inyati Capital, as part payment for capital raised. A total of \$291,645 was recognised as a share-based payment.

Class	Expiry date	Exercise price	Date granted	Number of options	Grant date fair value	Vesting date
Unlisted Options	15 Sept 2023	\$0.52	15 Sept 2021	2,500,000	\$0.117	15 Sept 2021

The assessed fair value of the options was determined using Black-Scholes model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The following assumptions were used in the estimation:

- Risk free interest rate of 1.05%
- Company share price at date of grant of \$0.325
- Dividend Yield of 0%
- Expected volatility of 90%
- Option exercise price of \$0.52
- Option duration of 24 months
- Discount factor of 0%

On 27 May 2022 12,500,000 options were exercised for 10,399,055 shares pursuant to a cashless exercise facility.

# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

	2022	2022	2021	2021
	Number	WAEP \$	Number	WAEP \$
Outstanding at the beginning of the year	14,772,727	0.24	17,272,727	0.23
Granted during the year	2,500,000	0.52	-	-
Exercised during the year	(12,500,000)	0.20	-	-
Expired or Cancelled during the year	(2,272,727)	0.44	(2,500,000)	0.20
Outstanding at the end of the year	2,500,000	0.52	14,772,727	0.24
Exercisable at reporting date	2,500,000	0.52	2,272,727	0.44

### (b) Performance Rights

During the year the following performance rights were granted to employees under the Company's Employee Incentive Plan. A total of \$16,341 was recognised as a share-based payment expense, in relation to rights granted during the period.

Class	Expiry date	Exercise price	Date granted	Number	Grant date fair value	Expected Vesting date
Performance Rights	31 January 2023	Nil	5 August 2021	100,000	\$0.0524	31 January 2023
Performance Rights	31 January 2023	Nil	25 November 2021	500,000	\$0.0524	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: -

- 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).
- Maintain a minimum of either 6 or 12 months continuous service with the Company.
- 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.
- 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

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.

# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

The performance rights have been valued at \$0.0524 per right using the Hoadley trinomial barrier valuation model.

On 23 July 2021 100,000 unlisted performance rights were cancelled which resulted in a reversal of \$27,535.

The total expense recognised in relation to performance rights inclusive of reversals was \$74,170.

### Movement of Performance Rights:

	2022 Number	2021 Number
Outstanding at beginning of the year	1,100,000	1,600,000
Granted during the year	600,000	-
Cancelled during the year	(100,000)	(500,000)
	<hr/>	<hr/>
Outstanding at the end of the year	1,600,000	1,100,000

	2022 \$	2021 \$
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### 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	30,403	29,509
- Other assurance services	500	-
	<hr/>	<hr/>
	30,903	29,509

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.

	2022 \$	2021 \$
Not later than one year	941,080	863,080
Later than one year and less than five years	3,963,320	3,772,320
	<hr/>	<hr/>
	4,904,400	4,635,400

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 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.

	<b>30 June 2022</b>	<b>30 June 2021</b>
	\$	\$
Financial assets		
Cash and cash equivalents	7,019,993	5,395,503
Impact on profit/loss and equity		
Post-tax gain/(loss)		
100 bp increase	70,199	53,955
100 bp decrease	(70,199)	(53,955)

# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 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
<b>30 June 2022</b>						
Cash & cash equivalents	(\$)	-	7,019,993	-	-	-
Other Assets	(\$)	-	28,476	-	-	-

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

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 2022				
Trade and other receivables	2,108	-	-	-
Trade and other payables	(411,847)	-	-	-
Lease liabilities	(30,935)	(30,987)	(62,179)	-
As at 30 June 2021				
Trade and other receivables	1,027	-	-	-
Trade and other payables	(124,599)	-	-	-
Lease liabilities	(33,335)	(33,391)	-	-

# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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### Capital risk management

Capital consists of total equity \$24,349,620 (2021: \$19,238,440).

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 2021 and no dividend will be paid in 2022.

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

Subsequent to balance date the Company completed a capital raising (refer ASX announcements 6 and 14 July 2022) to raise \$20.4 million (before costs) by way of a placement to institutions and sophisticated investors ("Placement"). Settlement of the placement occurred on 14 July 2022 when the Company issued 17,000,000 at an issue price of \$1.20 per share. As part of the fee for the lead manager to the Placement the Company also issued on 14 July 974,615 unquoted Options with an exercise price of \$2.40 and an expiry date of 14 July 2022.

On 14 July 2022 the Company announced 1,600,000 fully paid ordinary shares were issued in full satisfaction of the exercise of 1,600,000 Performance Rights issued in accordance with the terms and conditions of the Galileo Mining Ltd Employee Incentive Plan.

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").

# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 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	
			2022 %	2021 %
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	100

\* Subsidiary incorporated 4 December 2020.

# GALILEO MINING LTD

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 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.

	2022 \$	2021 \$
Current Assets	7,142,830	5,474,534
Non-Current Assets	17,983,160	14,115,279
<b>TOTAL ASSETS</b>	<b>25,125,990</b>	<b>19,589,813</b>
Current Liabilities	554,357	237,944
Non-Current Liabilities	101,131	29,915
<b>TOTAL LIABILITIES</b>	<b>655,488</b>	<b>267,859</b>
<b>NET ASSETS</b>	<b>24,470,502</b>	<b>19,321,954</b>
<b>EQUITY</b>		
Issued capital	28,864,590	22,929,035
Reserves	936,417	903,076
Accumulated losses	(5,330,505)	(4,510,157)
<b>TOTAL EQUITY</b>	<b>24,470,502</b>	<b>19,321,954</b>
Loss of the parent entity	(1,152,848)	(658,771)
Total comprehensive loss of the parent entity	(1,152,848)	(658,771)

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.

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**DIRECTORS' DECLARATION**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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 41 to 66 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 2022 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 2022.

For and on behalf of the Board of Directors.



**Mr Brad Underwood**  
**Managing Director**  
**Perth, 18 August 2022**

## 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 2022, 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 2022 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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@hلبwa.com.au

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**Key Audit Matter**

**How our audit addressed the key audit matter**

**Exploration and evaluation expenditure**

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.

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:

- 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;
- We considered the Directors' assessment of potential indicators of impairment;
- We obtained evidence that the Group has current rights to tenure of its areas of interest;
- We examined the exploration and evaluation budget for the year ending 30 June 2023 and discussed with management the nature of planned ongoing activities; and
- We substantiated a sample of capitalised expenditure to underlying support.

*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 report for the year ended 30 June 2022, 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.

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*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.

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**REPORT ON THE REMUNERATION REPORT**


*Opinion on the Remuneration Report*

We have audited the Remuneration Report included the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Galileo Mining Ltd for the year ended 30 June 2022 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**  
Chartered Accountants

**Perth, Western Australia**  
**18 August 2022**



**D I Buckley**  
Partner

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## **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 2022 was approved by the Board on 18 August 2022. The Corporate Governance Statement can be located on the Company's website <http://www.galileomining.com.au/about-us/corporate-governance/>

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**GALILEO MINING LTD**  
ABN 70 104 114 132

**ADDITIONAL ASX SHAREHOLDERS' INFORMATION (As at 7 August 2022)**

The following additional information is required by the Australian Securities Exchange in respect of listed public companies. As at 7 August 2022 there were 5,143 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 7 AUGUST 2022**

	<b>Holder Name</b>	<b>Holding</b>	<b>%IC</b>
1	Australian Gold Resources Pty Ltd	51,736,280	26.21
2	IGO Newsearch Pty Ltd	16,363,697	8.29
3	Mr Richard Bradley Underwood	8,619,244	4.37
4	Citicorp Nominees Pty Ltd	2,737,433	1.39
5	Mr Noel Mark O'Brien	2,429,811	1.23
6	S3 Consortium Holdings Pty Ltd <NextInvestors Dot Com A/C>	2,161,544	1.10
7	HSBC Custody Nominees (Australia) Limited	1,773,586	0.90
8	Blakfyre Investments Pty Ltd	1,700,000	0.86
9	BNP Paribas Noms Pty Ltd <DRP>	1,515,047	0.77
10	Pindan Investments Pty Ltd <Pindan Investment A/c>	1,200,000	0.61
11	Mr Stephen John Lowe & Mrs Suzanne Lee Lowe <Tahlia Family A/C>	937,500	0.47
12	Blacktusk Pty Ltd <Contract Diving Ser S/F A/C>	900,000	0.46
13	Mr Clive Thomas	800,000	0.41
14	Mr David James Wall <The Reserve A/C>	750,000	0.38
15	Cospiqua Pty Ltd <The Millennium MacNo1 A/C>	730,000	0.37
16	Northmead Holdings Pty Ltd <The Greenwell Family A/C>	725,000	0.37
17	Commsec Nominees Pty Limited	709,398	0.36
18	Mr Mark Andrew Waldron	586,748	0.30
19	Mr Peter Piotr Mackow	581,277	0.29
20	Mr Brenton Paul Gill	570,000	0.29
	<b>Totals</b>	<b>97,526,565</b>	<b>49.40%</b>

**SUBSTANTIAL ORDINARY SHAREHOLDER AS AT 7 AUGUST 2022**

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), Dunstan Holdings Pty Ltd (ACN 008 686 691); and Yandal Investments Pty Ltd (ACN 070 684 810) 51,736,280 Fully Paid Ordinary Shares (26.21%)
- IGO Limited (ACN 092 786 304): 16,363,697 Fully Paid Ordinary Shares (8.29%)

**GALILEO MINING LTD**  
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**DISTRIBUTION OF ORDINARY SHAREHOLDER AS AT 7 AUGUST 2022**

Holding Range	Holders	Total Units	% Issued Ordinary Capital
1 - 1,000	812	487,736	0.25%
1,001 - 5,000	1,752	5,148,261	2.61%
5,000 - 10,000	851	6,838,307	3.46%
10,001 – 100,000	1,531	51,072,597	25.87%
100,001 – and over	197	133,861,359	67.81%
<b>TOTALS</b>	<b>5,143</b>	<b>197,408,260</b>	<b>100.00%</b>

Unmarketable Parcels – as at 7 August 2022 there were 276 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 7 August 2022 the following unquoted securities are on issue:

***2,500,000 Broker Options Expiring 15 September 2023 @ \$0.52***

Holding Range	Holders	Total Units	% Issued
1 - 1,000	0	0	0%
1,001 - 5,000	0	0	0%
5,000 - 10,000	0	0	0%
10,001 – 100,000	1	50,000	2.0%
100,001 – and over	3	2,450,000	98.0%
<b>TOTALS</b>	<b>4</b>	<b>2,500,000</b>	<b>100.00%</b>

***974,615 Broker Options Expiring 14 July 2024 @ \$2.40***

Holding Range	Holders	Total Units	% Issued
1 - 1,000	0	0	0%
1,001 - 5,000	0	0	0%
5,000 - 10,000	0	0	0%
10,001 – 100,000	0	0	0%
100,001 – and over	1	974,615	100.0%
<b>TOTALS</b>	<b>1</b>	<b>974,615</b>	<b>100.00%</b>

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# GALILEO MINING LTD

ABN 70 104 114 132

## OTHER ASX ADDITIONAL INFORMATION

### 1. Corporate Governance

The Company's Corporate Governance Statement as at 30 June 2022 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](http://www.automicgroup.com.au)

### 5. Review of Operations

A review of operations is contained in the Directors Report.

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# GALILEO MINING LTD

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## 6. Tenement Schedule (As at 7 August 2022)

Project	Tenement reference & Location	Interest at beginning of Year	Interest at 7 August 2022	Nature of Interest at 7 August 2022
<b>NORSEMAN PROJECT</b>	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
	P63/2259	0%	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
<b>FRASER RANGE PROJECT</b>	All tenements are in Western Australia			
	E28/2064	67%	67% NSZ <sup>(1)</sup>	Active
	E28/2912	100%	100%	Active
	E28/2949	100%	100%	Active
	E28/2797	0%	100%	Active
	E63/1539	67%	67% FSZ <sup>(2)</sup>	Active
	E63/1623	67%	67% FSZ <sup>(2)</sup>	Active
	E63/1624	67%	67% FSZ <sup>(2)</sup>	Active

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

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

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