FINANCIAL REPORT

For the Half-Year Ended 31 December 2019

CONTENTS

DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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 half-year ended 31 December 2019.

DIRECTORS

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

- Simon Jenkins (Chairman) (Deceased 24 December 2019)
- Richard (Brad) Underwood (Managing Director and interim Chairman effective from 26 December 2019)
- Noel O'Brien (Technical Director)
- Mathew Whyte (Non-executive Director) (Appointed 26 December 2019)

The Directors were in office for the entire period unless otherwise stated.

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 $496,471 (2018: $637,371).

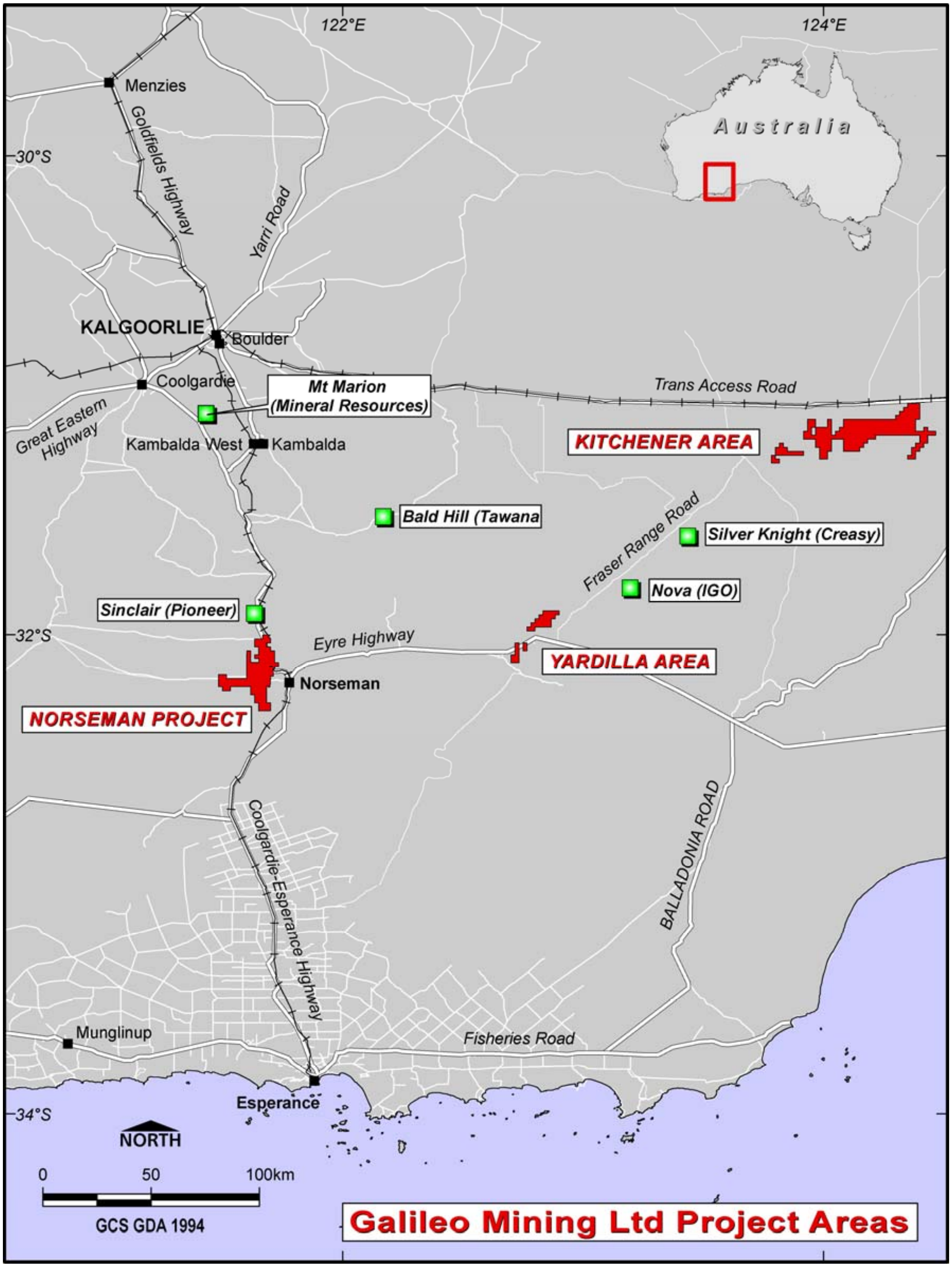
The Group has not reached a stage in its development where it is generating an operating profit. All the Group's efforts go into project exploration and evaluation.

At the end of the financial period the Group had cash on hand, including deposits of $5,411,338 (30 June 2019: $7,070,456) and Net Assets of $15,519,323 (30 June 2019: $15,956,047).

REVIEW OF OPERATIONS

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

1. The Fraser Range Project with substantial exploration tenement prospective for nickel-copper-cobalt deposits; and
2. The Norseman Project with a JORC compliant cobalt-nickel resource and additional prospectivity for nickel and copper sulphide deposits.


122°E
124°E
Menzies
Goldfields Highway
Yarri Road
Australia
30°S
KALGOORLIE
Boulder
Coolgardie
Mt Marion
(Mineral Resources)
Trans Access Road
Great Eastern Highway
Kambalda West
Kambalda
KITCHENER AREA
Bald Hill (Tawana
Fraser Range Road
Silver Knight (Creasy)
Nova (IGO)
Sinclair (Pioneer)
32°S
Eyre Highway
YARDILLA AREA
Norseman
NORSEMAN PROJECT
BALLADONIA ROAD
Coolgardie-Esperance Highway
Munglinup
Fisheries Road
Esperance
34°S
NORTH
0
50
100km
GCS GDA 1994
Galileo Mining Ltd Project Areas

Highlights of the Company's activities during the half-year included:

Fraser Range Project (Joint Venture with Creasy Group)

- Interpretation of detailed magnetic data at Lantern Prospect shows additional untested targets prospective for Nova style nickel deposits.
- Aircore drilling at the new Delta Blues Prospect in the northern Fraser Range and at the Lantern Prospect reveals nickel prospective intrusive rock units improving confidence in the new interpretation.
- Exploration activity in the first half of 2020 will be focussed on drilling in the Fraser Range targeting high value nickel-copper deposits.

Norseman Project (100% owned)

- Follow-up Reverse Circulation (RC) drilling targeting copper and gold completed with 1,279m of RC drilling undertaken at the Subzero Prospect and other early stage prospects within the project area.
- RC drilling at Subzero and at the new Roadside Prospect demonstrates mineralised copper and zinc trends over 800 metres in strike length.
- Zones of copper and zinc mineralisation in six drill holes including:
  - o 15m @ 0.13% copper & 0.45% zinc from 51m (NRC253)
  - o 9m @ 0.14% copper & 0.67% zinc from 84m (NRC257)
  - o 6m @ 0.16% copper & 0.75% zinc from 102m (NRC259)

Corporate

- Brad Underwood appointed interim Chairman following passing of Non-Executive Chairman Simon Jenkins.
- Company Secretary, Mathew Whyte, joins the Board as a Non-Executive Director.
- Strong cash position of $5.4 million as at 31 December 2019.

Fraser Range Project, WA

During the period, results from October aircore drilling programs undertaken at the Lantern Prospect and Delta Blues Prospect were received, confirming prospective intrusions at both prospects.

In only the second round of aircore drilling ever completed at the Lantern Prospect, located 50km along strike from Legend Mining Ltd's (ASX: LEG) Mawson (Area D) Prospect in the northern Fraser Range, confirmed a highly prospective intrusive gabbronorite rock unit above a previously reported conductor. (1) (2)

(1) Refer to the Company's ASX announcement dated 10th July 2019,

(2) Refer to the Company's ASX announcement dated 4th November 2019

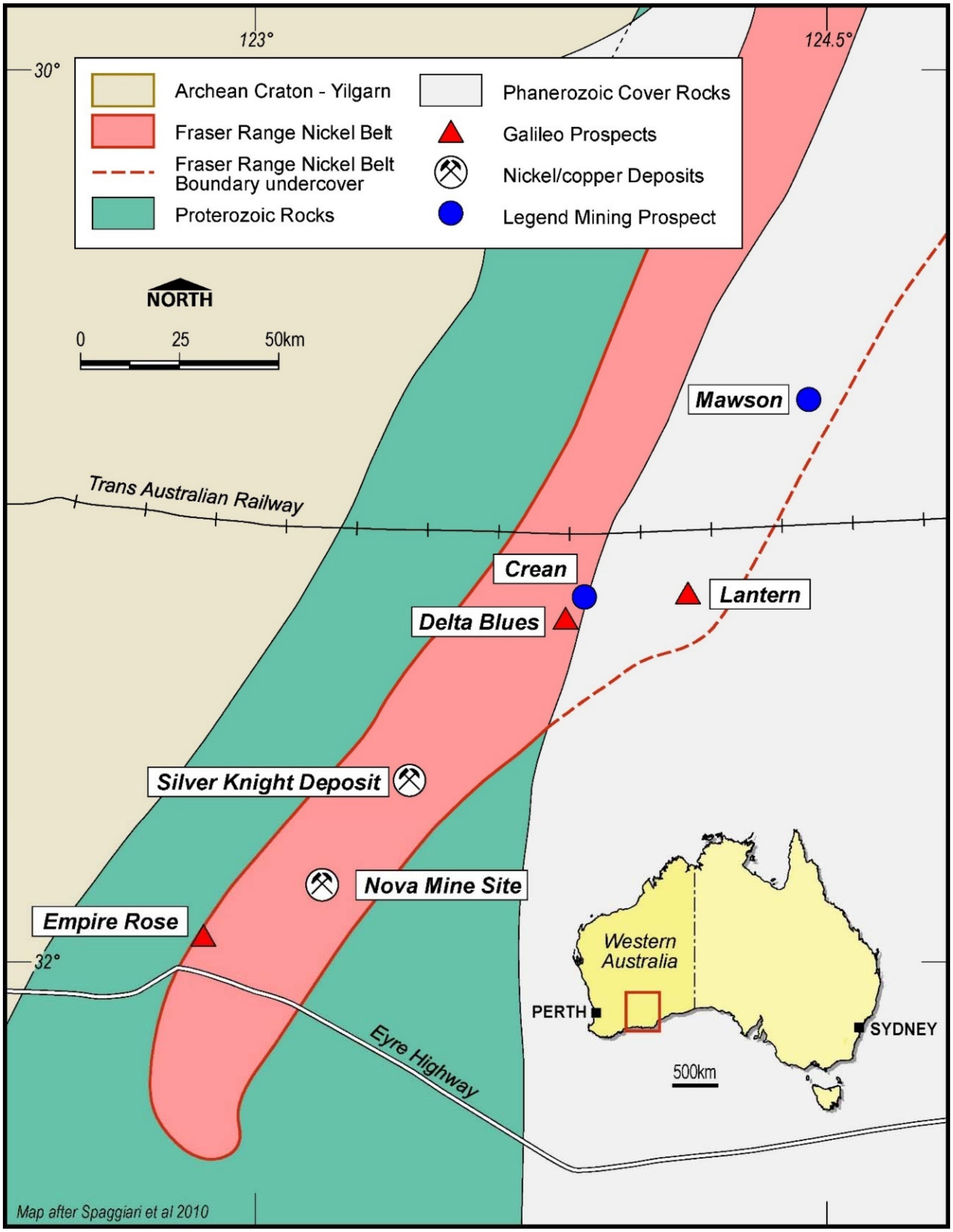


Figure 2 – Galileo Prospect Locations in the Fraser Range Nickel Belt with Simplified Geology, Current Deposits and Key Prospects

Aircore drill holes reached a maximum depth of 102m and were designed as a first pass test to confirm the prospectivity of the conductive targets which have been modelled at approximately 340m depth.

A number of high-quality drill targets have now been developed at the Lantern prospect. Anomalous aircore drilling results of 27 metres at 0.18% nickel and 0.17% copper (3) require immediate follow up with drilling planned to commence in late February 2020. A separate EM anomaly centred over a highly prospective mafic contact rock unit will also be targeted in the February drilling program (see Figure 3 section below).

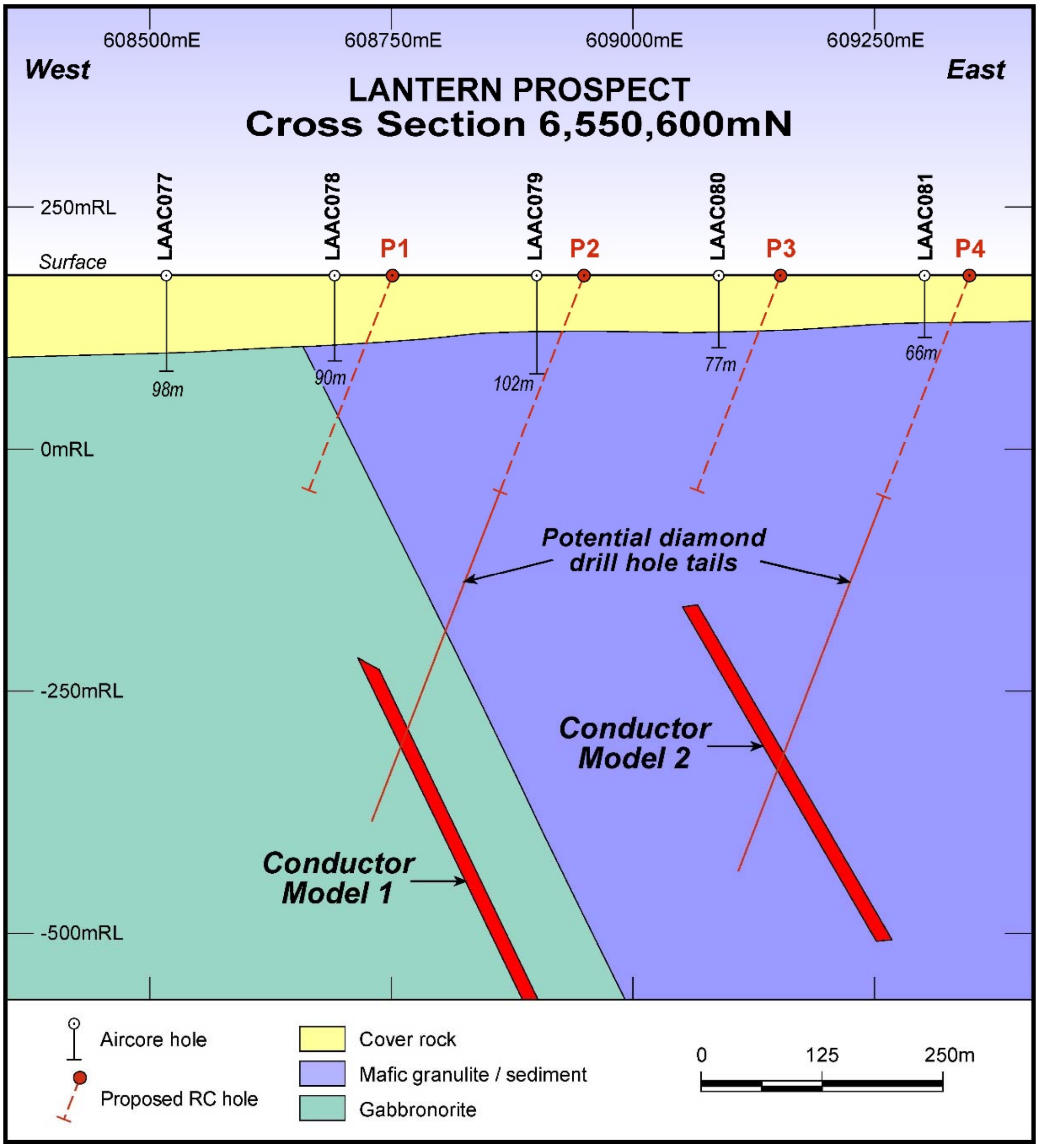


Figure 3 – Lantern Prospect aircore drill hole section with planned RC drill holes and possible diamond drill holes (actual location of diamond drilling will depend on results of initial RC drilling)

Initial aircore drilling completed at the new Delta Blues Prospect, which occurs four kilometres along strike from Legend Mining's Crean Prospect in the northern Fraser Range area, also confirmed a highly prospective intrusive cumulate rock unit with weathered sulphides encountered at shallow depths. (4)

The Company completed petrographical analysis of rock chips from Delta Blues drill holes which demonstrated cumulate mafic and mafic granulite rocks with weathered sulphide minerals (< 1% of sample). Cumulate mafic intrusive rocks are the type of rocks known to be associated with magmatic nickel sulphide mineralisation both in the Fraser Range and globally.

During the period, an updated interpretation of the detailed airborne magnetic data surrounding the Lantern Prospect was undertaken. The updated interpretation has shown multiple untested targets prospective for Nova style nickel-copper deposits. (5)

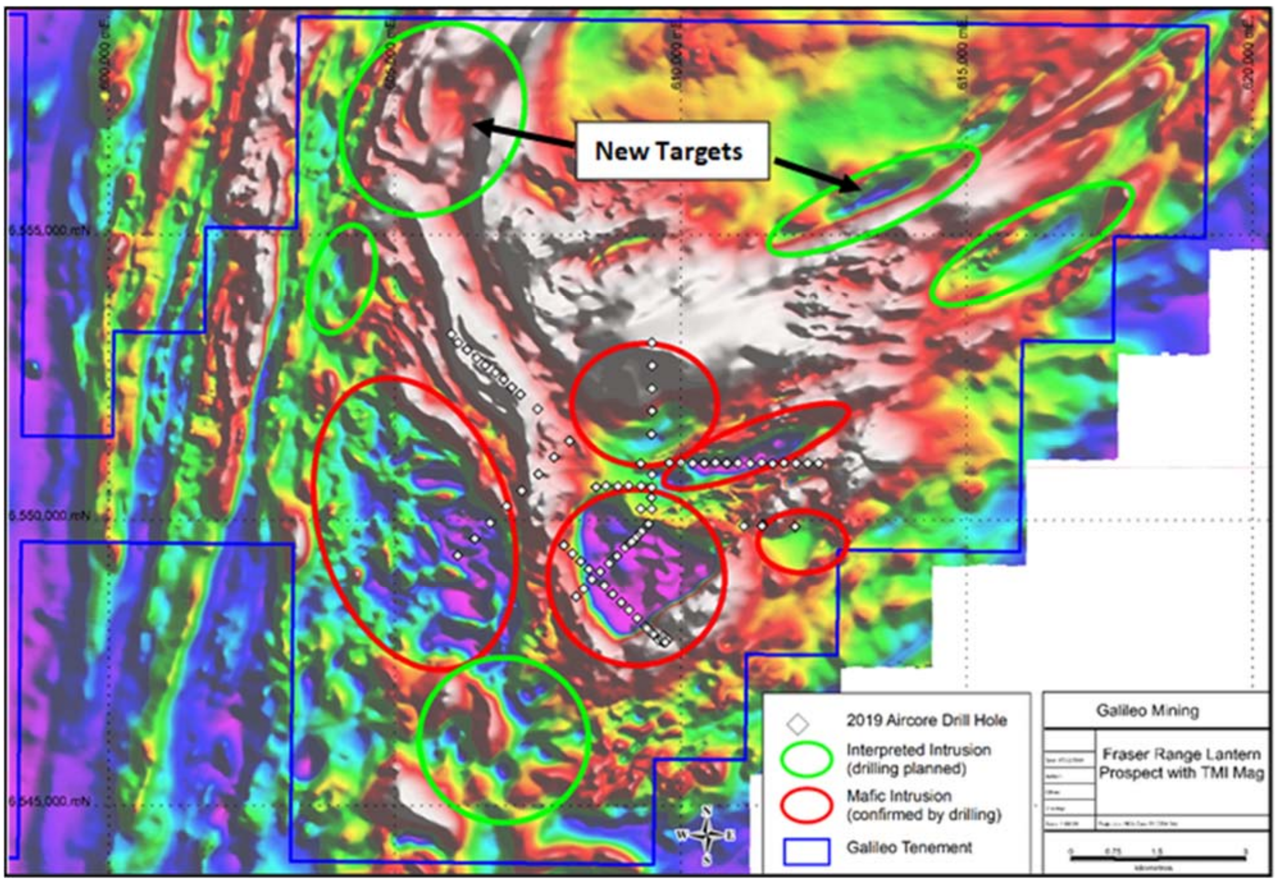


Figure 4 – Lantern Prospect Confirmed Intrusions with Aircore Drill hole Locations and Untested New Target Zones over TMI Magnetic Image (aircore drilling planned).

Figure 4 displays the new interpreted intrusions (green ellipses) which will be targeted with aircore drilling programs to assess the bedrock geology for mineral potential beneath cover rocks. Cover rocks in the area are estimated at between 40 and 100 metres with the aircore drilling technique providing a cost-effective method of first pass assessment.

Importantly, the new interpretation is supported by the on-ground results obtained from October 2019 aircore drilling undertaken at the Lantern and Delta Blues Prospects.

Detailed airborne magnetic data flown at a 50-metre line spacing has been utilised to undertake the interpretation. Prospective mafic-ultramafic intrusions in the Fraser Range often display unique magnetic signatures due to remanent magnetisation of the intrusions and the deflection of volcano-sedimentary host rocks as the intrusions were emplaced. The Company has a high degree of confidence that the newly identified targets will be associated with nickel prospective geology.

Company activities in the first half of 2020 will be focussed on the drilling of Fraser Range prospects in the search for high value new discoveries. Work programs will include:

- RC drilling at the Lantern Prospect
- Down hole electro-magnetic surveying at the Lantern Prospect followed by diamond drilling
- Aircore drilling at the Delta Blues Prospect to delineate the near surface boundaries of the prospective intrusive rock units
- Aircore drilling of newly developed target zones north of the Lantern Prospect
- Results of aircore drilling will be used in the design of electro-magnetic (EM) geophysical surveys to target conductive responses that may be related to nickel-copper mineralisation

(3) *Refer to the Company's ASX announcement dated 26th March 2019*

(4) *Refer to the Company's ASX announcement dated 3rd December 2019*

(5) *Refer to the Company's ASX announcement dated 19th December 2019*

Norseman Project, WA

During the December quarter, follow-up drilling was undertaken at the Subzero Prospect to test targets along strike to the south of initial results which showed wide zones of low-grade copper mineralisation associated with anomalous gold results. (6)

A total of 1,279 metres of RC drilling was completed across the Subzero Prospect and at other early stage prospects within the project area including Roadside and Goblin (see Figure 4). Wide zones of sulphide alteration were intercepted at the Subzero and Roadside Prospects with up to 20% semi-massive sulphides recorded.

Copper and zinc contents of the sulphide rich horizons reached maximum values of 0.19% and 0.96% respectively in 3 metre composite samples.

Drilling has established that significant hydrothermal alteration has occurred at both prospects with the prospective zones being at least 800m in strike length.

The potential for an economic VMS style deposit remains high and the Company is establishing a track record of defining and drill testing prospective zones within the Norseman Project area. An untested volcanic package of rocks exists at the Woodcutters Prospect and will be targeted with soil sampling programs and electro-magnetic surveying prior to drill testing (see Figure 5 for Woodcutters Prospect location).

Scout drilling at Norseman has also confirmed a nickel prospective komatiite target under shallow cover at the Goblin Prospect. Magnetic inversion modelling was successfully used to target the basalt/komatiite contact under shallow cover rocks. The same technique will now be applied to the komatiite unit where it occurs along strike to the north at the Gremlin Prospect. The Gremlin Prospect is masked by shallow cover and has never been tested for nickel sulphide mineralisation associated with volcanic komatiite flows.

This style of 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 copper prospects at the Norseman project in anticipation of drill testing later in 2020.

The Norseman Cobalt Project mine lease and miscellaneous license application continue to progress. It is expected 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. Project permit approvals will be a considerable value-add to the asset base at Norseman in the event that cobalt prices recover sufficiently.

(6) Refer to the Company's ASX announcement dated 19th December 2019

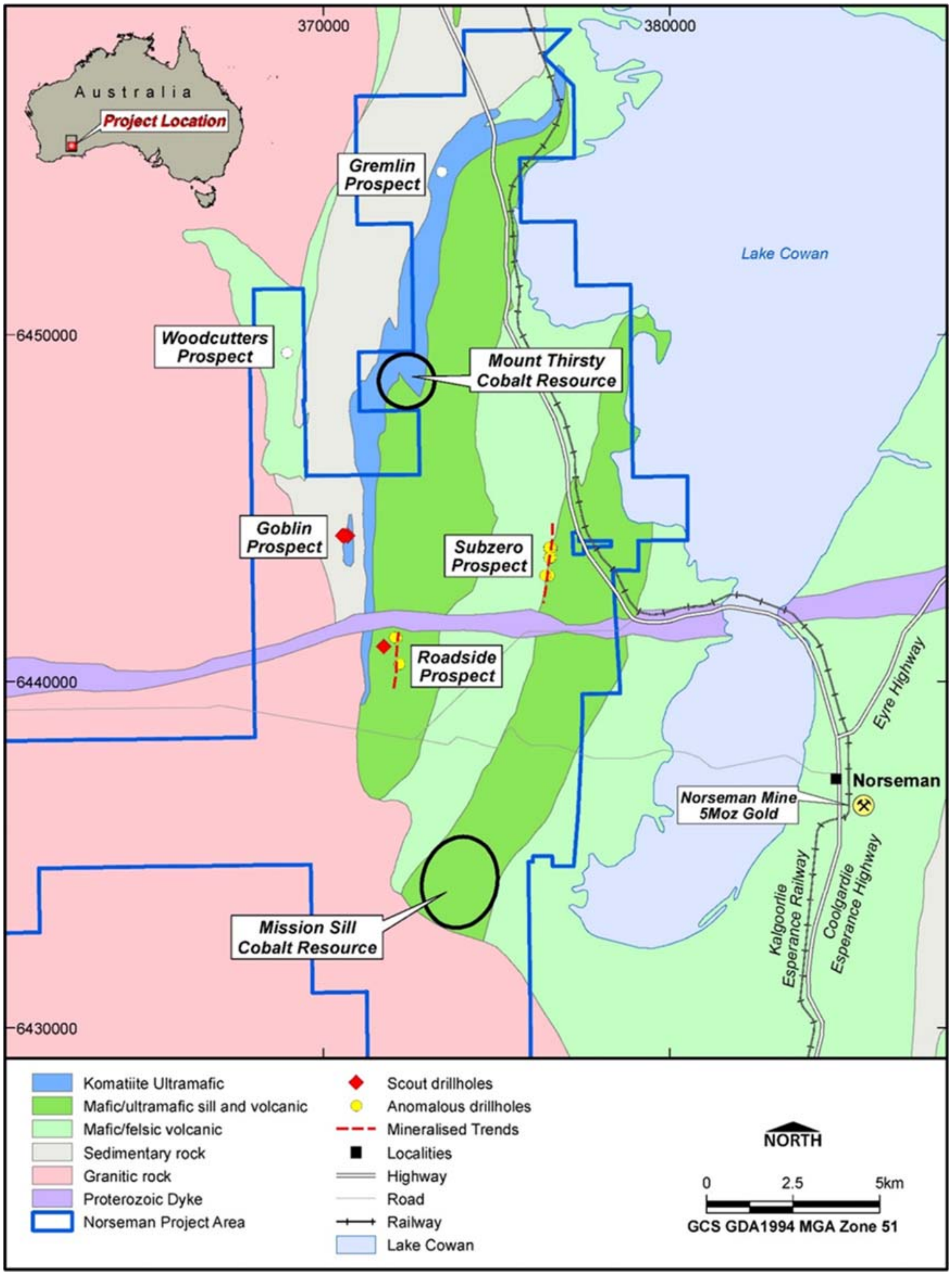


Figure 5 – Galileo's Norseman Project Area with Prospect Locations and JORC Cobalt Resources

Corporate

It is with deep regret the Company advised of the sudden death of Non-Executive Chairman Simon Jenkins. Managing Director, Brad Underwood, was appointed interim Chairman while Galileo Mining looks to identify an appropriately qualified replacement director. Galileo Mining Company Secretary, Mathew Whyte, joined the Board as a Non-Executive Director.

As at 31 December 2019, the Group had cash reserves of approximately $5.4 million.

Capital structure

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

Quoted Securities:

Number	Class
92,279,037	Ordinary Fully Paid Shares (Shares)

Un-Quoted Securities

Number	Class
28,094,895	Shares- held in escrow for 24 months from 29 May 2018
15,000,000	Class A Options Ex @$0.20 Exp 31/1/2023- held in escrow for 24 months from 29/5/2018 Vesting condition 60-day VWAP > $0.60
1,600,000	Performance Rights Vesting @ $1.00/ Exp 31/1/2023 Vesting condition 10-day VWAP > $1.00

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
Managing Director
Perth, 9 March 2020

HLB MANN JUDD
ADVISORY AND ACCOUNTING

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 2019, 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
9 March 2020

N G Neill
Partner

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Notes	31 December 2019 $	31 December 2018 $
Other income	4	54,142	118,290
Employee benefits and director fees expense		(153,132)	(119,869)
Consulting fees		(154,458)	(115,555)
Share-based payment		(59,747)	(298,314)
Depreciation expense		(51,880)	(5,467)
Exploration & evaluation (expenses)/refunds		26,168	(99,194)
Legal and audit expenses		(47,778)	(21,942)
Other expenses		(109,786)	(95,320)
Loss before income tax expense		**(496,471)**	**(637,371)**
Income tax expense		-	-
Net loss after income tax		**(496,471)**	**(637,371)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(496,471)**	**(637,371)**
Loss per share (cents per share)		**¢**	**¢**
Basic loss per share for the year		(0.41)	(0.53)
Diluted loss per share for the year		(0.41)	(0.53)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	31 December 2019 $	30 June 2019 $
ASSETS			
Current Assets			
Cash and cash equivalents		5,411,338	3,070,456
Cash on term deposits		-	4,000,000
Trade and other receivables	5	60,719	78,860
Other		26,287	50,816
Total Current Assets		5,498,344	7,200,132
Non-Current Assets			
Property, plant and equipment		11,304	19,918
Right-of-use assets	6	119,911	-
Exploration and evaluation expenditure	7	10,171,033	9,003,810
Other assets		26,071	26,071
Total Non-Current Assets		10,328,319	9,049,799
TOTAL ASSETS		15,826,663	16,249,931
LIABILITIES			
Current Liabilities			
Trade and other payables	8	129,261	240,080
Lease liabilities	6	80,301	-
Provisions		36,612	36,799
Total Current Liabilities		246,174	276,879
Non-Current Liabilities			
Lease liabilities	6	41,911	-
Provisions		19,255	17,005
Total Non-Current Liabilities		61,166	17,005
TOTAL LIABILITIES		307,340	293,884
NET ASSETS		**15,519,323**	**15,956,047**
ACCUMULATED EQUITY			
Issued capital	9	18,411,245	18,411,245
Reserves		597,415	593,719
Accumulated losses		(3,489,337)	(3,048,917)
TOTAL EQUITY		**15,519,323**	**15,956,047**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Issued capital $	Share based payment reserve $	Accumulated losses $	Total $
As at 1 July 2019	18,411,245	593,719	(3,048,917)	15,956,047
Loss for the year	-	-	(496,471)	(496,471)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(496,471)	(496,471)
Share based payments	-	59,747	-	59,747
Unlisted Performance Rights Cancelled		(56,051)	56,051	-
As at 31 December 2019	18,411,245	597,415	(3,489,337)	15,519,323
As at 1 July 2018	18,416,434	201,302	(1,951,801)	16,665,935
Loss for the year	-	-	(637,371)	(637,371)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(637,371)	(637,371)
Share based payments	-	298,314	-	298,314
As at 31 December 2018	18,416,434	499,616	(2,589,172)	16,326,878

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 2019

	31 December 2019	31 December 2018
Cash Flow From Operating Activities	**$**	**$**
Payments to suppliers and employees	(456,721)	(336,162)
Payments for exploration and evaluation expenditure	(1,249,828)	(2,041,243)
Interest received	55,817	112,188
Net GST refunded	16,466	142,254
Other Income	-	250
Security deposit received/(paid)	20,232	(9,881)
Interest on right-of-use assets	(4,119)	-
Net cash (used in) operating activities	**(1,618,153)**	**(2,132,594)**
Cash Flow From Investing Activities		
Payment for property, plant & equipment	(3,295)	(19,102)
Cash transferred from term deposits	4,000,000	2,000,000
Net cash (used in) investing activities	**(3,996,705)**	**(1,980,898)**
Cash Flow From Financing Activities		
Lease payments	(37,670)	-
Net cash provided by financing activities	**(37,670)**	**-**
Net increase/(decrease) in cash held	2,340,882	(151,696)
Cash at the beginning of the year (i)	3,070,456	4,275,323
Cash at the end of the year (i)	**5,411,338**	**4,123,627**

(i) Excludes cash held on term deposits with maturity greater than three months.

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

1. CORPORATE INFORMATION

The financial report of Galileo Mining Ltd for the half-year ended 31 December 2019 was authorised for issue in accordance with a resolution of directors on 9 March 2020.

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 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 2019 is a condensed general purpose financial report prepared in accordance with applicable accounting standards including AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritive 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 Company as the full financial report.

For the purpose of preparing the financial report, the Company 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 2019.

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 2019 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).

(c) Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2019

In the period ended 31 December 2019, 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. Those which have a material impact on the Group are set out below.

AASB 16 Leases

AASB 16 replaces AASB 117 Leases. AASB 16 removes the classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases. The Group has adopted AASB 16 from 1 July 2019.

The Group has applied AASB 16 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2019 and has elected not to restate comparative information. Accordingly, the information presented for 30 June 2019 has not been restated.

The impact on the financial performance and position of the Group from the adoption of this Accounting Standards is detailed in note 6.

Other than the above, there is no material impact of the new and revised Standards and Interpretations on the Company and therefore, no material 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 2019. 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 2019, except for the impact of the new Standards and Interpretations effective 1 July 2019 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

	6 months to 31 December 2019 $	6 months to 31 December 2018 $
Interest revenue	54,142	118,040
Other income	-	250
Total other income	54,142	118,290

5. TRADE AND OTHER RECEIVABLES

	31 December 2019 $	30 June 2019 $
Current		
Accrued Interest	1,836	3,511
Net GST receivable	58,883	75,349
	60,719	78,860

6. RIGHT-OF-USE ASSETS

AASB 16 Leases

Impact on operating leases

AASB 16 Leases supersedes AASB 117 Leases. The Group has adopted AASB 16 from 1 July 2019 which has resulted in changes classification, measurement and recognition leases. The changes result in almost all leases where the Company is the lessee being recognised on the Statement of Financial Position and removes the former distinction between 'operating and 'finance leases'. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (to pay rentals). The exceptions are short-term, and low value leases.

The Group has adopted AASB 16 using the modified retrospective approach under which the reclassifications and the adjustments arising from the new leasing rules are recognised in the opening Statement of Financial Position on 1 July 2019. There is no initial Impact on retained earnings under this approach. The Group has not restated comparatives for the 2019 reporting period.

As at 30 June 2019, the Group had non-cancellable operating lease commitments of $239,354, which included outgoings commitments of $69,479. Refer note 20 of the Annual Report for the year ended 30 June 2019.

The Group leases its office premises. As at 30 June 2019, leases were classified as operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, where the Company is a lessee, the Group recognised a right-of-use asset and a corresponding liability at the date which the lease asset is available for use by the Group. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a consistent period rate of interest on the remaining balance of the liability for each period.

The lease payments are discounted using an interest rate implicit in the lease, If that rate cannot be determined, the Company's incremental borrowing rate is used, being the rate the lessee would have to pay to borrow funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Extension options are included in the property lease. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included In the lease term if the lease is reasonably certain to be extended.

On initial application right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised In the Statement of Financial Position as at 30 June 2019.

There were no onerous lease contracts that required an adjustment to the right-of-use assets of initial application.

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to lease liabilities on 1 July 2019 was 6%.

In the Statement of Cash Flows, the Group has recognised cash payments for the principal portion of the lease liability within financing activities and cash payments for the interest portion of the lease liability as interest paid within operating activities.

Extension and termination options are included in the property leases across the Group and are an area of judgement. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. As at 1 July 2019 there was no option to extend the term of the lease.

	2019
	$
Operating lease commitments as at 30 June 2019 (excluding outgoings commitments	169,875
Discounted using the lessee's incremental borrowing rate at the date of initial application	(9,993)
Lease liability as at 1 July 2019	159,882

Impact

The change in accounting policy resulted in an increase of a right-of-use asset of $159,882 and a corresponding lease liability of $159,882.

7. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2019 $	**30 June 2019 $**
Costs carried forward in respect of:		
Exploration and evaluation phase – at cost	10,171,033	9,003,810
Reconciliation		
Opening balance	9,003,810	5,287,404
Acquisition of tenements	-	62,926
Incurred during the year	1,167,223	3,653,480
Written off during the year	-	(29,311)
Total exploration and evaluation expenditure	10,171,033	9,003,810

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.

8. TRADE AND OTHER PAYABLES

	31 December 2019 $	**30 June 2019 $**
Current		
Trade creditors	129,261	240,080

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.

	31 December 2019 $	30 June 2019 $
9. ISSUED CAPITAL		
(a) Ordinary shares	18,411,245	18,411,245

Movements of ordinary shares

	6 months to 31 December 2019 Number	$	Year to 30 June 2019 Number	$
Shares on issue				
Beginning of financial period	120,373,932	18,411,245	120,373,932	18,416,434
Less capital raising costs	-	-	-	(5,189)
As at the end of the period	120,373,932	18,411,245	120,373,932	18,411,245

10. RELATED PARTY TRANSACTIONS

1) Price Sierakowski Corporate a company of which Simon Jenkins was a director, provided legal advice to the Company totalling $4,227 (excluding GST) (30 June 2019: $16,646). As at 31 December 2019, $303 was payable to Price Sierakowski.

2) 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 2019: $99,500). As at 31 December 2019, $9,350 was payable to Whypro Corporate Services.

11. SHARE-BASED PAYMENTS

(a) Options

There were no options issued in the reporting period to 31 December 2019.

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

	6 months to 31 December 2019 Number	WAEP $	Year to 30 June 2019 Number	WAEP $
Outstanding at the beginning of the period	15,000,000	0.20	15,000,000	0.20
Granted during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired or Cancelled during the period	-	-	-	-
Outstanding at the end of the period	15,000,000	0.20	15,000,000	0.20
Exercisable at reporting date	-	-	-	-

(a) Performance Rights

During the period there were no performance rights granted to directors and officers. On 27 September 2019 the company announced 600,000 unlisted performance rights were cancelled.

During the previous period the following performance rights were granted to employees:

Class	Expiry date	Exercise price	Date granted	Number	Grant date spot price	Expected Vesting date
Performance Rights	31 Jan 2023	Nil	9 Oct 2018	500,000	$0.19	30 June 2022

Performance Rights were issued free of charge. Each Performance Right entitles the holder to subscribe for one (1) fully paid ordinary share in the Company based on achieving vesting conditions at a nil exercise price.

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

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

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

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

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

*As defined in the Galileo Mining Ltd Employee Incentive Plan

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.

Movement of Performance Rights:

	6 months to 31 December 2019 Number	Year to 30 June 2019 Number
Outstanding at beginning of the period	2,200,000	1,700,000
Granted during the period	-	500,000
Cancelled during the period	(600,000)	-
Outstanding at the end of the period	1,600,000	2,200,000

12. 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 2019 $	30 June 2019 $
Financial assets:		
Cash and cash equivalents	5,411,338	3,070,456
Term deposits (greater than 3 months)	-	4,000,000
Trade and other receivables – at amortised cost	60,719	78,860
Total	**5,472,057**	**7,149,316**
Financial liabilities:		
Trade and other payables – at amortised cost	129,261	240,080
Total	**129,261**	**240,080**

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 2019.

13. 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.

14. GUARANTEES AND CONTINGENT LIABILITIES

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

DIRECTORS' DECLARATION

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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 2019 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
Managing Director
Perth, 9 March 2020

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Galileo Mining Ltd

Report on the Consolidated 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 2019, the consolidated statement of 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 notes, 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 is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2019 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*.

Directors' responsibility for the half-year financial report

The directors of the Galileo Mining Ltd 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.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, 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 2019 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*. As the auditor of Galileo Mining Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

Independence

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Norman Glad

N G Neill
Partner

Perth, Western Australia
9 March 2020