



## FINANCIAL REPORT

For the Half-Year Ended 31 December 2021

# **GALILEO MINING LTD**

ABN 70 104 114 132

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**DIRECTORS' REPORT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

The directors present their report on the Group (consisting of the Company and the entities it controlled during the period) for the half-year ended 31 December 2021.

**DIRECTORS**

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

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

The Company Secretary is Mr Mathew Whyte.

**PRINCIPAL ACTIVITIES**

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

**FINANCIAL RESULTS AND FINANCIAL POSITION**

The net loss of the Group for the half-year after providing for income tax amounted to \$636,997 (2020: \$220,767).

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 \$9,042,206 (30 June 2021: \$5,395,503) and Net Assets of \$24,880,343 (30 June 2021: \$19,238,440).

**REVIEW OF OPERATIONS**

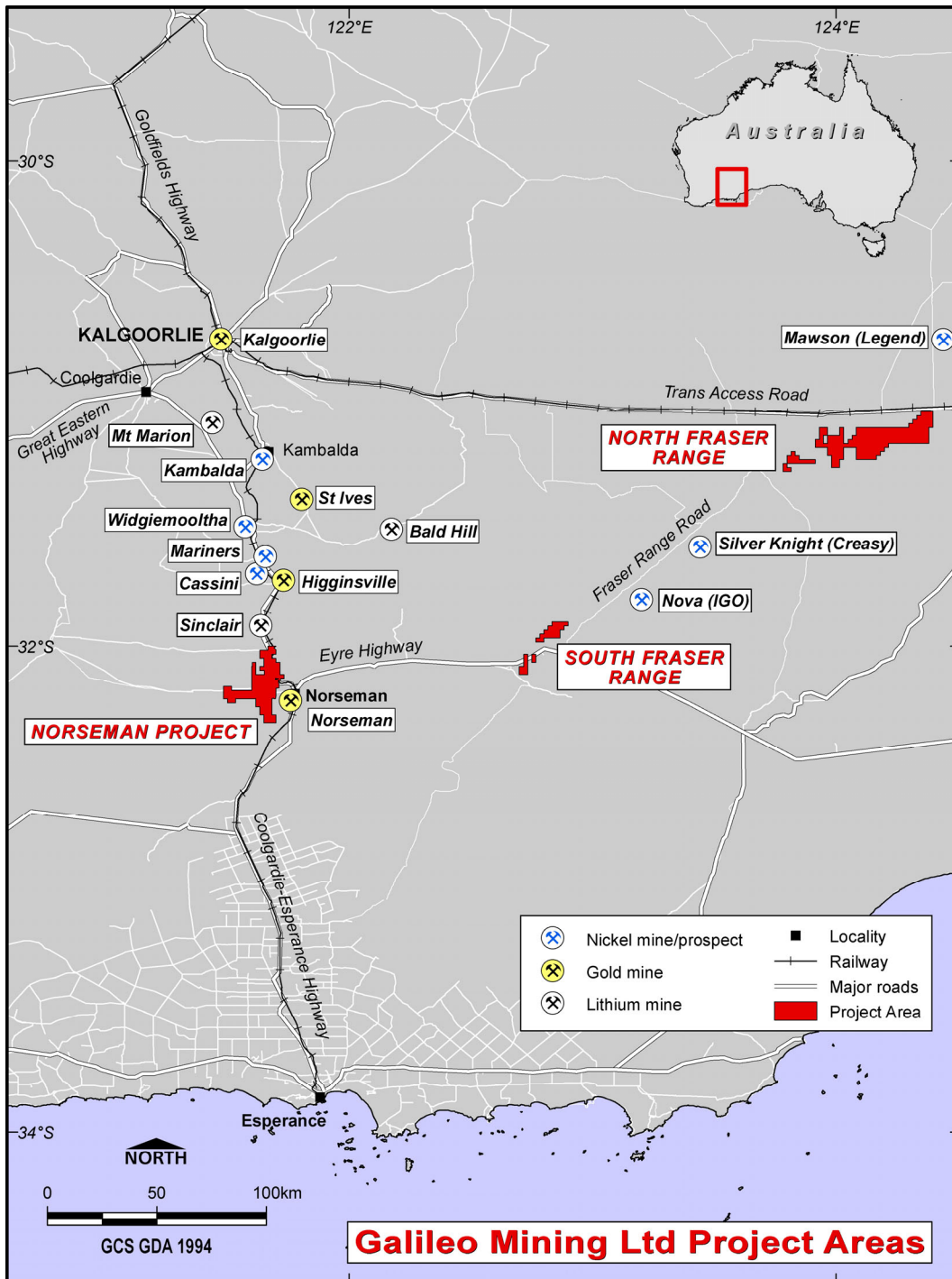
Galileo has two highly prospective West Australian resource and exploration projects being:

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

During the half-year ended 31 December 2021, the Group's main activities were on exploration at the Fraser Range Project through a series of diamond and reverse circulation (RC) drilling campaigns, electromagnetic (EM) surveying and other exploration activities.

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

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



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

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

- Copper and gold assays from Delta Blues DB2 target confirm prospective mineralised sulphides
- Copper-gold assay results of:
  - 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)
- Two subsequent deep diamond drill holes completed at the DB2 target with matrix, stringer, and disseminated sulphides intercepted
- 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
- New nickel target, "the Easterly prospect" developed 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
- Acquired highly prospective greenfield tenement along strike from known nickel-copper sulphide mineralisation at the Lantern Prospect
- Ongoing regional EM surveys around the Lantern Prospect aiming to define new targets for drill testing

**Norseman Project (100% owned)**

- First assays from aircore drill program showed magmatic nickel-copper-cobalt-palladium mineralisation
- 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)
- Aircore drilling unable to break through massive sulphide and drill intersection is open in all directions
- Bulk of assays from aircore drilling are expected to be received in first quarter of 2022
- Palladium soil sample results from Norseman showed highly anomalous zones with maximum palladium value of 0.81 g/t, maximum platinum value of 0.26 g/t, maximum nickel value of 0.42%, maximum copper value of 0.11%
- 44 samples from a total of 458 returned palladium greater than 0.1 g/t
- Significant aircore drilling program (8,700m) completed with mineralised nickel-copper-cobalt-palladium sulphides confirmed

**Corporate**

- Successfully raised \$6.5 million (before costs) through a Placement with cornerstone investments by major shareholders Creasy Group and IGO
- Funds being used to accelerate exploration programs at both the Fraser Range and Norseman projects
- Well-funded to continue aggressive exploration programs with approximately \$9.0 million in cash as at 31st December 2021

**Fraser Range Project (67% GAL / 33% Creasy Group JV)**

During the half-year, Galileo undertook significant exploration programs within the Fraser Range Belt in Western Australia.

**DB2 Prospect**

In September, Assay results from three reverse circulation (RC) drill holes targeting the very top of a large electro-magnetic (EM) conductor at the Delta Blues DB2 prospect recorded sulphide intercepts with anomalous amounts of copper and gold<sup>1</sup>

Geology logging at DB2 recorded a thin layer of sediment cover overlying typical Fraser Range metasediments and mafic granulites near surface. Small units of mafic (gabbro) intrusive rocks within the metasediments were noted prior to the sulphide zones. The sulphide mineralisation in all drill holes occurs as semi massive bands surrounded by disseminated sulphide within a mafic intrusion adjacent to a medium grained felsic intrusion.

One metre split samples from RC drillholes DBRC001, DBRC002, and DBRC003 were sent to the laboratory for priority analyses. These samples were collected between 179m and 200m (DBRC001), 160m and 180m (DBRC002) and 146m and 186m (DBRC003). Assays where copper values are greater than 0.1% are summarised in the highlights section at the beginning of Review of Operations.

The sections of these three drill holes outside of the priority zones, and the single drill hole completed at DB1 (DBRC004), were sampled with three metre composites.

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<sup>1</sup> Refer to ASX announcement dated 13 September 2021

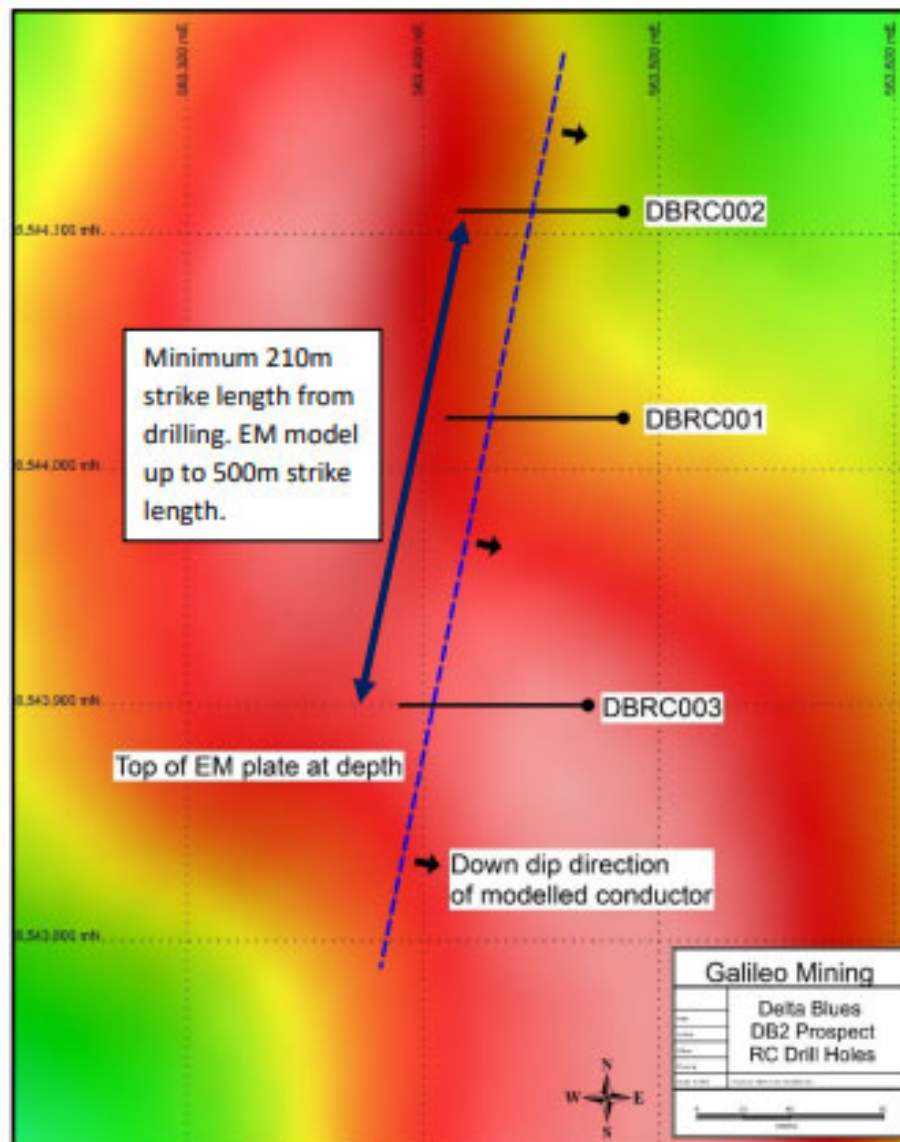
***Figure 2 —RC Drilling at Galileo’s Delta Blues Prospect in the Fraser Range***



The scale of the modelled EM conductor at Delta Blues DB2 is substantial with dimensions up to 500m by 500m (Table 1).

The initial three drill holes completed at DB2 confirmed sulphide mineralisation over a minimum strike length of 210m (Figure 3). Only the very top of the conductor was drilled and down hole EM surveying was undertaken to refine the targets.

**Figure 3 — RC Drill Hole Plan Location at Delta Blues DB2 with EM Target over TMI Magnetic Image**



In October, Galileo reported the results of EM surveying from the Delta Blues DB2 prospect with DHEM surveying defining a highly conductive target with modelled conductivity up to 10,500 Siemens.<sup>2</sup> 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>3</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.

<sup>2</sup> Refer to ASX announcement dated 27th October 2021

<sup>3</sup> Refer to ASX announcement dated 13th September 2021



One drill hole (DBRC004) was completed during the half year period at the DB1 target (Figure 6). Geological logging of DBRC004 recorded multiple units of intrusive rocks of the kind associated with known nickel-copper occurrences in the Fraser Range belt.<sup>4</sup>

However, EM surveying at the Delta Blues DB1 prospect was not successful in replicating earlier modelling and the target wasn't tested in follow-up drilling.

**Table 1: Delta Blues modelled conductors:**

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

Diamond core drilling commenced in late November to test for economic mineralisation at the DB2 prospect.<sup>5</sup>

Drill holes DBDD001 and DBDD002 were designed to test the conductive target beneath sulphide mineralisation previously intercepted in RC drilling at DB2 target.<sup>6</sup>



**Figure 4 – Diamond drilling at the Delta Blues prospect in the Fraser Range**

Matrix, stringer, and disseminated sulphides were intercepted in both drill holes. However, it 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>7</sup>

<sup>4</sup> Refer to Galileo's ASX announcements dated 23rd August 2021

<sup>5</sup> Refer to ASX announcement dated 29th November 2021

<sup>6</sup> Refer to ASX announcement dated 13th September 2021

<sup>7</sup> Refer to ASX announcement dated 15th December 2021

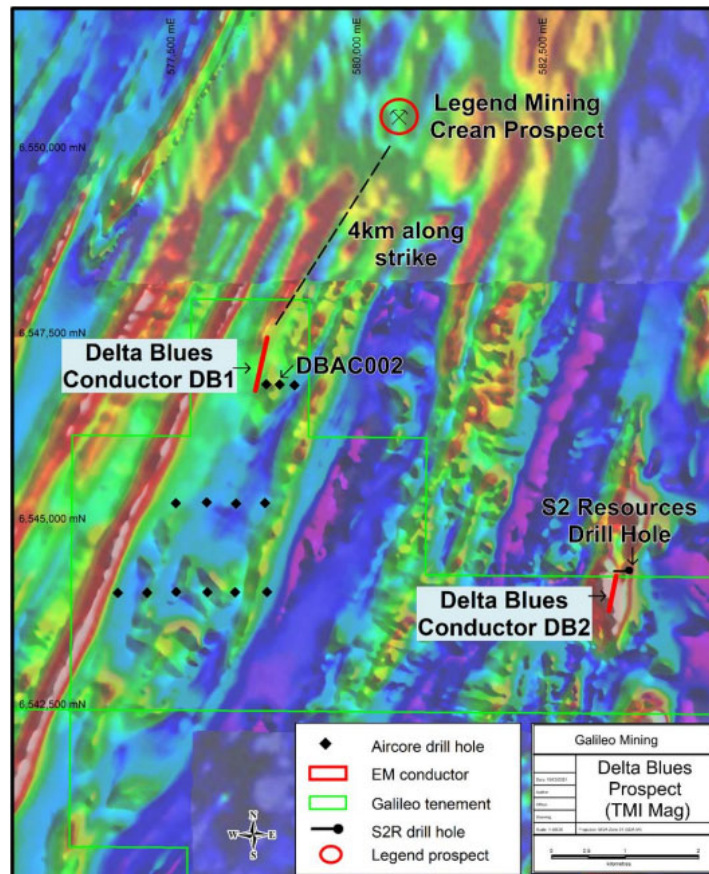


**Figure 5 - Matrix sulphide mineralisation at 399m downhole in DBDD001 (field of view approximately 20cm across)**

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.

**Figure 6 – Delta Blues Conductors with Aircore Drilling and Neighbouring Prospects (TMI Magnetics)**

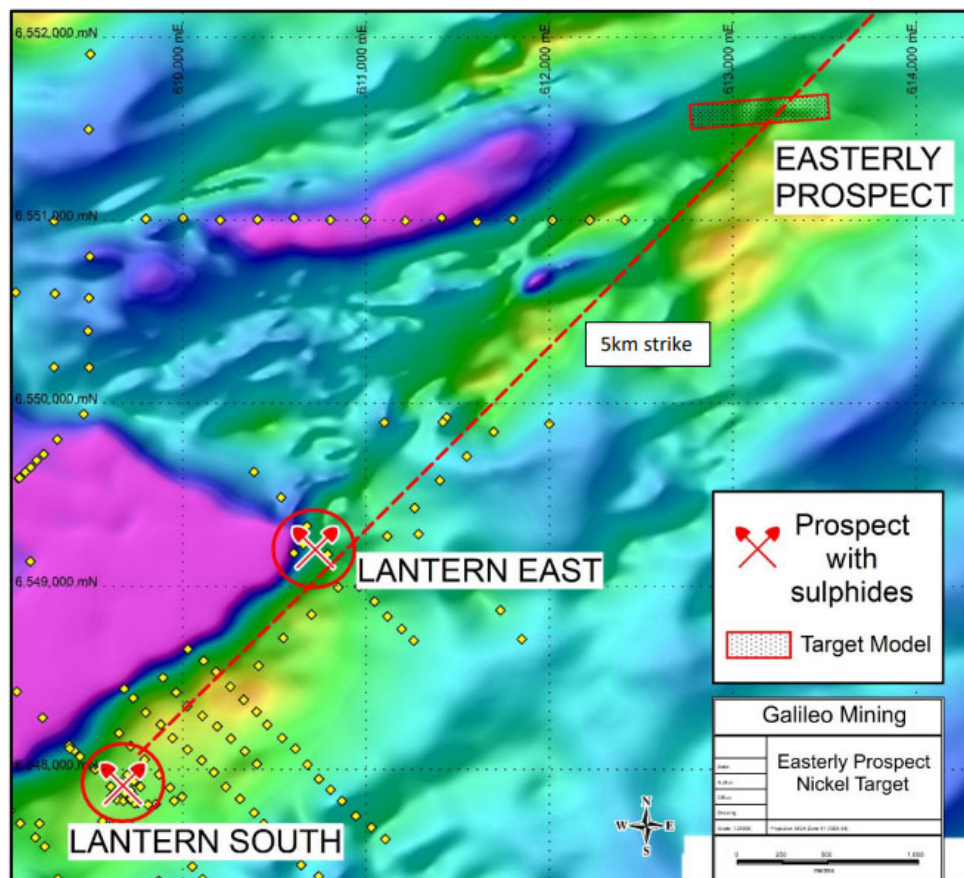


### New Nickel Target – Easterly Prospect

In August, results from target generation electro-magnetic (EM) surveying in the Fraser Range region identified a new nickel sulphide target. The new target followed on from Fraser Range drilling earlier in 2021 which focussed on the Lantern Prospects where the potential for discovery was demonstrated by the identification of nickel-copper sulphides.

Since then, Galileo has aggressively explored the area with EM surveying to look for buried sulphides. The new target identified, named the Easterly Prospect, is just five kilometres along strike from Lantern South in a similar geological setting. Infill EM surveying and modelling will now be undertaken to refine the target prior to drill testing.

**Figure 7 - New Nickel Target (Easterly Prospect) in the Fraser Range over TMI Magnetics**



Geophysical parameters of the newly identified conductor are shown in Table 2.

**Table 2: Easterly modelled conductor:**

Prospect	Conductivity	Length	Height	Depth to Top
Easterly	1,140 S	750m	134m	165m

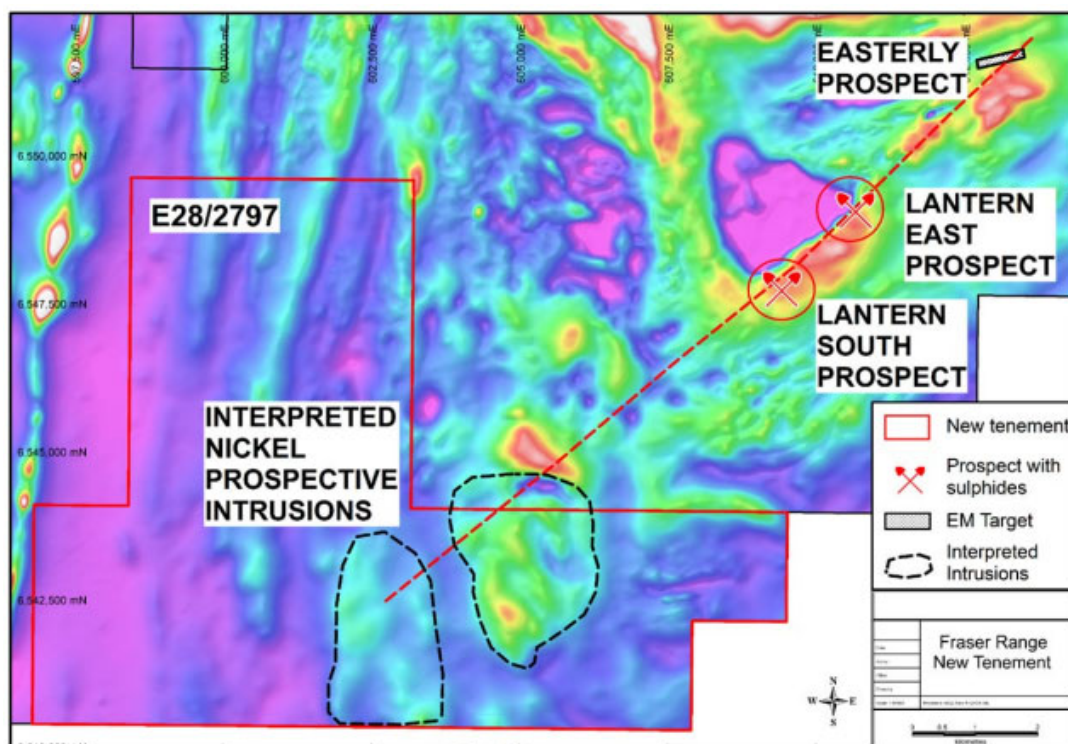


### Strategic new Fraser Range tenement

During the period, Galileo purchased 100% of a highly prospective greenfield tenement along strike from its existing Fraser Range targets. A lack of previous exploration provides Galileo with a first-mover advantage for potential new discoveries on the unexplored ground.

The new tenement, E28/2797, is six kilometres along strike from the Lantern South prospect where previous drilling intersected nickel-copper sulphides.

The additional 70km<sup>2</sup> of prospective ground increases Galileo's total Fraser Range tenement position to 672km<sup>2</sup>. Magmatic intrusions prospective for nickel mineralisation have been interpreted from detailed airborne magnetic data and ground EM surveying is planned to cover the ground with the aim of defining new drill targets.



**Figure 8 —New Fraser Range Greenfield Tenement E28/2797 with Existing Prospect Locations and Interpreted Intrusive Targets (over TMI Magnetic Image)**

### Regional Geophysical Surveying

Regional geophysical surveying at the Fraser Range Project continued over the half year period including 233 stations collected at the Empire Rose prospect at the southern end of the Fraser Range. The Empire Rose area is just 30km from the Nova mine site with previous drilling by Galileo showing best nickel results of 36m @ 0.2% nickel from 24m (see Galileo's ASX announcement 30 October 2018).

The EM surveying highlighted multiple conductors that appear to be related to either regional stratigraphy or sulphide mineralisation similar to that observed in earlier drill campaigns. Drill targets from this survey work may be confirmed upon integration of all available geophysical and geological data.

### **Norseman (100% owned)**

During the period, Galileo accelerated exploration at its Norseman nickel-copper-cobalt project which occurs at the southern end of the Norseman-Wiluna greenstone belt.

Galileo developed multiple prospective palladium and nickel targets based on soil sampling and drilling. In particular, the Company commenced an aircore drilling program in November to test five-priority palladium-nickel targets defined from soil sampling and existing drilling.<sup>8</sup>

The 8,700 metre drilling program, across multiple new nickel and palladium drill targets, intersected massive sulphide at a new prospect (Figures 11 and 12). Aircore drill hole NAC105 was drilled to a depth of 61 metres with the final one metre intersecting almost fresh massive sulphide at the end of the hole with the drill bit unable to break through the mineralisation.

Single metre samples from the last three metres of drill hole NAC105 (58 – 61m) were submitted to the laboratory for priority analyses. The bulk of assays from aircore drilling are expected to be received from mid-February onwards.



**Figure 9 – Massive Sulphide Chip (25mm across) from 60m in NAC105. Bottom of Hole Sample Pile on Right. Drillhole was Unable to Breakthrough Sulphide**

Assay results for NAC105 showed values of 0.24% nickel, 0.35% copper, 0.04% cobalt and 0.25 g/t palladium over the final metre of the drill hole at just 60m downhole depth.<sup>8</sup>

Hole ID	From (m)	To (m)	Interval	Ni (%)	Cu (%)	Co (%)	Pd (g/t)	Pt (ppb)	Au (ppb)
NAC105	60	61	1	0.24	0.35	0.04	0.25	34	21

**Table 3: One metre samples from end of hole NAC105. Four acid digest and nickel sulphide collection used to determine results. Rh, Ru, Ir and Os assays were individually < 40 ppb.**

<sup>8</sup> Refer to ASX announcements dated 17th November 2021 and 1st December 2021



**Figure 10 —Aircore Drill Samples with 1 Metre of Sulphide at End of Hole (right foreground with sieve)**

The sulphide mineralisation in NAC105 was intersected on the northern side of target JD1 (Figures 11 and 12) under alluvium and clay cover. JD1 occurs in the central position of the ultramafic Jimberlana Dyke where surface sampling identified maximum palladium values in soils of 0.81 g/t Pd while the maximum nickel recorded was 0.2% Ni.<sup>10</sup>

Surface geochemical anomalism is associated with the outcropping Jimberlana Dyke layered intrusion. Prospective areas of the dyke to the north and south occur under shallow cover with soil sampling ineffective due to the cover material. Aircore drilling was designed to extend over these areas where cover prevented effective soil sampling.

NAC105 was drilled to a depth of 61 metres with the final metre intersecting fresh massive sulphide at the end of the hole. The host rock appears to be a mafic/ultramafic intrusion based on drill chips immediately above the sulphide. Drill holes to the south intersected ultramafic rocks and those to the north were logged as mafic/ultramafic at the end of hole (Figure 10).

A summary log of NAC105 is presented in Table 4 with collar details and end of hole lithologies in Appendices 3 and 4 respectively. Thin section petrography is required to determine the precise rock classifications. Full laboratory assays and petrography will be undertaken to determine the metal values within the sulphides and the geological setting of the identified mineralisation.

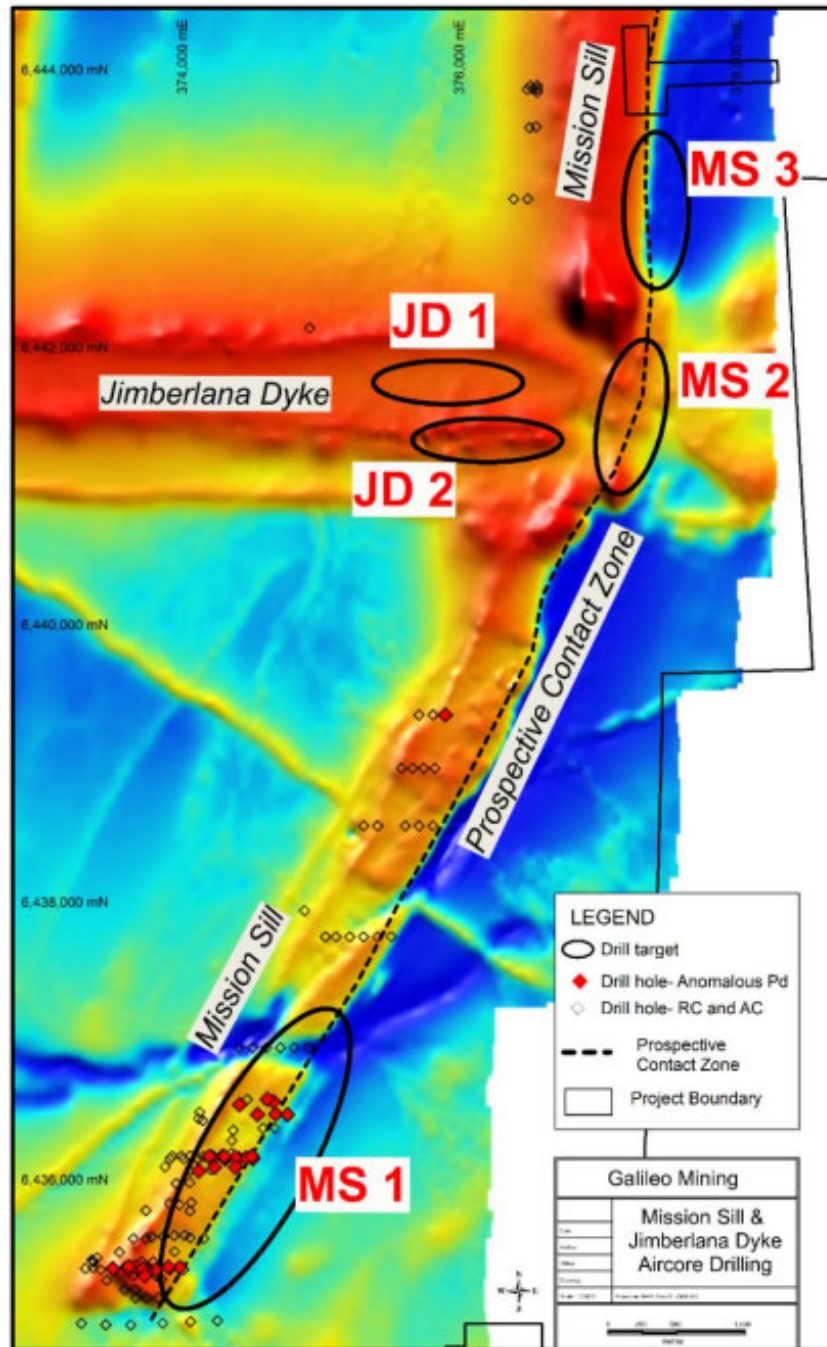
Post period end, electromagnetic (EM) surveying designed to target prospective areas on the margin of the large scale Jimberlana Dyke have defined strong conductors beneath massive sulphides from the recent aircore drilling.<sup>9</sup>

Interpretation of EM data shows the sulphide occurrence in drill hole NAC105 is located at the confluence of two large and highly conductive bodies. A separate conductive target has been identified on the southern margin of the Jimberlana Dyke with extremely high modelled conductivities interpreted to represent a significant source thickness.

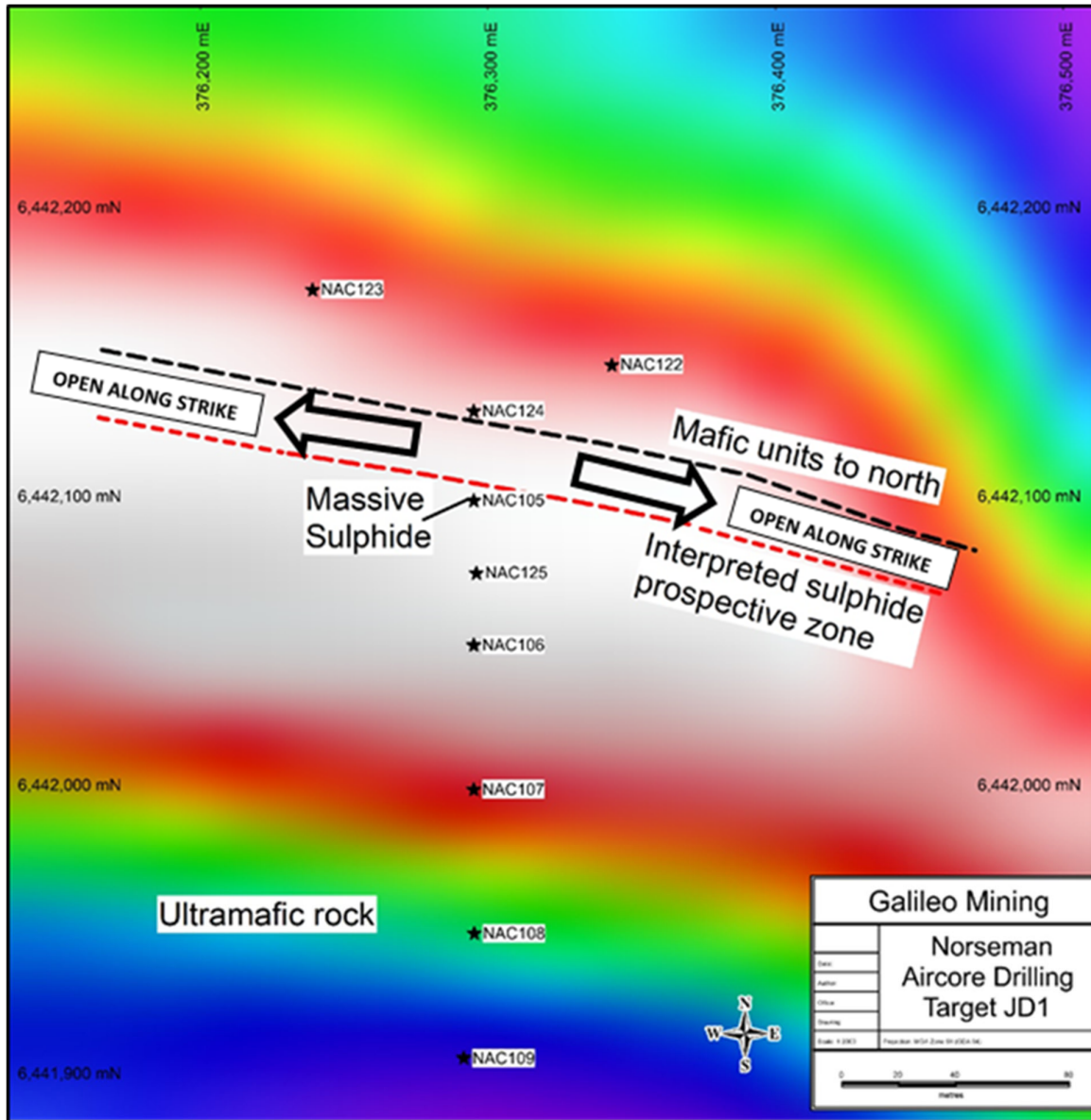
<sup>9</sup> Refer to ASX announcement dated 9th February 2022



A coincident magnetic anomaly at this location adds support to the target. Conductive EM targets can result from a variety of sources including economic nickel-copper-cobalt-palladium mineralisation, non-economic sulphides, graphite or sulphidic sediments. Drill testing is required to determine the source of the conductors identified with RC drilling to commence post the completion of heritage surveys and receipt of statutory approvals.



**Figure 11 —Priority Drill Targets at Norseman (over TMI magnetic image)**



**Figure 12 – Location of sulphide target zone for EM surveying around massive sulphide (NAC105)**

**Table 4: NAC105 Drill Log Summary**

From (m)	To (m)	Comment
0	13	Alluvium and clay cover
13	41	Weathered saprolite
41	47	Silcrete/silica cap
47	60	Lower saprolite
60	61	Massive sulphide at end of hole with minor mafic/ultramafic chips within the logged interval



**Corporate**

During the period, Galileo completed a Placement which issued 25,000,000 shares at an issue price of \$0.26 per share to raise gross proceeds of \$6,500,000. The raising was strongly supported by sophisticated and institutional investors qualifying under s708 of the Corporations Act 2001 (Cth).

Funds raised are being used for:

- Ongoing drilling and exploration for Nova-style nickel/copper/cobalt deposits at Fraser Range project;
- Drilling and exploration for palladium and nickel at Norseman project; and
- Working capital purposes.

Inyati Capital Pty Ltd acted as lead manager to the Placement.

**CAPITAL STRUCTURE**

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

**Quoted Securities:**

Number	Class
168,409,205	Ordinary Fully Paid Shares

**Un-Quoted Securities**

Number	Class
2,272,727	Unquoted Options exercisable at \$0.44 expiring 29 April 2022
2,500,000	Unquoted Options exercisable at \$0.52 expiring 15 September 2023
12,500,000	Class A Options exercisable at \$0.20 expiring 31 January 2023
1,600,000	Performance Rights expiring 31 January 2023 subject to vesting conditions

**SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial years.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

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

**AUDITOR INDEPENDENCE**

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

**Signed in accordance with a resolution of directors.**

For and on Behalf of the Board of Directors



**Mr Brad Underwood**  
**Chairman/Managing Director**  
**Perth, 10 March 2022**

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Galileo Mining Ltd for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia  
10 March 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@hlbwa.com.au

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**GALILEO MINING LTD**

ABN 70 104 114 132

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	Notes	31 December 2021 \$	31 December 2020 \$
Other income	4	7,997	92,825
Employee benefits and director fees expense		(120,358)	(83,468)
Consulting fees		(125,081)	(126,677)
Share-based payment (expense)/reversal		(18,777)	64,658
Depreciation expense		(17,999)	(46,988)
Exploration & evaluation (expense)/refunds		(6,356)	18,802
Legal and audit expenses		(22,610)	(17,888)
Other expenses		(333,813)	(122,031)
<b>Loss before income tax expense</b>		<b>(636,997)</b>	<b>(220,767)</b>
Income tax expense		-	-
<b>Net loss after income tax</b>		<b>(636,997)</b>	<b>(220,767)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(636,997)</b>	<b>(220,767)</b>
<b>Loss per share (cents per share)</b>		<b>¢</b>	<b>¢</b>
Basic loss per share for the year		(0.40)	(0.15)
Diluted loss per share for the year		(0.40)	(0.15)

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

**GALILEO MINING LTD**

ABN 70 104 114 132

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Notes	31 December 2021 \$	30 June 2021 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		9,042,206	5,395,503
Trade and other receivables	5	105,263	46,301
Other		32,796	37,546
<b>Total Current Assets</b>		<b>9,180,265</b>	<b>5,479,350</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		2,688	4,549
Right-of-use assets	6	45,725	61,863
Exploration and evaluation expenditure	7	16,024,685	13,934,466
Other assets		26,071	26,071
<b>Total Non-Current Assets</b>		<b>16,099,169</b>	<b>14,026,949</b>
<b>TOTAL ASSETS</b>		<b>25,279,434</b>	<b>19,506,299</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	255,773	124,599
Lease liabilities	9	27,367	59,320
Other liabilities		76,274	54,025
<b>Total Current Liabilities</b>		<b>359,414</b>	<b>237,944</b>
<b>Non-Current Liabilities</b>			
Other liabilities		39,677	29,915
<b>Total Non-Current Liabilities</b>		<b>39,677</b>	<b>29,915</b>
<b>TOTAL LIABILITIES</b>		<b>399,091</b>	<b>267,859</b>
<b>NET ASSETS</b>		<b>24,880,343</b>	<b>19,238,440</b>
<b>ACCUMULATED EQUITY</b>			
Issued capital	10	28,897,487	22,929,035
Reserves		1,213,524	903,076
Accumulated losses		(5,230,668)	(4,593,671)
<b>TOTAL EQUITY</b>		<b>24,880,343</b>	<b>19,238,440</b>

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

**GALILEO MINING LTD**

ABN 70 104 114 132

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	<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	-	-	(636,997)	(636,997)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(636,997)	(636,997)
Issue of Shares	6,580,080	-	-	6,580,080
Transaction costs of share issue	(611,628)	-	-	(611,628)
Share based payments	-	337,983	-	337,983
Share based payments cancelled	-	(27,535)	-	(27,535)
<b>As at 31 December 2021</b>	28,897,487	1,213,524	(5,230,668)	24,880,343
<b>As at 1 July 2020</b>	22,929,035	920,568	(3,905,427)	19,944,176
Loss for the year	-	-	(220,767)	(220,767)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(220,767)	(220,767)
Share based payments	-	47,164	-	47,164
Share based payments cancelled	-	(111,822)	-	(111,822)
<b>As at 31 December 2020</b>	22,929,035	855,910	(4,126,194)	19,658,751

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	<b>31 December 2021 \$</b>	<b>31 December 2020 \$</b>
<b>Cash Flow From Operating Activities</b>		
Payments to suppliers and employees	(610,409)	(364,122)
Interest received	7,363	33,025
Net GST refunded	(58,328)	41,175
Other Income	-	67,500
Interest on right-of-use assets	(1,383)	(1,767)
<b>Net cash used in operating activities</b>	<b>(662,757)</b>	<b>(224,189)</b>
<b>Cash Flow From Investing Activities</b>		
Payments for exploration and evaluation expenditure	(1,743,961)	(1,509,665)
Payment for purchase of tenements	(94,670)	-
Cash transferred from term deposits	-	4,505,000
<b>Net cash (used in)/provided by investing activities</b>	<b>(1,838,631)</b>	<b>2,995,335</b>
<b>Cash Flow From Financing Activities</b>		
Proceeds from issue of shares/options	6,500,025	-
Share issue costs	(319,982)	-
Lease payments	(31,952)	(41,276)
<b>Net cash provided by/(used in) financing activities</b>	<b>6,148,091</b>	<b>(41,276)</b>
Net increase in cash held	3,646,703	2,729,870
Cash at the beginning of the half-year	5,395,503	4,192,061
<b>Cash at the end of the half-year</b>	<b>9,042,206</b>	<b>6,921,931</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

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**1. CORPORATE INFORMATION**

The financial report of Galileo Mining Ltd for the half-year ended 31 December 2021 was authorised for issue in accordance with a resolution of directors on 10 March 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 Company's principal activity during the half-year was mineral exploration. Major exploration activities during the period are outlined in the Review of Operations as contained in the Directors' Report.

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

This half-year financial report for the half-year ended 31 December 2021 is a condensed general purpose financial report prepared in accordance with applicable accounting standards including AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 Interim Financial Reporting.

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

For the purpose of preparing the financial report, the Group is a for-profit entity. The half-year financial report should be read in conjunction with the most recent annual financial report for the year ended 30 June 2021.

It is also recommended that the half-year financial report be considered together with any public announcements made by Galileo Mining Ltd during the half year ended 31 December 2021 in accordance with the continuous disclosure obligations arising under the ASX Listing Rules.

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

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

**(b) Statement of compliance**

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

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**(c) Adoption of new and revised standards*****Standards and Interpretations applicable to 31 December 2021***

In the period ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

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

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

**(d) Significant accounting estimates and judgements**

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

The judgements, estimates and assumptions applied in the financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2021, except for the impact of the new Standards and Interpretations effective 1 July 2021 as disclosed above.

**3. SEGMENT INFORMATION**

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

**4. OTHER INCOME**

	<b>6 months to 31 December 2021 \$</b>	<b>6 months to 31 December 2020 \$</b>
Interest revenue	7,997	25,325
Other income	-	67,500
	<hr/>	<hr/>
Total other income	7,997	92,825
	<hr/>	<hr/>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	<b>31 December 2021</b>	<b>30 June 2021</b>
	\$	\$
<b>5. TRADE AND OTHER RECEIVABLES</b>		
Current		
Accrued Interest	1,661	1,027
Net GST receivable	103,602	45,274
	<u>105,263</u>	<u>46,301</u>

**6. RIGHT-OF-USE ASSETS**

Right of use assets – Office lease	217,773	217,773
Accumulated depreciation	(172,048)	(155,910)
	<u>45,725</u>	<u>61,863</u>

**7. EXPLORATION AND EVALUATION EXPENDITURE**

Costs carried forward in respect of:		
Exploration and evaluation phase – at cost	16,024,685	13,934,466

	<b>6 months to 31 December 2021</b>	<b>Year to 30 June 2021</b>
	\$	\$
<b>Reconciliation</b>		
Opening balance	13,934,466	11,387,156
Acquisition of tenements	174,750	-
Incurred during the year	1,916,369	2,547,310
Allocated to pre-grant expenditure	(900)	-
Total exploration and evaluation expenditure	<u>16,024,685</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.

	<b>31 December 2021</b>	<b>30 June 2021</b>
	\$	\$
<b>8. TRADE AND OTHER PAYABLES</b>		
Current		
Trade creditors	255,773	124,599

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

**9. LEASE LIABILITIES**

Current		
Lease liabilities	27,367	59,320

**GALILEO MINING LTD**

ABN 70 104 114 132

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	31 December 2021 \$	30 June 2021 \$
<b>10. ISSUED CAPITAL</b>		
<b>(a) Ordinary shares</b>	28,897,487	22,929,035

Movements of ordinary shares

	<b>6 months to 31 December 2021</b>		<b>Year to 30 June 2021</b>	
	<b>Number</b>	<b>\$</b>	<b>Number</b>	<b>\$</b>
<b>Shares on issue</b>				
Beginning of financial period	143,101,205	22,929,035	143,101,205	22,929,035
Placement	25,000,000	6,500,000	-	-
Acquire tenement	308,000	80,080	-	-
Less capital raising costs	-	(611,628)	-	-
As at the end of the period	168,409,205	28,897,487	143,101,205	22,929,035

**11. 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 \$51,000 (excluding GST) (30 June 2021: \$102,000). As at 31 December 2021, \$9,350 was payable to Whypro Corporate Services.

**12. 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.

<b>Class</b>	<b>Expiry date</b>	<b>Exercise price</b>	<b>Date granted</b>	<b>Number of options</b>	<b>Grant date fair value</b>	<b>Vesting date</b>
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%

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

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

	<b>6 months to</b>		<b>Year to</b>	
	<b>31 December 2021</b>		<b>30 June 2021</b>	
	<b>Number</b>	<b>WAEP</b>	<b>Number</b>	<b>WAEP</b>
		<b>\$</b>		<b>\$</b>
Outstanding at the beginning of the period	14,772,727	0.23	17,272,727	0.23
Granted during the period	2,500,000	0.52	-	-
Expired or Cancelled during the period	-	-	(2,500,000)	0.20
Outstanding at the end of the period	17,272,727	0.28	14,772,727	0.23
Exercisable at reporting date	2,272,727	0.44	2,272,727	0.44
Exercisable at reporting date	2,500,000	0.52	-	-

**(b) Performance Rights**

During the year the following performance rights were granted to employees. A total of \$46,312 was recognised as a share-based payment expense.

<b>Class</b>	<b>Expiry date</b>	<b>Exercise price</b>	<b>Date granted</b>	<b>Number</b>	<b>Grant date fair value</b>	<b>Expected Vesting date</b>
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: -

- (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 6 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

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

ABN 70 104 114 132

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

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.

### Movement of Performance Rights:

	6 months to 31 December 2021 Number	Year to 30 June 2021 Number
Outstanding at beginning of the period	1,100,000	1,600,000
Granted during the period	600,000	-
Cancelled during the period	(100,000)	(500,000)
Outstanding at the end of the period	1,600,000	1,100,000

### 13. FINANCIAL INSTRUMENTS

#### Risk Management Activities

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

#### Financial Instruments

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

	31 December 2021 \$	30 June 2021 \$
<b>Financial assets:</b>		
Cash and cash equivalents	9,042,206	5,395,503
Term deposits (greater than 3 months)	-	-
Trade and other receivables – at amortised cost	1,661	1,027
<b>Total</b>	<b>9,043,867</b>	<b>5,396,530</b>
<b>Financial liabilities:</b>		
Trade and other payables – at amortised cost	255,773	124,599
Lease liabilities	27,367	59,320
<b>Total</b>	<b>283,140</b>	<b>183,919</b>

#### Fair Values

Due to the nature of the Company's financial instruments, carrying value is considered to approximate fair value for all classes of financial instruments at 31 December 2021.

### 14. EVENTS SUBSEQUENT TO BALANCE DATE

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

### 15. GUARANTEES AND CONTINGENT LIABILITIES

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

# **GALILEO MINING LTD**

ABN 70 104 114 132

## **DIRECTORS' DECLARATION**

### **FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

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

- a. the accompanying interim financial statements and notes are in accordance with the Corporations Act 2001 including:
  - i. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year then ended; and
  - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- c. the interim financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

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



**Mr Brad Underwood**  
**Chairman/Managing Director**  
**Perth, 10 March 2022**

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Galileo Mining Ltd

**Report on the Condensed Half-Year Financial Report***Conclusion*

We have reviewed the accompanying half-year financial report of Galileo Mining Ltd ("the company") which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Basis for conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

*Responsibility of the directors for the financial report*

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

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**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

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

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

*Auditor's responsibility for the review of the financial report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

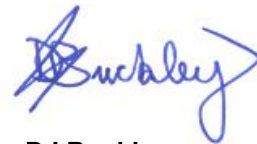
*Independence*

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



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

**Perth, Western Australia**  
**10 March 2022**



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