

26 October 2020

ASX: GAL

#### Corporate Directory

##### Directors

##### Chairman & Managing Director

Brad Underwood

##### Technical Director

Noel O'Brien

##### Non-Executive Director

Mathew Whyte

##### Projects

Norseman Project

Cobalt-Nickel-Copper

Fraser Range Project

Nickel-Copper-Gold



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## QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

### Fraser Range Project

- Diamond drilling campaign completed to test deeper nickel prospective targets beneath shallow cover
- Drilling has uncovered disseminated and blebby sulphide mineralisation with assays pending
- RC drilling campaign completed to test mineralisation and establish diamond drilling pre-collars
- RC assay results expand nickel-copper footprint at the Lantern South prospect with:
  - 41 metres @ 0.19% nickel & 0.14% copper from 55m (LARC0012), including
    - 10 metres @ 0.26% nickel & 0.23% copper from 78m; and
    - Anomalous gold (max 88ppb), platinum (75ppb) & palladium (max 88ppb) associated with nickel and copper interval
- Comprehensive Moving Loop EM surveying at the Lantern area underway
- Surveys are designed to detect zones of nickel sulphide mineralisation associated with mafic/ultramafic intrusions identified by aircore drilling
- New surveys covering an area of 46km<sup>2</sup>, over two times larger than the current exploration footprint

### Corporate

- Well-funded to continue exploration programs with approximately \$7.7 million in cash as at 30<sup>th</sup> September 2020
- Fully funded for all planned exploration programs

Galileo Mining Ltd (ASX: GAL, "Galileo" or the "Company") is pleased to provide a summary of activities for the quarter ending 30 September 2020.

Commenting on the September Quarter, Galileo Managing Director Brad Underwood said:

*"The quarter has been a significant period for Galileo as the Company expedited its exploration activities, across a number of fronts. Notably, the Company was able to complete a diamond drilling campaign, RC drilling campaign as well as electromagnetic (EM) surveying at its Fraser Range prospects.*

*“Galileo holds some exceptional tenements in the Fraser Range nickel belt and management is focussed on making a discovery in the region through an active exploration schedule.*

*“Our ground has had no previous nickel exploration which provides Galileo with a first-mover advantage on a virgin greenfields property in a new nickel belt.*

*“Assays from our diamond drilling exploration, which are expected shortly, will assist us in planning future exploration. Drilling results to date confirm we have been able to successfully uncover sulphides in the correct host rocks. Our task is to locate the source of these sulphides within the same rocks which we believe have the potential to contain economic quantities of nickel-copper.”*

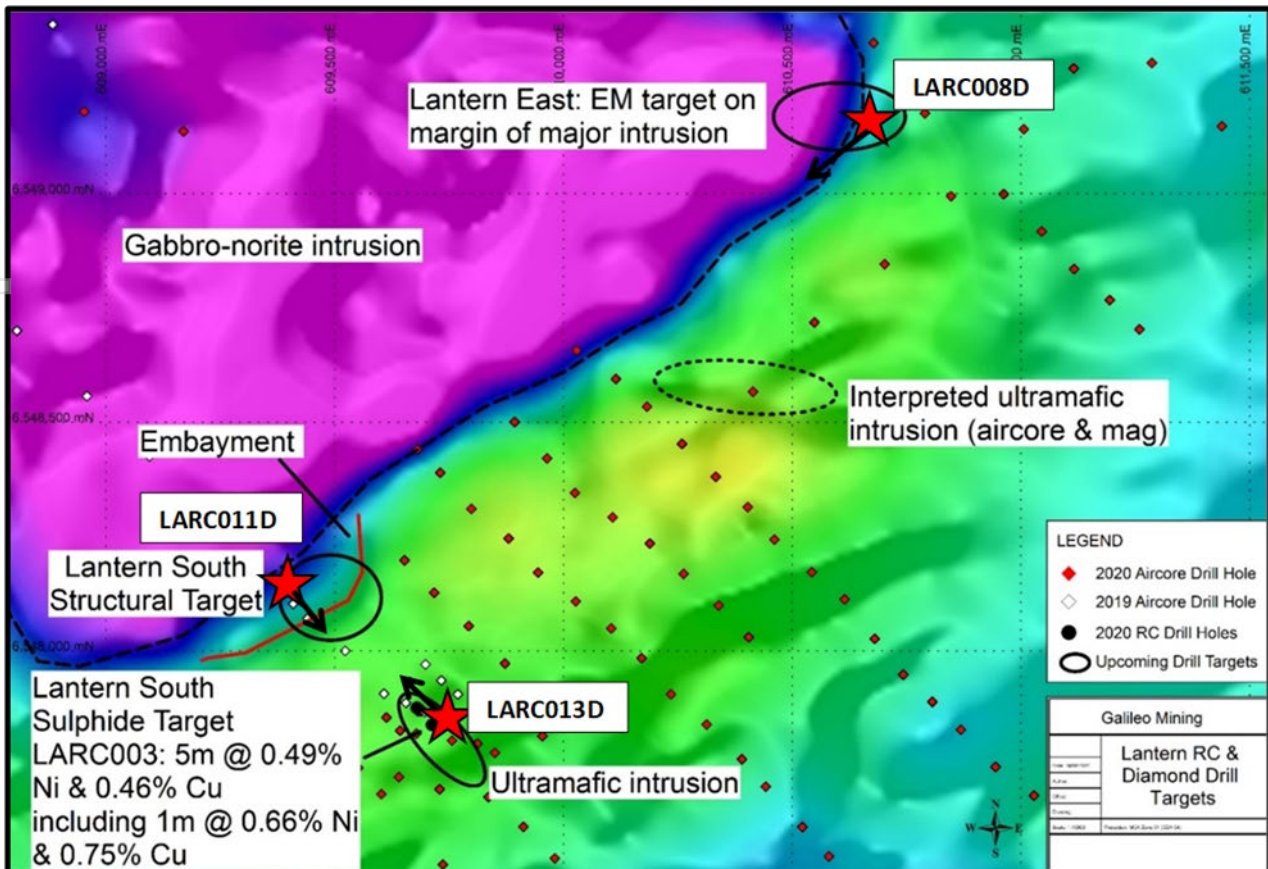
**Fraser Range Project, WA**

During the September Quarter 2020, Galileo undertook significant exploration work programs at the Lantern Prospect.

1) Diamond drilling

A diamond drilling exploration campaign was completed at the Company’s Lantern prospect in the Fraser Range during the period. Three significant nickel targets were drilled, and Figure 1 shows the relative locations of Lantern East EM target (LARC008D), the structural target (LARC011D), and the disseminated sulphide target at Lantern South (LARC013D).

**Figure 1 – Drill Targets at Lantern South & Lantern East Prospects (TMI-1VD Magnetic Image)**



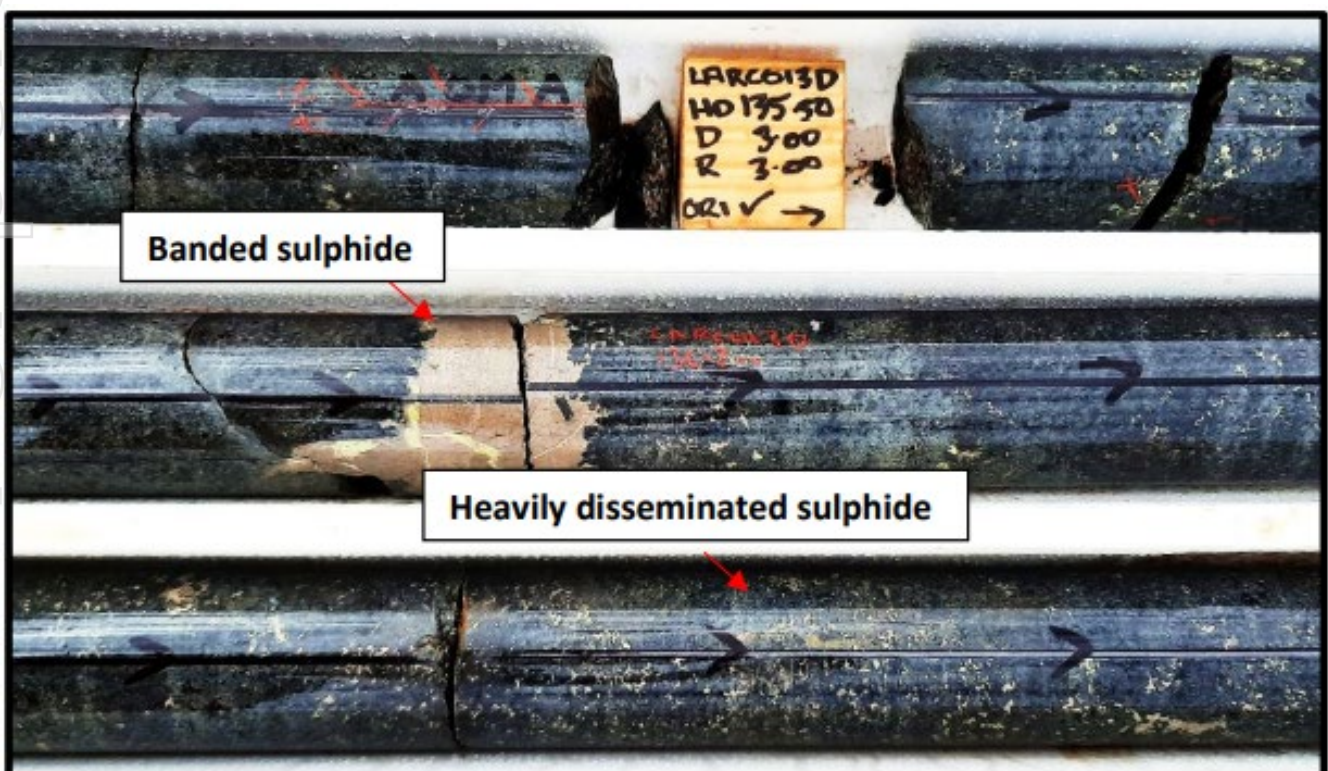


Diamond drill holes LARC008D and LARC013D have both intersected significant sulphide mineralisation. LARC008D intersected a suite of mafic intrusions with minor mafic granulite and pegmatite units. The dominant mafic intrusions are various types of gabbro-norite with the disseminated and blebby sulphide mineralisation (predominantly pyrrhotite, with lesser chalcopyrite-pentlandite) occurring in the upper parts of the hole. In total, sulphides are present over 108.5 metres between 204m and 312.5m downhole. The lower part of the drill hole from 312.5m intersected the regionally large gabbro-norite intrusion and does not contain sulphide minerals.

LARC008D targeted an EM conductor with the top of the model at 225m below surface. The drill hole pierced the model at approximately 320m down hole and no conductive source was identified. The blebby and disseminated sulphides intersected between 204 and 312 metres are not conjoined or abundant enough to produce a conductive response. Initial downhole EM surveying has been performed using one loop configuration. This did not identify a conductor able to explain the responses observed from both surface moving loop and fixed loop EM surveys. Additional downhole and surface EM surveys will now be planned to better model the bedrock conductor prior to further drill testing.

The wide zone of disseminated sulphides intercepted in LARC008D is highly encouraging as it may represent a halo zone of sulphide mineralisation proximal to a zone of economic sulphides. No graphitic or sulphidic sediments were encountered and therefore any conductive response represents a high priority target as it is more likely to be associated with sulphide bearing intrusive rock units.

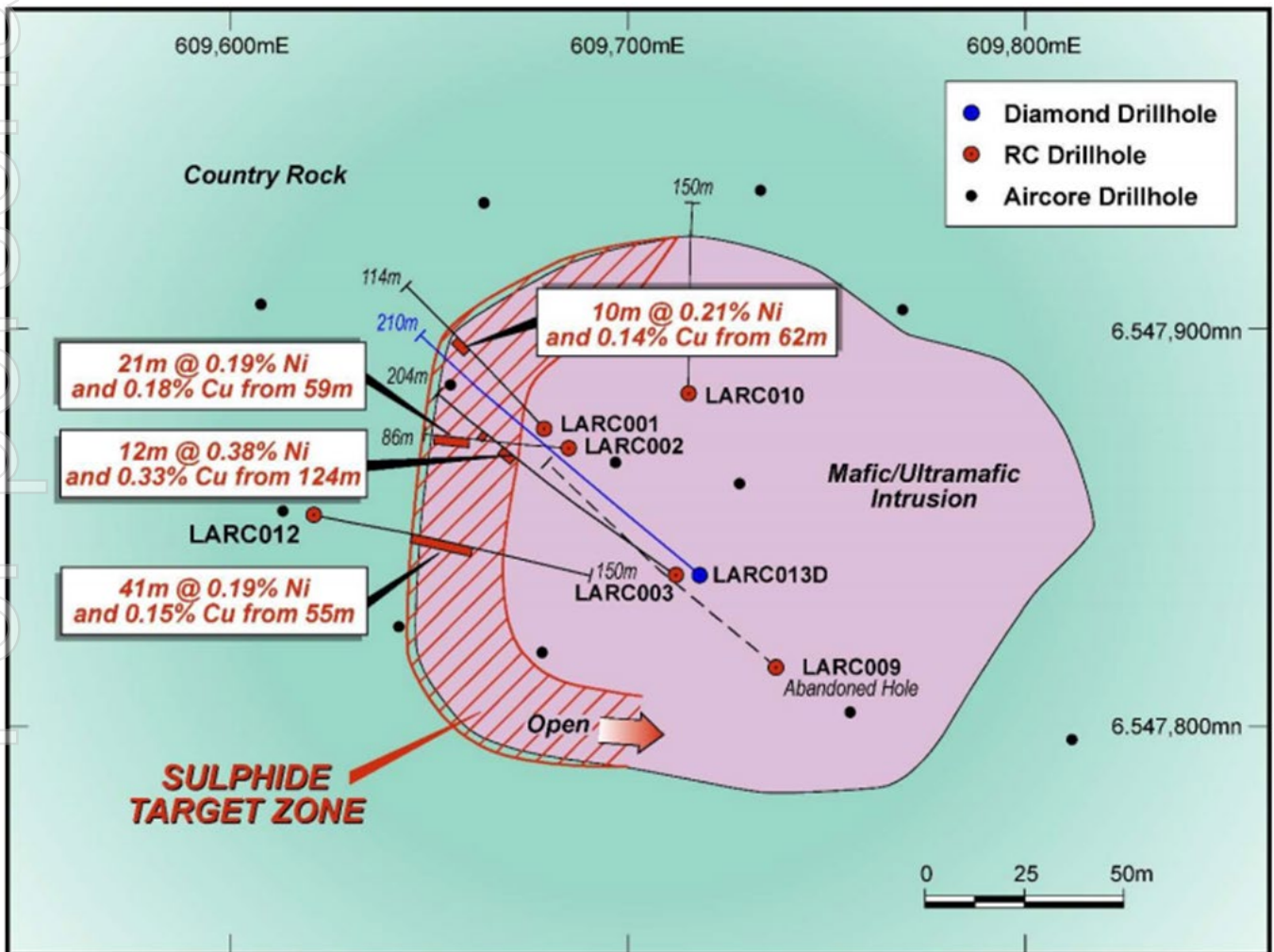
**Figure 2 – Disseminated, blebby and banded sulphide mineralisation in drill hole LARC013D**



LARC013D intersected a multi-phased ultramafic unit within a gabbro-norite host rock. Disseminated, blebby and banded sulphides (pyrrhotite-chalcopyrite-pentlandite) occur close to the contact zone between the ultramafic and the host rock (see Figure 2). The diamond drill hole was designed to pass close to RC drill hole LARC003 which previously intersected disseminated sulphides. The approximate horizontal perpendicular distance between sulphide zones in drill holes LARC003 and LARC013D is 10 metres. Detailed structural and lithological logging of all drill core is being undertaken to understand the occurrence and nature of the mineralisation. This will greatly assist with future drill targeting at the Lantern Prospect and within the surrounding area.

The drill hole into the magnetic embayment target (LARC011D) intersected a distinct change in lithology however this contact was not found to be associated with sulphide mineralisation. All logging of the diamond drill core has now been undertaken and samples sent to the laboratory with assays pending.

**Figure 3 - Lantern South Prospect Plan View of RC & Diamond Drilling showing Sulphide Target Zone**



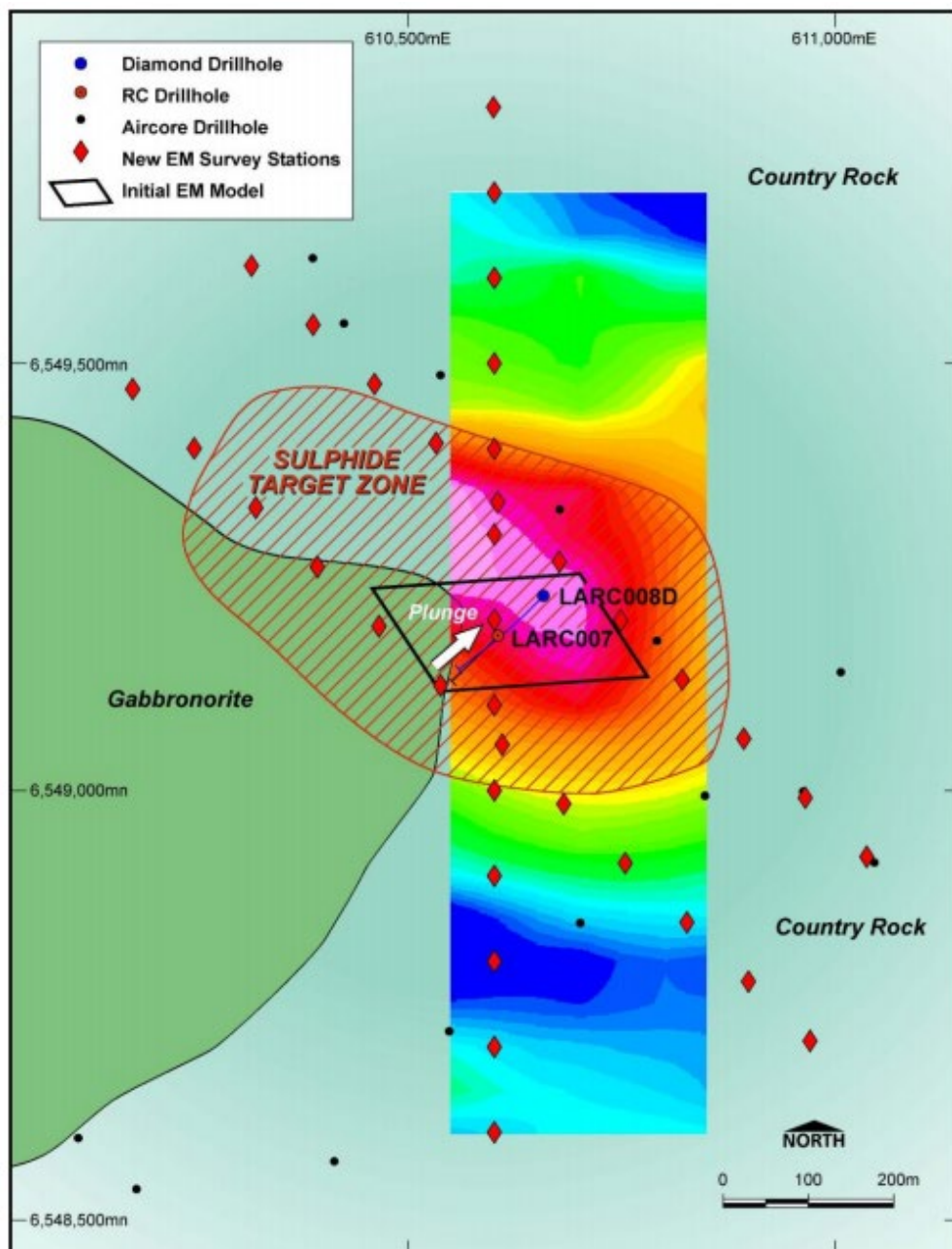


2) RC drilling

RC drilling was undertaken in August to expand the known area of mineralised ultramafic target rocks at the Lantern South prospect, to investigate the stratigraphy at the Lantern East prospect, and to establish pre-collars for a diamond drilling program which was subsequently completed (see Figure 3).

Assays from LARC012 showed anomalous nickel and copper over 41 metres from the shallow depth of 55 metres downhole. Importantly, nickel and copper were also associated with anomalous gold, platinum and palladium which are significant indicators of magmatic nickel-copper systems.

**Figure 4 - Lantern East Prospect Plan View of RC, Diamond Drilling and initial EM model showing Sulphide Target Zone.**



For personal use only

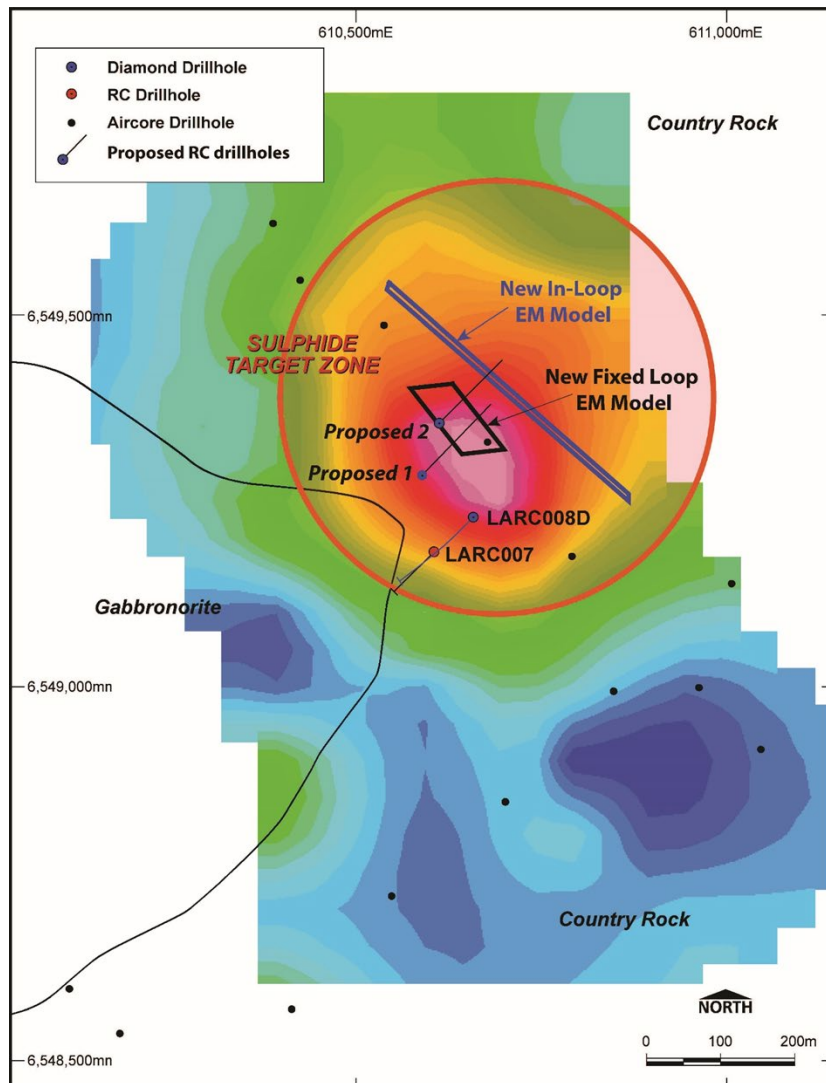
1,181 metres of RC drilling was completed, split between four targeted RC drill holes and three pre-collars designed for diamond core tails.

Previous nickel and copper intersected at a similar depth in LARC002 was found to be related to sulphide mineralisation at depth in LARC003 and LARC013D. This strongly suggests that sulphide mineralisation will exist beneath LARC012. The sulphide target zone on the western margin of the ultramafic unit continues to be open further to the south as shown in Figure 3.

RC drillhole LARC009 was abandoned, due to a shanked bit downhole, before it could fully test the sulphide target zone. This zone will need to be assessed in a later drilling program.

RC drill hole LARC007 and diamond drill hole LARC008D targeted the Lantern East prospect where a conductive response was observed in Moving Loop and Fixed Loop surface EM surveys. LARC007 tested the up-dip stratigraphy of the conductive model and LARC008D was drilled through the model (see Figure 4).

**Figure 5 - New EM Models at the Lantern East Prospect with Initial Drillholes (LARC007 and LARC008D) and Proposed RC Drillholes over EM Background (Ch 32, in-loop survey)**



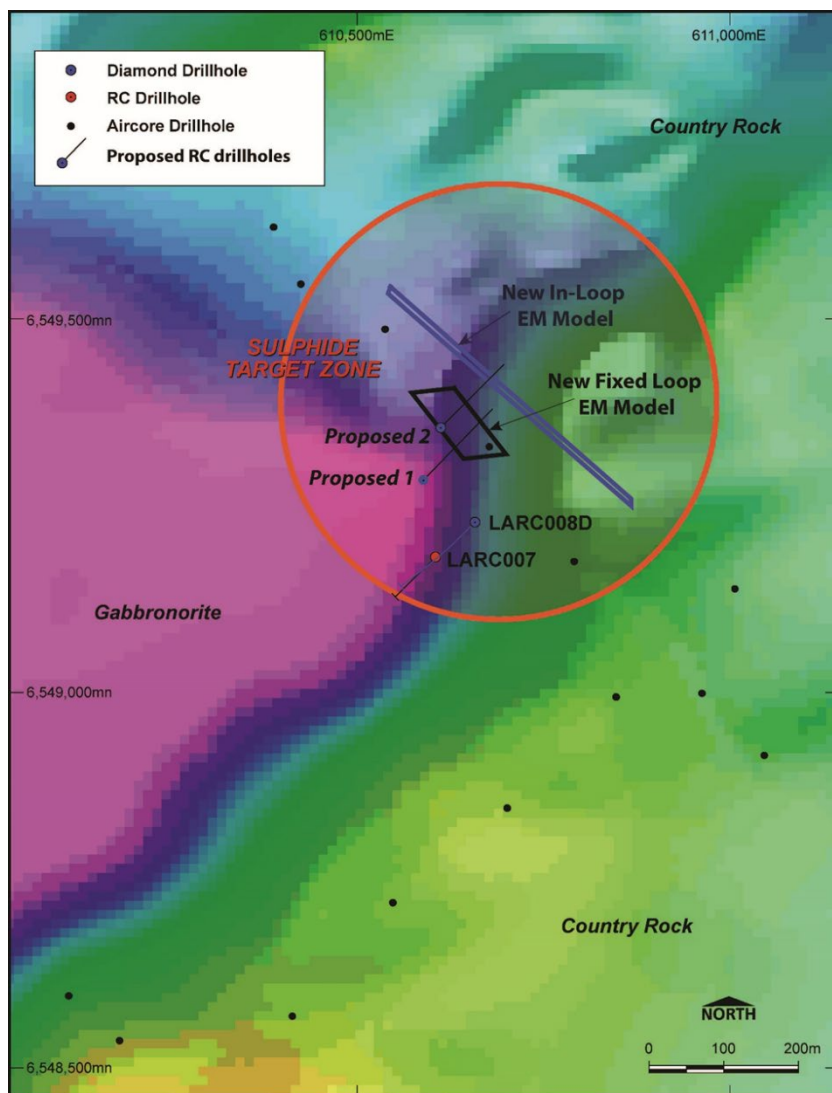
For personal use only

Post quarter end, new EM conductors at Lantern East were announced. These conductors have been modelled based on new surveys carried out at the prospect. Modelling of the new EM data has created two large and highly conductive models for drill testing at relatively shallow depths starting from 140 metres below surface.

Three new surveys were undertaken to complement the two existing EM data sets at the prospect. A total of five surface EM data sets have each confirmed the EM response on surface at the margin of a major gabbro-norite intrusion.

Figures 5 and 6 show the location of the new conductors which are situated at a highly prospective location on the margin of a major gabbro-norite intrusion. Please see ASX announcement “New EM Conductors at Lantern Prospect in the Fraser Range” dated 20<sup>th</sup> October 2020 for more details.

**Figure 6 - New EM Models at the Lantern East Prospect with Initial Drillholes (LARC007 and LARC008D) and Proposed RC Drillholes over Magnetic Background (TMI Image)**



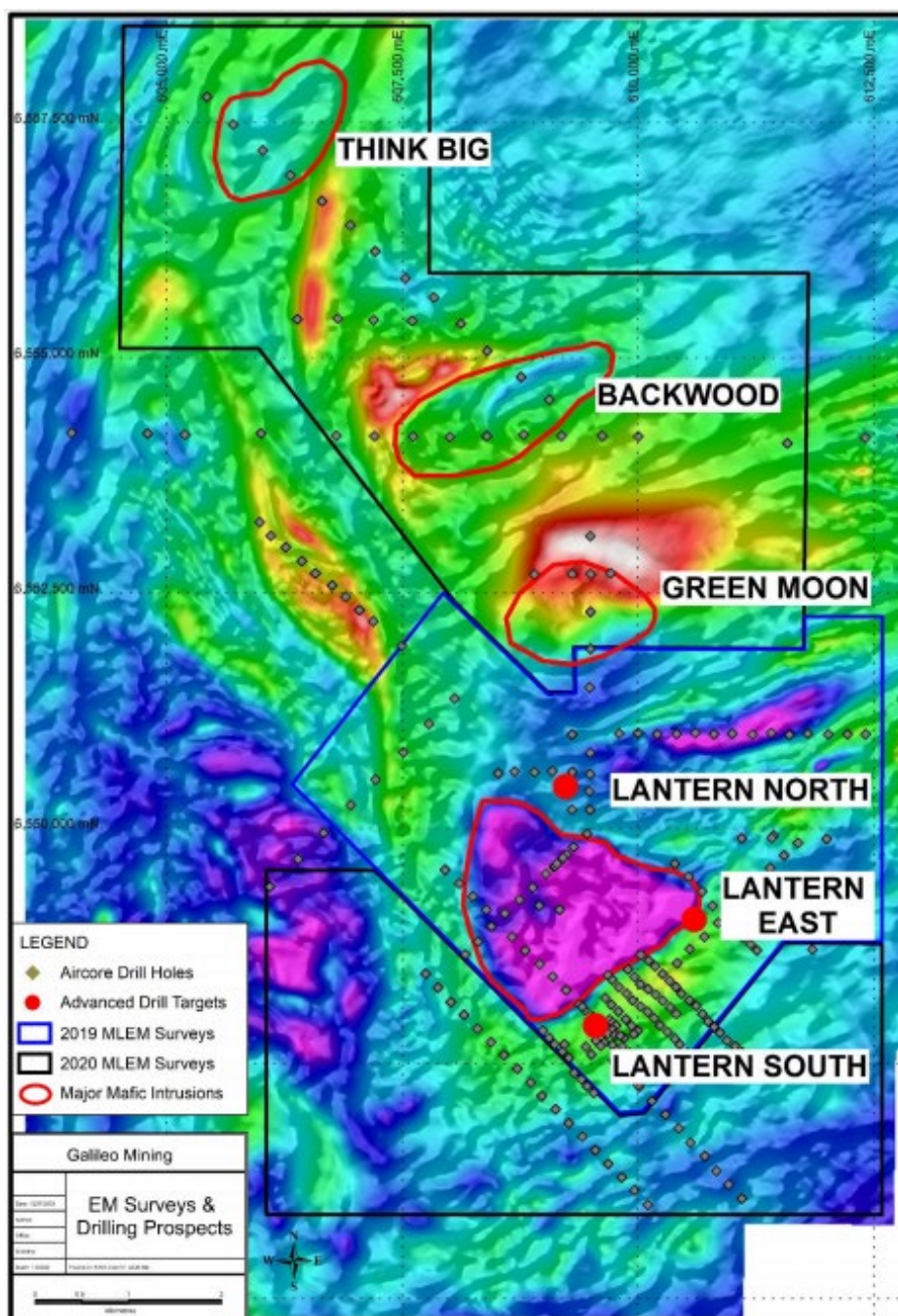


### 3) Regional EM Surveying

Galileo Mining is in the process of completing an extensive program of EM surveying covering approximately 46km<sup>2</sup> of tenure within the Company's Fraser Range nickel project (see Figure 7).

The surveys are designed to cover prospective intrusions, identified by aircore drilling and magnetic interpretation, located along strike from the Lantern area. The new EM surveys will focus on zones both north and south of the Lantern prospects and will dramatically expand the footprint of exploration.

**Figure 7 - Regional MLEM Surveys Along Strike of Lantern Prospect (TMI-1VD Magnetic Image)**

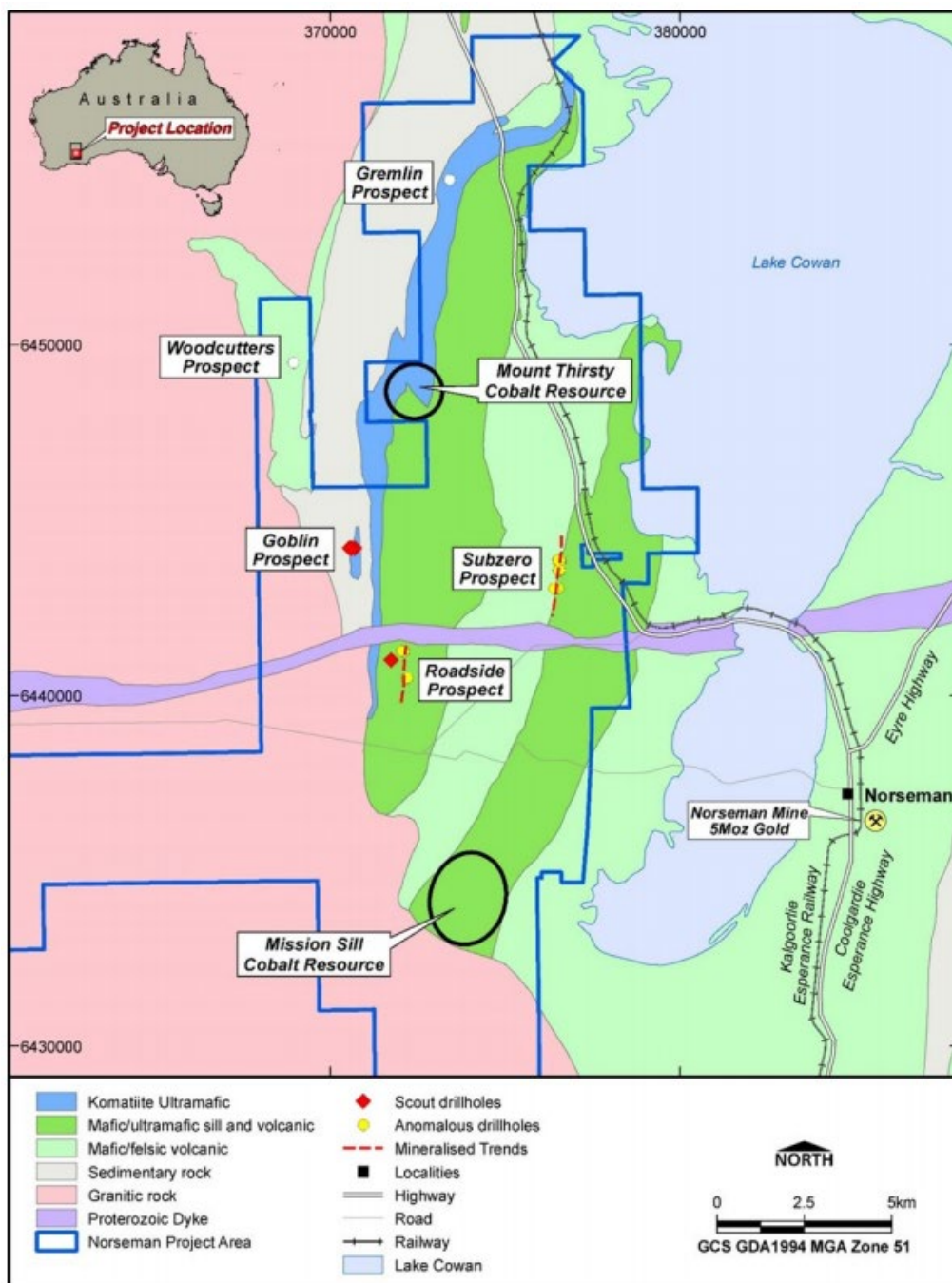




**Norseman Project, WA**

The Norseman Cobalt Project mine lease and miscellaneous license applications were granted over the period. These project permit approvals will be a considerable value-add to the existing JORC compliant resource base at Norseman in the event that cobalt prices recover sufficiently. It is anticipated that if cobalt prices improve in the future then the Norseman Cobalt Project may again become a significant focus of the Company's exploration and development programme.

**Figure 8 - Galileo's Norseman Project Area with Prospect Locations and JORC Cobalt Resources**



Soil sampling and mapping at the Woodcutters komatiite nickel targets and VMS copper-gold position has been planned and is scheduled to occur over the coming quarter. An additional soil sampling program targeting gold and platinum group elements has also been planned over the eastern and northern sections of the Mission Sill.

Komatiite nickel sulphide mineralisation is the dominant deposit type within the prolific Kambalda nickel district. Galileo's Norseman Project is located at the southern end of the Norseman-Wiluna greenstone belt which also contains the Kambalda nickel mines. The Company intends to build its suite of nickel and gold/platinum/palladium prospects at the Norseman project in anticipation of future drill testing.

### **Corporate**

Galileo is well funded to continue exploration with approximately \$7.7 million in cash as of 30 September 2020. This puts the Company in a secure position to undertake all its planned exploration programs.

Estimated expenditure for the upcoming December 2020 Quarter is approximately \$1.0 million. Please refer to the attached Appendix 5B report for the period ended 30 September 2020 for further information.

### **ASX Additional Information**

1. ASX Listing Rule 5.3.1: Exploration and Evaluation expenditure during the quarter was \$900,000 representing approximately 96% of cashflows from operating and investing activities. Full details of exploration activity during the June 2020 Quarter are set out in this report.
2. ASX Listing Rule 5.3.2: There was no substantive mining production and development activities during the Quarter.
3. Rule 5.3.5: – Payments to related parties of the Company and their associates during the Quarter (as detailed in Section 6 of the accompanying Appendix 5B) totalling \$147,000 was paid to Directors and Associates for salaries, superannuation, and director and consulting fees.



### Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled 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 report of the matters based on his information in the form and context in which it appears.

### Authorised for release by the Galileo Board of Directors

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### About Galileo Mining:

Galileo Mining Ltd (ASX: GAL) is focussed on the exploration and development of cobalt and nickel resources in Western Australia. GAL holds tenements near Norseman with over 26,000 tonnes of contained cobalt, and 122,000 tonnes of contained nickel, in JORC compliant resources (see Figure 9 below). GAL also has Joint Ventures with the Creasy Group over tenements in the Fraser Range which are highly prospective for nickel-copper-cobalt sulphide deposits.

*Figure 9: JORC Mineral Resource Estimates for the Norseman Cobalt Project (“Estimates”) (refer to ASX “Prospectus” announcement dated May 25<sup>th</sup> 2018 and ASX announcement dated 11<sup>th</sup> 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).*

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>

**Appendix 1: Galileo Mining Tenement Schedule as at 30 September 2020**

Project	Tenement reference & Location	Interest at beginning of Quarter	Interest at end of Quarter	Nature of Interest As at end of Quarter
<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
	M63/671	0%	100%	Active
	L63/83	0%	100%	Active
	L63/85	0%	100%	Active
	L63/86	0%	100%	Active
	L63/87	0%	100%	Active
	L63/88	0%	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
	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).



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Galileo Mining Ltd

ABN

70 104 114 132

Quarter ended ("current quarter")

30 September 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(42)	(42)
(e) administration and corporate costs	(93)	(93)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	21	21
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	55	55
1.8 Other (provide details if material)	23	23
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(37)</b>	<b>(37)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(900)	(900)
(e) investments	-	-
(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Security Deposit refunded)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(900)</b>	<b>(900)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Lease Payments)	(30)	(30)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(30)</b>	<b>(30)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	8,697	8,697
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(37)	(37)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(900)	(900)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(30)	(30)



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>7,730</b>	<b>7,730</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	28	51
5.2	Call deposits	7,702	8,646
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>7,730</b>	<b>8,697</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	70
6.2	Aggregate amount of payments to related parties and their associates included in item 2	77

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(37)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(900)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(937)
8.4 Cash and cash equivalents at quarter end (item 4.6)	7,730
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	7,730
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	8.25
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

26 October 2020

Date: .....

By the Board

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.