

Galileo Resources PLC
29 July 2024
Galileo Resources Plc
("Galileo" or the "Company")
Commencement of Drill Programme in the Western Foreland, Zambia

The Board of Galileo Resources Plc ("Galileo" or the "Company") is pleased to announce that the Company has engaged a Zambian contractor to commence a drill programme amounting to approximately 700 metres of drilling in the initial phase on Licence 28001-HQ-LEL located in NW Zambia within the Western Foreland domain, with rig mobilisation scheduled for later this week.

Highlights

- Licence 28001-HQ-LEL is located within the Western Foreland domain, the district potentially hosting Kamoa - Kakula style copper deposits in NW Zambia.
- The Licence is ideally located along strike of the Kamoa - Kakula mining complex in the DRC and adjacent to a substantial exploration licence area across the border in Angola acquired by Ivanhoe Mines which is targeting further extensions of the Western Foreland.
- The Company will be testing potential redox front targets where suitable combinations of adjoining lithology have created the correct environment for copper deposition.
- The decision to drill has been preceded by an extensive programme of reconnaissance and the reparation of roads and bridges to provide safe access for drilling equipment.
- Collation of all necessary permits and approvals and establishment of contacts with local chiefdoms has been facilitated by Cooperlemon Consultancy, the Company's partner in the Project.

Colin Bird, Executive Chairman said: *"The operational activities outlined represent the Company's initial drilling and extended fieldwork at our prime licence in the Northwest region of Zambia.*

The licence is well situated in the Zambian Western Foreland trend, which hosts the Kamoa mine across the border in the DRC, about 100 miles northeast of our activities.

We are pleased to have reached this juncture and look forward to the initial results, which will certainly add to our database and hopefully confirm our expectations for geological architecture supporting our prognosis."

Joint Venture Agreement

As announced on 05 September 2023, Galileo entered into a joint venture agreement with Cooperlemon Consultancy Limited ("Cooperlemon") in relation to the exploration for copper at large scale exploration license 28001-HQ-LEL in Northwest Zambia (the "Licence"). Under the joint venture agreement ("JV Agreement"), Galileo agreed the following key terms of which i) and iii) have been satisfied and ii) is ongoing:

Earn-in and Phase 1 exploration budget: Galileo will earn a 65% interest in the joint venture by:

- i) An immediate cash payment of US\$230,000 to Cooperlemon:
- ii) funding exploration expenditure over an initial eighteen-month period ("Phase 1") on the Licence of not less than US\$750,000. Exploration is expected to commence in September-October 2023 and will comprise both physical activity within the Licence boundaries (including but not limited to mapping, soil geochemistry, geophysics and drilling), and desktop studies, laboratory analysis and interpretation of data and results. Galileo anticipates funding this exploration expenditure from existing resources; and
- iii) for the issue of 2,500,000 Galileo Resources plc shares (the "Consideration Shares") at a price of 1.175 pence per share being the closing Galileo share price on 4 September 2023 (totalling £29,375). The Consideration Shares are subject to a three month lock up arrangement and thereafter a further three months orderly market arrangement. Under the orderly market arrangement, the Consideration Shares can be sold via the Company's broker at a price determined

by the vendor (the "Nominated Sale Price") which shall not be less than the lower of i) the 10 day VWAP and ii) the closing bid price on the day before the fixing of the Nominated Sale Price and the Company's broker will have 10 business days to sell the shares at the Nominated Sale Price.

If the Phase 1 exploration results are successful and prove the continuity of mineralisation at grades suggesting the potential for the future development of a Mineral Resource of not less than 500,000 tonnes of contained copper, consistent with economic recovery at the depth of discovery with a minimum internal rate of return of not less than 25% and a payback period not exceeding 42 months (including the recovery of capital expenditure), then there will be a second two year exploration period ("Phase 2").

Phase 2 exploration budget: The Phase 2 exploration expenditure of US\$1.5 million will also be funded by Galileo who will be the operator of the Licence for the duration of the Agreement.

Consequence of Trade Sale: If there is a trade or any other sale of the Licence and / or the Joint Venture during Phase 1 of the joint venture then Galileo will be deemed to have a 55% interest in the Joint Venture. A sale requires the agreement of both Galileo and Cooperlemon.

Mine Development: In the event the Licence advances to a point where they are commercially viable and suitable for development then the licence will be moved to a corporate entity to be owned 75% by Galileo and 25% by Cooperlemon, and it will be the responsibility of the newly formed corporate entity to raise all capital for mine development and future operations.

Further information on the Licence

Licence No: 28001-HQ-LEL, which comprises 52,083 hectares and expires on 31 May 2025, is held by L and I Investments Limited ("L and I"), a private Zambian company which with Cooperlemon is under the common control of local Zambian parties. The Licence is located in North-West Zambia along the Angolan-Zambian border. L and I has agreed with Galileo to be bound by the terms and the conditions of the JV Agreement with Cooperlemon (who is acting on their behalf) as though they were a party to the JV Agreement.

Geology, location and prospectivity

The style of mineralisation and associated geology and structure responsible for the Kamoa-Kakula deposit operated by Ivanhoe Mines may extend into the North-West Zambia.

The Western Foreland succession determines the geology of the region, and the Licence lies within the area where the Western Foreland lithology necessary for Kamoa-style mineralisation can reasonably be expected to occur.

Technical Sign-Off

Technical information in this announcement has been reviewed by Edward (Ed) Slowey, BSc, PGeo, Technical Director of Galileo. Mr Slowey is a geologist with more than 40 years' relevant experience in mineral exploration and mining, a founder member of the Institute of Geologists of Ireland and is a Qualified Person under the AIM rules. Mr Slowey has reviewed and approved this announcement.

You can also follow Galileo on Twitter: [@GalileoResource](https://twitter.com/GalileoResource)

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Technical glossary

"redox"	Oxidation/reduction reaction occurring in the weathering zone along the water table.
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