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# **Galileo Mining Ltd**

**ABN 70 104 114 132**

**Special Purpose Consolidated  
Half-Year Financial Report  
31 December 2017**

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## DIRECTORS' REPORT

The Board of Directors of Galileo Mining Ltd present their report on Galileo Mining Ltd and the entities it controlled ("Company", "Group" or "Galileo") for the half year ended 31 December 2017.

### DIRECTORS

The names of directors who held office during or since the end of the interim period and until the date of this report are as follows. The Directors held office for the full half year unless specified below.

Mark Creasy	Executive Director	Resigned 12 March 2018
Simon Jenkins	Non-executive Chairman	Appointed 13 September 2017
Richard (Brad) Underwood	Managing Director	Appointed 13 September 2017
Noel O'Brien	Technical Director	Appointed 6 February 2018

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

Company Secretary is Mathew Whyte, appointed 24 January 2018. Prior to this date the position was held by Mark Creasy.

### REVIEW OF OPERATIONS

#### Principal Activities

The principal activity of the company during the period was mining prospecting and exploration.

No significant change in the nature of these activities occurred during the year.

No dividends were declared or paid during the financial year.

#### Operating results for the period

The net loss of the company for the financial period, after providing for income tax amounted to \$43,333 (31 December 2016: \$986)

#### Review of financial conditions

The Company had \$3,924 cash assets as at 31 December 2017 (30 June 2017: \$14,803).

### SIGNIFICANT EVENTS DURING THE PERIOD

On 13 September 2017 Simon Jenkins and Brad Underwood were appointed as Directors.

On 13 September 2017 the Company approved a subdivision of capital on a 4,850 for 1 basis resulting in 48,504,850 ordinary shares on issue.

On 26 October 2017 the Company changed from a proprietary company limited by shares to a public company limited by shares.

On 24 November 2017 the Company changed its name to Galileo Mining Ltd.

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On 23 December 2017 the Company approved a consolidation of capital on a 1 for 0.42 basis resulting in 20,372,037 ordinary shares remaining on issue.

## **DIRECTORS' REPORT (continued)**

### **SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

On 24 January 2018 Mathew Whyte was appointed Company Secretary of the Company to replace Mark Creasy who resigned.

On 6 February 2018 Noel O'Brien was appointed Technical Director of the Company.

On 6 February 2018 10,000,000 options were issued to Brad Underwood and 2,500,000 options issued to Simon Jenkins. A further 2,500,000 options were issued to Noel O'Brien on 14 February 2018. The options are exercisable at \$0.20 and expire on 31 January 2023. Provided that the Company is admitted to the official list of the ASX on or before 31 December 2018, each Option will only vest and become exercisable when the 60-day volume weighted average market price (as defined in the Listing Rules) of the Company's quoted Shares first exceeds \$0.60 per Share.

On 23 February 2018 the company raised \$800,000 under a Seed Capital Raising through the offer of 80 Convertible Notes at a face value of \$10,000 per note to sophisticated or professional investors. Each Note will automatically convert into Shares on the date upon which the Company obtains conditional approval to be admitted to the official list of ASX. Each Note will automatically convert into 100,000 fully paid ordinary shares issued in the Company at a deemed issue price of \$0.10 per Share.

On 12 March 2018 Mark Creasy retired as a director of the board.

### **AUDITOR INDEPENDENCE**

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 5 and forms part of this directors' report for the half year ended 31 December 2017.

Signed in accordance with a resolution of the directors.



**Brad Underwood**  
**Managing Director**

Dated this 26 March 2018

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## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Galileo Mining Limited (formerly PlatX Pty Limited) for the half-year ended 31 December 2017, 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.

A handwritten signature in blue ink, appearing to read 'Norman G. Neill'.

Perth, Western Australia  
26 March 2018

**N G Neill**  
Partner

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

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	Notes	Consolidated 31 December 2017 \$	Company 31 December 2016 \$
<b>Continuing operations</b>			
Other Income		1	-
Exploration and evaluation expenses written-off		(29,311)	-
Other expenses		(14,023)	(986)
<b>Loss before income tax benefit</b>		(43,333)	(986)
Income tax benefit		-	-
<b>Loss for the period</b>		(43,333)	(986)
<b>Loss attributable to members of the Company</b>		(43,333)	(986)
<b>Other comprehensive income, net of income tax</b>		-	-
<b>Total comprehensive loss for the period</b>		(43,333)	(986)

The accompanying notes form part of these financial statements

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017**

	Note	Consolidated 31 December 2017 \$	Company 30 June 2017 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		3,924	14,803
Trade and other receivables	3(a)	13,576	23,485
<b>Total Current Assets</b>		17,500	38,288
<b>Non-Current Assets</b>			
Receivables	3(b)	1,000	1,000
Exploration and evaluation expenditure	4	3,595,192	2,943,081
<b>Total Current Assets</b>		3,596,192	2,944,081
<b>Total Assets</b>		3,613,692	2,982,369
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Borrowings	5	4,929,253	4,254,597
<b>Total Liabilities</b>		4,929,253	4,254,597
<b>Net Liabilities</b>		(1,315,561)	(1,272,228)
<b>Equity</b>			
Issued capital	6	2,200	2,200
Accumulated losses		(1,317,761)	(1,274,428)
<b>Net Deficiency</b>		(1,315,561)	(1,272,228)

The accompanying notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

Consolidated	Issued capital \$	Accumulated Losses \$	Total equity \$
<b>Balance at 1 July 2017</b>	2,200	(1,274,428)	(1,272,228)
Loss for the period	-	(43,333)	(43,333)
Other comprehensive income for the period, net of income tax	-	-	-
<b>Total comprehensive loss for the period</b>	-	(43,333)	(43,333)
<b>Balance at 31 December 2017</b>	2,200	(1,317,761)	(1,315,561)

Company	Issued capital \$	Accumulated Losses \$	Total equity \$
<b>Balance at 1 July 2016</b>	2,200	(1,245,065)	(1,242,865)
Loss for the period	-	(986)	(986)
Other comprehensive income for the period, net of income tax	-	-	-
<b>Total comprehensive loss for the period</b>	-	(986)	(986)
<b>Balance at 31 December 2016</b>	2,200	(1,246,051)	(1,243,851)

**STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	<b>Consolidated</b>	<b>Company</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(14,024)	(986)
Payments for exploration and evaluation expenditure	(748,856)	(268,464)
Interest Received	1	-
Net cash (used in) operating activities	(762,879)	(269,450)
<b>Cash flows from financing activities</b>		
Borrowings from related party	752,000	283,000
Net cash provided by financing activities	752,000	283,000
Net increase (decrease) in cash held	(10,879)	13,550
Cash and cash equivalents at the beginning of the period	14,803	1,213
<b>Cash and cash equivalents at the end of the half year</b>	<b>3,924</b>	<b>14,763</b>

The accompanying notes form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

These half-year financial statements are special purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2017.

#### Basis of preparation

The half-year financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

#### Significant accounting judgments and key estimates

The preparation of half-year financial report 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.

Except as described below, in preparing this half-year financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2017.

#### Going concern

Notwithstanding the Company's deficient assets, the financial statements have been prepared on a going concern basis as the directors have received a limited indemnity that the lender (see note 5) will not call upon the loan for a specific period. The directors believe that this support will continue to be made available. On this basis in the opinion of the Directors there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Whilst the Directors believe that the Company will continue to be supported by the related party, if these circumstances change there is a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern and therefore may be unable to release its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

### NOTE 2: SEGMENT REPORTING

Galileo operates predominantly in one business and geographic segment, being exploration of mineral deposits.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Consolidated 31 December 2017 \$	Company 30 June 2017 \$
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### NOTE 3: TRADE AND OTHER RECEIVABLES

#### (a) Current

Net GST Receivable	13,576	23,485
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#### (b) Non-Current

Other Receivable	1,000	1,000
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### NOTE 4: EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation costs	3,595,192	2,943,081
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#### Reconciliation of carrying amount

Opening Balance	2,943,081	2,346,931
Incurring during the year	681,422	621,345
Written off during the year	(29,311)	(25,195)
Total exploration and evaluation expenditure	3,595,192	2,943,081

### NOTE 5: BORROWINGS

Borrowings from related party	4,929,253	4,254,597
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The loan facilities are floating facilities with related parties. These are currently on interest free terms.

### NOTE 6: ISSUED CAPITAL

#### (a) Ordinary shares

	2,200	2,200
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	31 December 2017		31 December 2016	
	Number	\$	Number	\$
<i>Movements in ordinary shares on issue</i>				
Balance at beginning of period	10,001	2,200	10,001	2,200
Share Subdivision on 13 September 2017 (4,850 for 1)	48,494,849	-	-	-
Balance following Share Subdivision	48,504,850	-	-	-
Share Consolidation on 23 December 2017 (1 for 0.42)	28,132,813	-	-	-
Balance at the end of the period	20,372,037	2,200	10,001	2,200

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

### NOTE 7: SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 6 February 2018 10,000,000 options were issued to Richard Underwood and 2,500,000 options issued to Simon Jenkins. A further 2,500,000 options were issued to Noel O'Brien on 14 February 2018. The options are exercisable at \$0.20 and expire on 31 January 2023. Provided that the Company is admitted to the official list of the ASX on or before 31 December 2018, each Option will only vest and become exercisable when the 60-day volume weighted average market price (as defined in the Listing Rules) of the Company's quoted Shares first exceeds \$0.60 per Share.

On 23 February 2018 the company raised \$800,000 under a Seed Capital Raising through the offer of 80 Convertible Notes at a face value of \$10,000 per note to sophisticated or professional investors. Each Note will automatically convert into Shares on the date upon which the Company obtains conditional approval to be admitted to the official list of ASX. Each Note will automatically convert into 100,000 fully paid ordinary shares issued in the Company at a deemed issue price of \$0.10 per Share.

### NOTE 8: DIVIDENDS

The directors of the Company have not declared any dividend for the half year ended 31 December 2017.

### NOTE 9: CONTINGENT ASSETS AND LIABILITIES

There are no contingent liabilities or contingent assets.

### 10. FINANCIAL ASSETS AND LIABILITIES

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period. The carrying amounts of the financial assets and financial liabilities are considered to be a reasonable approximation of their value.

### 11. SUBSIDIARIES

On 16 November 2017, the Company registered 2 new subsidiaries, FSZ Resources Pty Ltd and NSZ Resources Pty Ltd. These subsidiaries have not traded during the period.

**DIRECTORS' DECLARATION**

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 2017 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.



**Brad Underwood**  
**Managing Director**

Dated this 26 March 2018

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Galileo Mining Limited (formerly PlatX Pty Ltd)

### Report on the Condensed Half-Year Financial Report

#### *Conclusion*

We have reviewed the accompanying half-year financial report of Galileo Mining Limited (formerly PlatX Pty Ltd) ("the Company") which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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 the Company is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2017 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 of accounting*

Without modifying our conclusion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

#### *Material uncertainty related to going concern*

We draw attention to Note 1 in the half-year financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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

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#### *Directors' responsibility for the half-year 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.

#### *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 Company's financial position as at 31 December 2017 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 the Company, 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.

#### *Independence*

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

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

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

**Perth, Western Australia**  
**26 March 2018**

A handwritten signature in blue ink that reads 'N G Neill'.

**N G Neill**  
**Partner**

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