



For immediate release

Galileo Resources PLC

6 September 2024

Galileo Resources Plc

("Galileo" or "the Company")

Update on the Luansobe Copper Project, Zambia

Galileo Resources plc ("Galileo" or the "Company") further to its announcement on 29 May 2024, is pleased to provide an update on the proposed development of the Luansobe copper project ("Luansobe" or the "Project") in Zambia where a small-scale mining licence has been granted and Galileo holds a 75% interest in the Project.

External consultants have been used to generate a mining schedule for internal planning and more specifically to facilitate the process of obtaining mining contractor quotations and to provide the basis for negotiation with third parties currently offering a range of participation scenarios to jointly develop the Project.

As previously announced, Luansobe has the potential to be a multi-resource project with open pit, shallow underground and deeper underground resources all having been identified to varying degrees (see RNS of 9 February 2023). Planning has now highlighted that it may not be necessary for one operator or contractor to retain control or oversight across all mining areas and the Galileo Board has taken cognisance of the fact that it may be in shareholder's interest to split the Project into separate mining and processing operations each capable of generating a sustainable and profitable business.

The Board considers the optionality offered by the resource to be a significant benefit. This optionality is underscored by the wide range of commercial routes afforded the Project following approaches from a number of potential investors, partners, and contractors. These various commercial options or routes that can be followed include contractor mining followed by in-house processing, contractor mining with external toll treatment of ore and mining and toll treatment delivered by a single provider. Consultation with external expertise is considering all of these options and it remains the responsibility of the Board to select the best option or options that will optimise the Luansobe resource and maximise shareholder returns.

In order to generate the mining schedule, the external consultant undertook to review the geological database, interrogate the geological block model, complete pit optimisation using benchmark operating mining costs for agreed mine design criteria, complete optimisation with sensitivity analysis and compare grades and tonnage between the various pit selections.

The Company intends to complete the work set out below before committing to a date for the commencement of operations at Luansobe and will keep Shareholders updated as this evolves. Production remains dependant on a number of factors as announced previously but including permitting and the availability of funding.

Highlights

- The initial optimisation study has identified the following opportunities:
 - Remodelling of the geological block model resulted in the inclusion of low-grade (below cut-off) ore that will improve dilution
 - Potential inclusion of ore within the overburden
 - Inclusion of a possible free dig portion of the overburden
- Sensitivity analysis highlighted a number of optimisation scenarios for the open pit only:
 - Extending pit depth to 220m using a 0.25% Cu cut-off resulted in an estimated run of mine tonnage of 9.12 million tonnes ("Mt") and projected total copper production for the open pit of approximately 70,000t Cu.

- Reducing pit depth to 160m using a 0.5% Cu cut-off resulted in an estimated run of mine tonnage of 4.41Mt and projected total copper production for the shallower open pit of approximately 40,000t Cu.
- In order to provide contractors and other interested parties with the best possible information upon which to base offers and/or tenders, the Board has instructed the external consultant to complete mine design to complement the strategic scheduling already completed. This will provide interested parties with detailed mine design, pushback design, life of mine scheduling and for internal use, trade-off studies.
- Potential exists outside of the Mineral Resource defined by the block model which has the scope to add significantly to the global resource. More specifically, this includes shallow underground mineralisation excluded from previous resource estimation work due to limited drill density.
- Deeper mineralisation has also come under the spotlight where some excellent in-house studies has identified geological factors that may have a profound bearing on interpretation of the distribution of mineralisation and the Company's planned deep level drilling strategy.

Colin Bird Chairman & CEO said: "We are very pleased with our Luansobe acquisition. The investment was based on previous work and since acquiring the project we have also carried out fieldwork, drilling programmes, relogging historic core, modelling for resource and engineering financial modelling. The work we have carried out confirms that the project has the potential to be a large-scale mining project close to existing processing facilities, large and small notwithstanding the Mufulira mine. We have interrogated more than 300 boreholes collared within the Licence and we are now confident of the orebody architecture but more importantly, through engineering modelling have identified blocks of ore which can fit into the open pit and shallow UG that is transformative for our original expectations for the pit. This work was carried out in conjunction with a third-party engineering consultant, Sound Engineering Solutions and we are grateful to them for their contribution. We are now convinced that "we have a two, possibly three-stage, project with a substantial Cu ore resource suitable initially for O/P mining and potentially followed by a large scale UG operation. Naturally a project of this size and definition has attracted considerable interests from third parties and as such we have entertained numerous enquiries concerning potential involvement in varying ways. The Board of Galileo is acutely aware that embarking on a particular development route would probably be exclusive to other routes thus removing the optionality of best value outcome for the Galileo shareholders. We remain open to the various options tabled and recognise the need to select the optimum option to satisfy shareholder expectations. We will keep shareholders advised on progress should a material event regarding Luansobe be consummated".

Project Background

The Luansobe area is situated some 15km to the northwest of the Mufulira Mine in the Zambian Copperbelt which produced well over 9Mt of copper metal during its operation. It forms part of the northwestern limb of the northwest - southeast trending Mufulira syncline and is essentially a strike continuation of Mufulira, with copper mineralisation hosted in the same stratigraphic horizons. At the Luansobe prospect mineralisation occurs over two contiguous zones, dipping at 20-30 degrees to the northeast, over a strike length of about 3km and to a vertical depth of at least 1,250m.

Galileo entered into a Joint Venture agreement with Statunga, a private Zambian company which held the Project comprising small-scale exploration licence No. 28340-HQ-SEL in the Zambian Copperbelt prior to its conversion to two mining licences (see RNS of 30 December 2021).

Information on Statunga: Statunga Investments Limited was registered on 4 May 2020 in Zambia with company number **120200003303** owned by Zambian individuals, including Lukonde Makungu who is a director of Statunga Investments Limited and an executive director of Cooperlemon consultancy which provides consultancy services to Statunga. Statunga's main activity is mining, and registered address office is at Plot No. 2457B, Kamfinsa, Copperbelt Province, Zambia.

The JV Agreement provides Galileo the right to earn an initial 75% interest in a special purpose joint venture company to be established under Zambia law to, with Ministerial consent, acquire the exploration licence and the technical data related to the Luansobe Project by making two payments of US 200,000 each (subject to project due diligence) by 20 February 2022 and issuing 5,000,000 Galileo shares to the Vendors. These conditions were met by the Company. Statunga retains a 25% interest in the Project.

If a decision to mine is made by Galileo, then the parties will be entitled to fund pro rata to their beneficial interest in the JV Company. Any funding shortfall by the Vendors will be recovered from subsequent mine production.

Technical Sign off

Colin Bird

The technical information contained in this announcement has been reviewed, verified, and approved by Colin Bird, C.Eng, FIMMM, South African and UK Certified Mine Manager and Director and CEO of Galileo Resources Plc, with more than 40 years' experience mainly in hard rock mining. Mr Bird has reviewed and approved this announcement.

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