ANNUAL REPORT

2017

galileo
RESOURCES PLC

Contents

Holding Company
Galileo Resources Plc

Country of incorporation and domicile
United Kingdom

Nature of business and principal activities
The Company acts as a holding Company for subsidiary undertakings and investments engaged in the exploration of natural resources.

Corporate Information

Directors
Colin Bird – *Chairman and CEO*
Andrew F Sarosi – *Finance and Technical Director*
Christopher Molefe – *Non-Executive Director*
John Richard Wollenberg – *Non-Executive Director*

Secretarial Services
Capita Asset Services
34 Beckenham Road
Beckenham, Kent, BR3 4TU

Registered Office
United Kingdom
1st Floor
7/8 Kendrick Mews
London, SW7 3HG

South Africa
7 Einstein Street
Highveld Techno Park
Centurion, 0157

Auditors
Chapman Davis LLP
2 Chapel Court/Borough High St
London, SE1 1HH

Broker
Beaufort Securities Ltd
131 Finsbury Pavement
London, EC2A 1NT

Registrars
Neville Registrars
Neville House, 18 Laurel Lane
Halesowen, West Midlands, B63 3DA

Banker
National Westminster Bank Plc
186 Brompton Road
London, SW3 1XJ

Nominated Advisor
Beaumont Cornish Limited
2nd Floor, Bowman House
29 Wilson Street, London, EC2M 2SJ

UK Solicitors to the Company
Fladgate LLP
16 Great Queen Street
London, WC2B 5DG

Incorporation No: 05679987

Strategic Report –

Chairman's Report

Colin Bird
Chairman

Dear Shareholder

On 30 August 2016 the Company announced the sale of its Gabbs Gold/Copper property in Nevada, USA for USD$2.5 million in cash. This sale negated the need for short term placings and allowed the Company to progress the other assets in its portfolio, particularly the Concordia Copper project in the Northern Cape Province of South Africa.

The Concordia project, over the past year, underwent initial modelling, scope potential assessment, ground IP geophysical investigation and on 15 February 2017 we announced the commencement of drilling on the Concordia project.

The IP geophysics demonstrated diverse promising signatures in the small area tested, which represented less than 15% of the entire Concordia concession. The test drilling was to confirm the reliability of IP to identify disseminated copper ore. The results were inconclusive and together with our partners we decided to drill further holes against traditional data i.e. surface outcrops and magnetics geophysics. The programme took longer than expected because of the re-iterative requirement for siting bore holes against the physical results of previous holes. Our difficulties were compounded in no small way by assay result interpretation and the fact that data being assessed came from various co-ordinate sources, thus making assessment on a common basis difficult. All of this by the end of July 2017 had been largely resolved and we announced on 11 August 2017 a suite of results which on close examination put some doubt as to the reliability of IP as a targeting tool but at the same time tabled some interesting, reasonable copper values within close proximity to surface and sometimes a little deeper. We have held discussions with SHIP, our JV partner, and Minxcon, our contracted consulting geological company, on the results from the drilling and possible ways forward.

In the 11 August 2017 announcement, we also advised that our JV partner SHIP was intending to dilute the Company to a 15% interest in terms of the Co-Operation and Joint Venture Agreement, which they are not able to do and we have advised them accordingly. We have also informed SHIP that in our opinion, the Company owns 51% of the Concordia project and has not yet had the opportunity to make a decision on the most appropriate way forward in terms of Galileo's options. This is fully provided for in the agreement as are other matters, which give Galileo full protection on its current 51% interest in the project.

On 30 August 2016 we agreed with Fer-Min-Ore (Pty) Ltd ("Fer-Min-Ore") that their option right to sell our interest in Glenover Phosphate (Pty) Ltd ("Glenover") would terminate and we would work together to add value and either develop or dispose of the project. In mid -2017 a major phosphate producer agreed to undertake significant expenditure (USD$300,000) to test our Glenover phosphate project for suitability as raw feed to its various value add phosphate operations. Together with Fer-Min-Ore we carried out many desktop studies against various off take agreements and possible hybrid agreements of part sales and of off take. We have now concluded that the phosphate core of the Glenover phosphate project could produce a viable operation for up to 20 years and therefore should be pursued aggressively. Galileo, being the mining partner, agreed to finance the application for a mining license and satisfy the various environmental requirements in order to be able to make an offer to the industry of its phosphate upgraded material. The various applications are being supervised on a turn-key basis by Minxcon, a South African consultant company in Johannesburg.

At the commencement of the year 2017 our joint venture partner Orogen Gold Plc on the Silverton Gold property in Nevada, USA announced the results of their drilling programme. Whilst the assays showed gold in every hole, the overall results did not lead to a conclusion better than before the drill programme and no further work was carried out on the property.

During the latter part of 2016 we undertook an extensive survey of our Ferber property and during this investigation took many chip samples. The results of the samples were very encouraging to the extent that we acquired further ground to enlarge the size of our concession. Our confidence is such on the Ferber project that we paid for the original license plus extension during the round of license renewals in August 2017 and the project is now in good standing with the intent to carry out drilling during the coming year.

The resource industry in general has experienced relatively improved circumstances in most cases i.e. commodity prices, major company market capitalisations, junior company ability to raise finance and a much improved appetite from the investment community. At the time of writing, this appetite is still limited to, in general, the retail sector and institutional shareholders have yet to enter the market with any significance. We look forward to this changing over the coming year and we remain committed in our quest to identify a large resource, which will be transformational for the Company and its shareholders.

I would like to thank my fellow directors and management for their support and efforts during a year, which has progressed our portfolio in varied ways adding that we are all very confident about meeting the challenges of the coming year.

Colin Bird
Chairman

31 August 2017

Strategic Report –
Operations Report

South Africa
Concordia Copper Project ("Concordia" or "Project")
Period under review

The Company concluded its desktop modelling by independent consultant Minxcon (Pty) Ltd ("Consultant") of historical exploration data with the modelling on Whyte's West, Klondike, Wheal Julia and Homeep East prospects. The study conceptually identified eleven prospect areas with a combined potential rock mass of more than 750 million tonnes with a mean grade of 0.57% Cu assuming 50% mineralisation (Table 1). Five of the eleven prospective area studied, indicated conceptually, considerable near-surface mining potential. The Consultant based its modelling on historical geological core logging and drill assay generated by the O'Okiep Copper Company and others.

Andrew Sarosi
Technical and Finance Director

Table 1 High Priority Targets Identified in Consultant Desk Top Study

Project	Strike m	Width m	Depth m	%Cu %	Lith Tonnes Mt	Cu Tonnes[a] Mt
Homeep	5000	38.8	300	0.58	168.56	0.49
Koeëlkop (incl. Whytes' West)	4000	30.0	300	0.57	104.40	0.29
Shirley	5000	38.8	300	0.58	168.56	0.49
Klondike	2000	25.0	300	0.63	43.50	0.14
Henderson	1500	38.8	300	0.58	50.57	0.15
Henderson North	1000	38.8	300	0.58	33.71	0.10
Ring Dyke	2000	38.8	300	0.58	67.43	0.19
Tweefontein	2000	38.8	300	0.58	67.43	0.19
Horneman	1100	38.8	200	0.58	24.72	0.07
Kliphoog North	1300	38.8	200	0.58	29.22	0.08
Hester Maria	1800	38.8	200	0.58	40.46	0.12
Total					**798.55**	**2.31**

[a] *Note: Copper tonnes reported equates to approximately 50% of potential host lithology being mineralised (based on current available data)*

Consultant Disclaimer: "Minxcon has ranked the targets resulting from the desktop study in the above table, based upon its perception of the data available to them at the time of the desktop study. The above table is subject to change with the progression of exploration activities. The above targets represent areas of documented and/or mapped copper occurrences (based on existing data), or in some cases even historical mines (Henderson (Jubilee Mine), Homeep and Wheal Julia) and have the potential for extensions along strike and/or dip. The figures in the tables presented should in no way be misconstrued to represent compliant Mineral Resource estimates nor to represent the definition of a compliant Exploration Target in terms of the various Reporting Codes, as all tonnages, grades, depths and strikes are highly conceptual in nature at this stage and require the proper exploration practices in order to prove their existence or to convert them eventually to a compliant Mineral Resource."

Following a strategic joint review of the study and the Consultant's assessment of exploration potential on 34 possible prospects on the Concordia property, and their ranking in terms of prospectivity, the Company prioritised 4 main areas for exploration activities, commencing with an Induced Polarity ("IP") geophysical survey. The areas selected were the Homeep Trend (comprising the Homeep East, Homeep West, Koeëlkop and Whyte's West prospects), the Shirley Trend (comprising Hoogkraal East, Hoogkraal Central and Hoogkraal West areas), Henderson Prospect and the Klondike Prospect (south of Hoogkraal West).

IP geophysics survey commenced in October 2016, using South African-based Geospec Instruments (Pty) Ltd as the contractor utilizing distributed (electrode) array ("DA") design, which enabled direct 3D (three dimensional) modeling of the data. The IP survey was completed in December 2016. The geophysics programme covered partially only two of the eleven priority ranked prospects.

3D-wire frame modelling of the IP survey data and its interpretation, which were carried out during January 2017, identified a number of both shallow and deeper high-chargeability[(a)] zones (IP anomalies) in both the Homeep and Shirley geological Trends. These anomalies were used for the selection of targets for drilling, the main focus of which was to test the reliability of IP, between delineating geophysical signature with underlying geology signatures, in identifying and discovering possible copper sulphide mineralisation associated with these physical features.

The Company developed an initial 1800-metre reverse circulation ("RC") drilling programme with up to six angled drill holes targeting five geophysics anomalies: four on the Homeep Trend and one on the Shirley Trend. Drilling commenced on 16 February 2017. As drilling progressed, inspection of the drill chips (composited every one-metre intersection down the hole) suggested that targeting IP anomalies alone was not as precise and less reliable than anticipated.

In August 2016, SHIP notarially executed the renewed prospecting right for a further three years to 17 August 2019.

Post period under review

Following the early appraisal of the drilling, which targeted IP anomalies alone, the Company refocused its drilling strategy to include local geology, basic rock surface outcrops and magnetic geophysics criteria in addition to IP anomaly criterion in location of drill targets. The Company increased the holes to be drilled to 14 from the initial 6-hole programme, the effect of which added significantly to the time scheduled for completion of the programme including assaying. This strategy change showed visually an increased reliability in intersecting sulphide mineralisation. The 14-hole drilling programme was completed on 15 May 2017. During this period the Company carried out further mapping of outcrops and a limited programme of ground magnetic geophysics to establish a correlation. Interpretation of the results is pending but initial indications are that there is a good correlation with the geology and basic rock outcrops. Whilst these non IP geophysics method are not suitable in identifying of metal sulphide mineralisation, they have application in differentiating rock types with differing rock mineralogies. Historically, copper sulphide mineralisation in the area has been associated with basic rock types (diorite and norite). However, the opposite is that not all these basic rock types in the host significant copper mineralisation, which is where IP anomalism has a role.

Preliminary results of the drilling programme have been received and are shown in Table 2. The best holes (in basic rock) numbers GDSP 008, 011 and 014 intersected respectively, 6 metres ("m") assaying weighted average 0.90% Cu from 23m to 29m downhole, 10m assaying weighted average 0.85% Cu from 28m to 38m and 8m assaying weighted average 1.06% Cu, from 3m to 11m downhole.

The Consultant has modelled the data but its formal release is pending final sign off on the quality control and assurance checks with the analytical laboratory responsible for the assays.

With due regard to the fact that objective of this initial drilling, which was to establish the relationship, if any, and reliability between the IP anomalies, with underlying geology and to possible copper grades associated with these physical metrics the preliminary interpretation suggests that:

- the testing (by means of drilling) of the IP survey anomalies which was conducted in a scientifically unbiased fashion yielded mixed results and was not conclusive;
- IP anomalies which were drilled blind and steeply into IP anomalies without geological outcrop or supporting geophysical evidence did not intersect significant mineralisation; and
- drilling into IP anomalies which had supporting surface outcrop, in conjunction with regional and limited ground geo-magnetic surveys yielded the best results by intersecting encouraging potentially mineable near-surface copper mineralisation with good grade.

[(a)]: *Chargeability effects are often associated with the presence of disseminated sulphide mineralisation and therefore high-chargeability zones represent potential drill targets*

Table 2 Preliminary Drilling Results and Initial correlation with IP, geology and magnetic geophysics

	Mineralised intersections (downhole) >0.2% Cu (cut-off)			Assay	End of Hole				
Hole GSPD	Intersect length m	From m	To m	%Cu	Depth m	Anomaly/ Target	Initial Interpretation	Trend	Prospect
001				<0.1	279	IP anomaly – Drilled blind	IP on its own not successful	Homeep	Homeep East
002				Not assayed	210	IP anomaly – Drilled blind	IP on its own not successful	Homeep	Homeep East
003	5	68	73	0.26	102	IPA – with supporting geology and geophysics	Successful	Homeep	Homeep East
004	6	98	104	0.36	145	IPA – with supporting geology and geophysics	Successful	Shirley	Hoogkraal East
	10	120	130	0.46					
005	7	216	223	0.59	314	IPA – with supporting geology and geophysics	Successful	Shirley	Hoogkraal East
	10	231	241	0.35					
	10	273	283	0.62					
006	4	193	197	0.42	286	IPA – with supporting geology and geophysics	Successful	Shirley	Hoogkraal East
	2	255	257	0.63					
007	8	140	148	0.4	192	IPA – with supporting geology and geophysics	Successful	Shirley	Hoogkraal
	2	175	177	0.45					
008	6	23	29	0.9	48	Basic outcrop	Did not Test IP	Shirley	Klondike
009				<0.1	102	Basic outcrop	Did not Test IP	Shirley	Klondike
010				<0.1	96	Basic outcrop	Did not Test IP	Shirley	Klondike
011	10	28	38	0.85	90	IPA/Basic outcrop	Successful	Shirley	Hoogkraal
	Incl. 3	28	31	0.88					
	Incl. 4	34	38	1.29					
012	11	86	17	0.44	90	IPA/Basic outcrop	Successful	Shirley	Hoogkraal
	5	27	32	0.56					
013				Not assayed	42	Basic outcrop	Drilling missed depth extension due to orebody geometry	Shirley	Hoogkraal
014	8	3	11	1.06	120	Basic outcrop	Did not Test IP	Shirley	Hoogkraal
	Incl. 5	6	11	2.03					

The Cooperation and Joint Venture Agreement (the "Agreement")

On 15 May 2017, Galileo committed the necessary funding to earn a 51% interest in the company owning the Concordia project, Shirley Hayes – ipk (Pty) Ltd ("SHIP"), having deposited into the Project's account the funds required to fulfil the commitment in terms of the Agreement.

SHIP claimed that the Company should dilute to a 15% interest in the SHIP Project. The Company has refuted the claim on the grounds that it has not yet made the election and could not make it in the time available and on the basis of the information obtained and modelled, which was inconclusive.

SHIP is a South African registered privately held company controlled by Shirley Hayes. The company was incorporated to hold the Concordia Project and its prospecting right. SHIP's sole asset is the Concordia Project.

Glenover Rare-Earth Phosphate Project ("Glenover Project" or "Project")

The Glenover Project is situated in the Limpopo Province of the Republic of South Africa.

Period under review

The exclusive option for the disposal of the Company's 34% ownership in Glenover Phosphate (Pty) Ltd, ("Glenover") the holding company of the Glenover Project to Fer-Min-Ore (Pty) Ltd ("FMO"), its partner in the Project for USD$4 million lapsed by mutual consent at the end of August 2016. The parties agreed jointly to advance the Project.

Post Period under Review

On 6 June 2017, Glenover and a major phosphate producer ("MPP") executed a proposal agreement (the "Agreement") whereby MPP intends to undertake upward of USD$300,000 in expenditure on a two-phase, pilot plant phosphate flotation study ("PPFS"), which could lead to the possible development of the Project. Under this Agreement, MPP has elected to continue and undertake Phase 1 of the PPFS; being Water and Ore variability Study.

Phase 2 of the PPFS is intended to produce phosphate concentrate for testing by MPP in its phosphate production process. The ultimate objectives of the undertaking include either developing the Project or selling the Project in whole or in part to MPP.

Pursuant to the Agreement, Glenover will, concurrent with the PPFS, fund the application for a mining right for the Project, for which its existing renewed prospecting right expires in November 2017.

Rare-earths from the tailings of any future phosphate processing of the ore by MPP, would be returned and available for further beneficiation by Glenover.

Extensive related test work and negotiations have taken place prior to this Agreement.

On 6 July 2017 the Company executed a term sheet ("Term Sheet") with FMO, pursuant to which the Company applies for and obtains a mining right from the Department of Mineral Resources ("DMR") to mine and produce phosphate. The terms of the Term Sheet, include amongst other things, Galileo funding the execution of the mining right application ("MRA") by way of an interest free convertible loan note to FMO, convertible to 4% of the equity in Glenover. Conversion would increase the Company's interest to 38% in Glenover. The Company has engaged the Consultant to execute the MRA, the submission of which is scheduled for later this calendar year. The MRA will include an environmental impact assessment and relevant Water Usage Licence application, in accordance with the Minerals and Petroleum Resources Development Act 2002 (as amended).

Existing Glenover shareholder loans will be written down: Galileo's loan (ZAR1.9m) will be netted off against FMO's loan (ZAR10.6m) and FMO's remaining agreed outstanding loan to Glenover will be ZAR4m.

The Term Sheet is valid for 24 months or until formal grant of the Mining Right. The funding will also include a monthly payment ZAR35,000 (GBP2,058) into Glenover's account to support the funding of the administration of the Project.

USA Nevada

Period under Review

Gabbs Property

On 30 August 2016, the Company closed an Asset Purchase Agreement (the "Agreement") with a subsidiary of Waterton Precious Metals Fund II Cayman, LP ("Waterton"), in terms of which Agreement Waterton purchased the Company's advanced Gabbs gold-copper property in Nevada for a consideration of USD$2.5 million cash. The reason behind the sale, amongst other things, was the Company's strategic decision to reduce exposure to exploration and focus instead on exploration and funding on its projects in South Africa and base metals.

Ferber Property

The Ferber property is a historic producer of gold and copper and hosts widespread gold and copper mineralisation.

The Company acquired further land position on Ferber following a quitclaim by another mining company of 210 unpatented claims around the perimeter of the concession. The Company undertook a sampling campaign comprising an initial suite of 23 samples, collected over an area of 6 km by 2 km. These samples yielded significant gold assay results shown in Table 3 below. Seven of the samples exceeded 1 g/t gold (Au) reaching 10.8 g/t. The highest-grade sample contained greater than 1% Bismuth and 167 ppm Tellurium, elements indicative of the mineral hedleyite. Hedleyite is a characteristic mineral in productive gold skarn deposits, such as those at McCoy and Fortitude in north-central Nevada, which also flank Late Eocene intrusions. Preliminary analysis of the data, together with historic results, indicated a geochemical zoning from more copper-rich gold mineralisation with a high silver Ag-to-Au ratio ("Ag:Au") marginal to the central stock to distal, copper-poor, gold mineralisation with relatively low silver and a lower Ag:Au. One sample of jasperoid from this distal setting , yielded 9.8 g/t Au with a Ag:Au of only 1:3; an historic sample from the same area assayed 11.7 g/t Au with a Ag:Au of 1:5. A sample of jasperoid over 1 km from the central stock yielded 325 ppb Au.

The Ferber intrusion-centered gold system is broadly similar to productive gold deposits elsewhere in north-central Nevada, where Carlin-style gold mineralisation and gold skarn mineralisation are genetically related to Late Eocene intrusions similar in age to the Ferber stock. This large district requires a broad approach aimed at recognising geochemical zoning, delineating district-scale structure and understanding the stratigraphy. Integrating these three components should serve as a vector to quality exploration targets.

Table 3. Selected gold-mineralised samples

Sample	Description	Type	Au ppm	Ag ppm
1	gossanous-saprolitic zone in marble	outcrop	1.420	0.13
2	dark brown Fe—ox stained gossanous jasperoid and marble, pieces to 8"	dump	0.229	0.16
3	gossanous, silicified jasperoid breccia, pieces to 18in	dump	9.760	12.80
4	marble with local gossanous silicified zones marginal to altered dike	outcrop	2.900	16.15
5	gossanous silicified jasperoid	dump	1.570	14.60
6	sheared gossanous marble and jasperoid	outcrop	0.147	25.00
7	strongly-limonitic jasperoid, locally gossanous; surrounded by alluvium	dump	0.494	159.00
8	gossanous jasperoid in marble	dump	0.114	62.80
9	gossanous skarn in marble	outcrop	0.062	7.71
10	haematite-goethite stained siliceous skarn	dump	1.265	570.00
11	siliceous gossan, weak skarn	dump	1.275	184.00
12	gossanous siliceous skarn	dump	0.603	302.00
13	gossanous soft to siliceous skarn	dump	10.800	136.00
14	strongly Fe-ox stained jasperoid	float	0.095	383.00
15	Soft haematitic locally siliceous gossan	outcrop	0.132	32.60
16	Iron-stained chalcedonic jasperoid	subcrop	0.325	95.40

These initial results indicate that the project offers an opportunity for the discovery of intrusion proximal gold skarn mineralisation as well distal Carlin-style gold mineralisation. In addition to mineralisation marginal to the stock, solidification also occurs along district-scale structures at the edge of alluvial cover distal to the intrusion, offering the potential for concealed mineralisation.

The Company continues to seek JV/farm-out partners or sale.

Silverton Property

Period under Review

On 27 June 2016 the Company executed, with Orogen Gold Plc ("Orogen"), an Earn-In Agreement, in terms of which Orogen has the right to earn an initial 51% interest in Galileo's 6 km² Silverton gold/silver property ("Silverton") in Nye County, Nevada through exploration spend of USD$400,000 over 18 months and may earn an additional 24% interest in the Property through a further exploration spend of USD$1.5 million over a subsequent 30 month period.

The Company and Orogen visited the Silverton site and identified new targets with historic silver/gold workings along cross structures. Orogen as operator completed a focussed re-mapping and sampling programme to confirm sites for an initial diamond drilling phase.

During October – November 2016, Orogen completed a 1274m-inclined reverse circulation-drilling programme on the property. The drill holes were targeted primarily at testing the Silverton Fault Zone at depth beneath previous shallower vertical drilling that had intercepted moderate to low-grade gold and silver mineralisation over significant widths in the fault hanging-wall. The Silverton Fault appeared to be a potential feeder to widespread shallow gold mineralisation.

Holes OS-2 to OS-5 were angled at 60 to 70 degrees towards the west and northwest across the steeply east-dipping fault system over a 600m-strike length from north to south. The holes generally confirmed earlier results, with low-grade gold occurring in a package of iron-stained and pyrite-bearing felsitic tuff and quartzite within the hanging-wall sequence above the fault structure. Three of the four holes aimed at the fault zone intersected gold mineralisation, including a wide interval in OS-2, however the intercepts were not enhanced compared to the shallower historic holes. The intervals are detailed in the table 4 below:

Table 4 – Drilling Results on Silverton

Silverton Project, Nevada – Au assay results

Hole No	Depth from (m)	Depth to (m)	Interval (m)	Au g/t
OS-2	24.38	96.01	71.63	0.20
incl.	24.38	39.62	15.24	0.34
incl.	38.10	39.62	1.52	1.33
and	54.86	62.48	7.62	0.38
OS-3	0.00	16.76	16.76	0.11
and	102.11	106.68	4.57	0.35
OS-5	118.87	123.44	4.57	0.28

Hole OS-1 was drilled vertically in the northeast segment of the property to test the mineralised tuff unit proximal to a possible caldera boundary fault structure. While the geology was much as expected, no significant gold mineralisation was encountered.

The drill holes cut across extensive low-order gold mineralisation on the Silverton Fault Zone. The results from this test drilling showed gold mineralisation persisting at depth along the Silverton Fault over a wide interval. The programme, which also included drilling to test structurally controlled high-grade feeder zones in the property, did not identify any new lithology or conditions to support this prognosis. Mineralised intervals up to 71.63m grading 0.20g/t Au, with values to 1.33g/t Au – 600m strike length of fault system tested at intermediate depths in mineralised tuff-quartzite package.

On 24 March 2017, Orogen announced a new business strategy for the company and consequently proposed to dispose of all its mineral exploration interests.

Post Period under Review

On 12 May 2017 Orogen formally changed its business strategy and ceased its mineral exploration activities. Consequently, Orogen officially withdrew from the Silverton project in accordance with the terms of the Silverton Earn-In Agreement dated 27 June 2016 and without recourse. All interests in Silverton and the data acquired by Orogen reverted to Galileo.

The claim fees for Silveron were paid to August 2017. The Company does not intend to retain the property and will not pay any further claim fees after August 2017.

Crow Springs Project

The Company intends not to retain Crow Springs.

About the Projects

Concordia

Concordia is located in the Okiep Copper District ("OCD"), within the Bushmanland mobile belt in the Namaqualand region of the Northern Cape Province of South Africa. The OCD is approximately 600 kilometres ("km") (370 miles) from Cape Town and the town of Concordia is within 30 km of the town of Springbok.

The Project area and prospecting license covers a little more than 36 000 hectares (360 km^2) on the farm Concordia (ERF 1251) some 15 km north east of the closed O'Kiep copper mine, which at one stage was the 2nd largest copper producer in southern Africa after the Phalaborwa copper mine (still in production) in the Limpopo Province.

The OCD has been subjected to intense geological and geophysical exploration over the past 55 years to 1998. While this exploration included 1300 km drilling, of which 133 000m were in the Project area, the focus of this historic drilling targeted high grade underground deposits that were emplaced at depth within steeply dipping structures comprising basic rocks of anorthosite, diorite and norite of the major Koperberg (Old Dutch – copper mountain) Geological Suite ("KS"). Excellent outcropping of the KS and associated sympathetic geophysical anomalies made locating these copper bearing deposits relatively easy. These easily located deposits are now all but depleted.

Total production and known reserves from these deposits as at 1985 was 2 Mt (million tonnes) of Cu from/within 27 separate localities over an area of around 3000 km^2. The total production plus reserves for the period 1940 to 1979 was 95 Mt @ 1.75% Cu, with individual mines including Okiep, Spektakel, Carolusberg, Nababeep and Concordia, ranging in production from 0.2 Mt to 37 Mt.

The mined and known copper deposits are confined to the KS, the youngest major group of intrusives in the district, which occurs as swarms of generally irregular, easterly trending, steep north dipping, dyke-like bodies, usually 60 to 100m wide, and seldom exceeding 1 km in continuous strike length. The Koperberg suite bodies are found within narrow linear antiformal structures (locally called 'steep structures'), along which the continuity of the adjoining 'intruded' Namaqualand Metamorphic Complex rocks has been interrupted by piercement folding and faulting. In places pipe-like bodies of 'mega-breccia' that generally lie along these structures are hosts to the Koperberg Suite.

Steep structures, 'mega-breccias' and the Koperberg Suite all postdate the major fold events. The KS comprises mainly basic rock types of diorite, anorthosite and norite in order of decreasing abundance. Many of the Koperberg Suite bodies are entirely uniform, while others are composite. There is some evidence for initial anorthosite, followed by progressively more basic types.

The copper is associated with the more basic lithologies. The copper sulphides, mainly chalcopyrite ($CuFeS_2$) and bornite (Cu_5FeS_4) with subsidiary chalcocite (Cu_2S), range from fine disseminations, to coarse granular, to vein aggregates, to local massive concentrations. Pyrite (FeS_2) is widespread but in small amounts, sometimes containing traces of cobalt. Pyrrhotite (~FeS) is present in some orebodies, with associated pentlandite (NIFeS), while minor galena (PbS) and sphalerite (ZnFeS) is found in others. The sulphides post-date silicate and oxide minerals and are present in a number of forms including, interstitially between silicate grains; as granular aggregates with silicates; along cleavage planes of hypersthene and mica; and replacing Fe-Ti-oxides. Localised hydrothermal alteration of hypersthene around sulphide grains is a conspicuous feature in little altered host rock.

Ferber Property

Geology and Mineralisation

The Ferber property is underlain by a stratigraphic sequence of Pennsylvania-Permian age carbonate units thought to include the Rib Hill Formation, Riepe Spring Formation, Ferguson Mountain Formation, and possibly the Pequop Formation. The sedimentary units are intruded and domed by a multi-phase diorite-quartz monzonite Tertiary-aged igneous complex. The intrusive complex has an exposed footprint of 6.1 km east-west by 1.6 km north-south. A contact metamorphic marble and calc-silicate zone are found at the margin of the intrusive complex. The project area is intersected by a number east-west, north-northwest and north-east trending faults. Copper and gold mineralisation occurs in the following styles: calc-silicate skarn near the intrusive contact, as replacement zones in the marble, in silicified shear zones and veins near contacts, along structures and horizons in silicated marble and as disseminations in the stock. Information contained in the data package acquired as part of the land acquisition show historic drilling by Royal Gold in the 1990s encountered the following intercepts on lands at Ferber:

- 10.8 m of 0.53 g/t Au in marble with iron oxides
- 4.6 m of 2.15 g/t Au in oxidized intrusive
- 4.6 m of 0.718% Cu (oxide) in intrusive
- 26.2 m of 0.415% Cu (oxide) in contact zone
- 12.3 m of 0.832% Cu (oxide) in contact zone

Andrew Sarosi
Technical and Finance Director

31 August 2017

Directors' Report

1. REVIEW OF ACTIVITIES

The Group's main activities are contained in this annual report. Details of the likely future developments of the Group have been addressed in the Chairman's report and the Operations report.

Principal activities

Galileo Resources Plc (AIM : GLR) is a focused resource company whose mission is to identify above average projects where the fundamentals are fully understood and have been released by significant raw data capture. The strategy is to acquire projects where early risk has been mitigated and major potential exists for value-add. All of our projects satisfy these strategic criteria and subject to financing and other constraints, the Company will continue to opportunistically grow and develop.

Business review

The function of the business review is to provide a balanced and comprehensive review of the Group's performance and developments during the year and its position at the year-end. The review also covers the principal risks and uncertainties faced by the Group. At this stage in the Group's development, the key performance indicators that the directors monitor on a regular basis are management of liquid resources, which are cash flows and bank balances. The results of the Company and the Group for the year are set out in the audited financial statements on pages 18 to 46.

A review of the Group's operations during the year ended 31 March 2017 and future developments are contained in the Chairman's Report and in the Operations Report on pages 3 to 10.

Financial review

The Group reported a net loss of £1,388,697 (2016: loss of £419,627) before and after taxation. Basic and diluted loss is 0.7 pence (2016: loss of 0.3 pence) per share.

The ZAR stood its ground against the GBP during the period under review as did the USD. Operating expenses were £871,776 compared to £435,862 in 2016.

The Group continues to tighten its cost management. Included in the loss of £1,388,697 is a loss in an amount of £469,259 in relation to the sale of the Company's Gabbs asset in the USA. The loss is mainly attributable to the uplift of the foreign exchange movement in the value of the asset up to the point of disposal.

Risk review

The board and the executive committee keep the risks inherent in an exploration business under constant review. The principal risks for an exploration company and the measures taken by the Company to mitigate them are detailed below:

Political risk

Political risk is the risk that assets will be lost through expropriation and unrest or war. The Group minimises political risk by operating in countries with relatively stable political systems, established fiscal and mining codes and a respect for the rule of law. The Company has instigated a black economic empowerment policy to comply with the South African mining charter, code of practice and black economic legislation.

Commodity risk

Commodity risk is the risk that the price earned for minerals will fall to a point where it becomes uneconomic to extract them from the ground and process. The principal metals in the Group's portfolio are gold, copper and rare earth elements ("REE") and phosphorus (as phosphate). The prices of these elements have been volatile during the year but an uptrend is in place. The potential economics of all the Group's projects are kept under close review on a regular basis.

Financial risk

The three main types of financial risk faced by the Group are credit risk, liquidity risk and currency risk. Liquidity risk is the risk of insufficient working and investment capital. The Group's goal is to finance its exploration and activities from operational cash flow from operations but in the absence of such cash flow, the Group relies on the issue of equity share capital to finance its activities. Galileo secured additional funds by way of a placing during the year under review, to advance exploration activities in order to further develop a mineral resource estimate, advance metallurgical test work and continue with a Preliminary Economic Assessment ("PEA") of the Company's Glenover project.

The Group finances its overseas operations by purchasing South African Rand with Pound Sterling in the United Kingdom and transferring it to meet local operating costs. The Group does not hedge its exposure and is therefore exposed to currency fluctuations between these two currencies and local currencies but this policy will be reviewed from time to time. The Group maintains tight financial and budgetary control to keep its operations cost effective to mitigate these financial risks.

Strategic risk

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, the Group may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that the Group will acquire any interest in additional operations that would yield reserves or result in commercial mining operations. The Group expects to undertake sufficient due diligence where warranted to help ensure opportunities are subjected to proper evaluation.

Funding risk

The Group has raised funds via equity contributions from new and existing shareholders and asset disposal, thereby ensuring the Company remains a going concern until such time that it enters into an off-take agreement/debt financial arrangement. The directors regularly review cash flow requirements to ensure the Company can meet financial obligations as and when they fall due.

Exploration risk

Exploration risk is the risk of investing cash and resources on projects, which may not provide a return. The Group addresses this risk by using its skills, experience and local knowledge to select only the most promising areas to explore. Mineral exploration and development of the Group's mineral exploration properties is speculative in nature and is contingent upon obtaining satisfactory exploration results. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able adequately mitigate. The degree of risk reduces substantially when a Group's properties move from the exploration phase to the development phase.

Operational risk

Exploration and subsequent mining operations are subject to hazards normally encountered in exploration, development and production. Although it is intended to take adequate precautions during each stage of development to minimise risk, there is a possibility of a material adverse impact on the Group's operations and its financial results. The Group will develop and maintain policies appropriate to the stage of development of its various projects. Recruiting and retaining skilled and qualified personnel are critical to the Group's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. While the Group has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations, which may be introduced by the relevant governmental authorities. Adverse changes in such legislation may have a material adverse effect on the Group's business, results of operations and financial condition. Members of staff are encouraged to discuss with management matters of interest to the employees and subjects affecting day-to-day operations of the Group.

Mining risk

There is no guarantee that the minerals contained in the various assets can be mined either practically, technically or at a cost less than the realisable value of the contained minerals. The cost of development and access may preclude the development of the mine. Should a mine be developed there is no assurance that operations can continue since operations are dependent on product prices, direct operating cost and the cost of "stay in business" capital. Mining operations are often challenged by difficult mining and/or slope stability conditions, variability of grade, excess water and small faulting. All of these factors could adversely affect mining production rate and therefore profitability.

Processing risk

REEs are relatively difficult to process and as such require complex chemistry solutions to gain satisfactory recovery and quality. The recovery of one element may be at the sacrifice of another rare-earth element and no assurance can be given that the ultimate suite of elements that can be recovered can be done so economically. Should the Company elect to progress to recovery only to concentrate, then there is no assurance that a global market exists for the concentrate. Shareholders and investors should be aware that the cost of building a rare-earth processing plant is considerably higher than other mineral processing plants and that the Company may not be able to raise sufficient finance to build such a plant.

Political stability

The Group is conducting its activities in South Africa and in the United States of America. The directors believe that the government of South Africa supports the development of natural resources by foreign investors and actively monitors the situation. However, there is no assurance that future political and economic conditions in South Africa will not result in the government of South Africa adopting different policies regarding foreign development and ownership of mineral resources. Any changes in policy affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, may affect the Group's ability to develop the projects. The Company is complying with current South African mining charter code of practice and black economic empowerment legislation (refer to the directors' report). The politics of the USA are well understood and transparent with full democracy. Federal law could change in the USA thereby affecting the cost of mineral concession ownership. Nevada Mining Law could change to the detriment of future mining development.

Uninsurable risks

The Group may become subject to liability for accidents, pollution and other hazards, which it cannot insure or against which it may elect not to insure because of premium costs or for other reasons, such as in amounts, which exceed policy limits.

Security of tenure

The Group investigates its rights to explore and extract minerals from all of its material properties and, to the best of its knowledge; those rights are expected to be in good standing. However, no assurance can be given that the Group will be able to secure the grant or the renewal of existing mineral rights and tenures on terms satisfactory to it, or that governments in the jurisdiction in which the Group operates will not revoke or significantly alter such rights or tenures or that such rights or tenures will not be challenged or impugned by third parties, including local governments or other claimants. Although the Group is not aware of any existing title uncertainties with respect to any of its future material properties, there is no assurance that such uncertainties, if negative, will not result in future losses or additional expenditures, which could have an adverse impact on the Group's future cash flows, earnings, results of operations and financial condition.

Market perception

Market perception of mining and exploration companies may change, which could impact on the value of investors' holdings and impact on the ability of the Company to raise further funds by issue of further shares in the Company.

Glenover licence

Glenover has six new order prospecting rights covering a surface area of 15,802 hectares. These mineral assets are located primarily on the farm Glenover 371 LQ, but are also spread across other farms. The Department of Mineral Resources granted renewal of Glenover's prospecting right on the Glenover rare earth phosphate concession to November 2017.

Environmental factors

All mining operations have some degree of an environmental risk. Although the directors have made reasonable assessment, no assurance can be given that no outstanding or intended claims against disturbance of the environment exist. Rare earths are often associated with radioactivity and the Glenover project has amongst other minerals, radioactive thorium present in the ore. The directors have considered the significance of this and what potential problems may be presented due to the presence of radioactive minerals. They have concluded that the potential radioactivity will not prevent operations but no assurance can be given that the presence of radioactivity will impact on either capital or operating cost or both. In addition, the Group will also be subjected to, where appropriate, clean-up costs and for any toxic or hazardous substances, which may be produced as a result of its operation. Environmental legislation and permitting are evolving in a non-mining supportive manner, which could result in onerous standards and enforcement with the risk of consequential fines, penalties and closure. As the Company develops, the directors intend to carry out the appropriate environmental base-line studies with experts outsourced from independent environmental consultancies.

Reserve and resource estimates

The Group's future reported reserves and resources of Glenover are only estimates. No assurance can be given that the estimated reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral and metal reserve and resource estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative. Mineral and metal reserve and resource estimates may require revision (either up or down) based on actual production experience or further sampling. Any future reserve and/or resource figures will be estimates and there can be no assurance that the minerals are present, will be recovered or can be brought into profitable production. Furthermore, a decline in the market price for natural resources that the Group may discover or invest in could render reserves containing relatively lower grades of these resources uneconomic to recover and may ultimately result in a restatement of reserves.

2. GOING CONCERN

The Group has sufficient financial resources to enable it to continue in operational existence for the foreseeable future, to continue the current development programme and meet its liabilities as they fall due. The directors have further reviewed the Group's cash flow forecast. In the light of this review and the current financial position, they are satisfied that the Company and Group have access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors consider it appropriate to continue to adopt the going-concern basis in preparing these financial statements. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. EVENTS AFTER THE REPORTING PERIOD

Other than the events described in the Chairman's and Operations Report and the transactions described below, the directors are not aware of any matter or circumstances arising that should be disclosed since the end of the financial year. Refer to note 32 for details on subsequent events.

4. DIRECTORS' SHAREHOLDING ANALYSIS

Directors' direct and indirect interests in the ordinary shares of the Company as at the date of this report were as follows:

	At 31 March 2017		At 31 March 2016	
Beneficial owner	Shares	% holding	Shares	% holding
Colin Bird	48,185,000	24.60	48,185,000	24.81
Andrew Sarosi	10,000	0.01	10,000	0.01
John Richard Wollenberg	4,921,341	2.51	3,300,000	1.70
The Cardiff Property Plc*	900,000	0.46	900,000	0.46

**John Richard Wollenberg and his family are 44.42% shareholders in the Cardiff Property Plc*

Colin Bird holds 48,185,000 ordinary shares of 1 pence each or 24.60% of the Company's issued share capital. This makes him a majority shareholder in Galileo with potentially significant influence over the affairs of the Company.

Directors' interests in the Company's share option scheme at the date of this report were as follows:

	At 31 March 2017(1)	At 31 March 2016(2)
Beneficial owner	Options	Options
Colin Bird	5,000,000	500,000
Andrew Sarosi	3,000,000	250,000
John Richard Wollenberg	750,000	2,500,000
Chris Molefe	250,000	900,000

(1)= These options were granted to the directors 27 January 2017 at a strike price of £0.02 per share.

(2)= These options were granted to the directors on 1 October 2011 and have since expired.

Refer to note 28 for directors' emoluments.

5. CAPITAL STRUCTURE AND SHARE ISSUE

During the period under review the Company issued 2,121,341 new ordinary shares as follows:

Date	Number of ordinary shares	Purpose of issue
12 April 2016	500,000	Settlement of debt
3 February 2017	1,621,341	Shares in lieu of director remuneration

Subsequent to the period under review the Company issued no new ordinary shares.

Allotment of shares

As ordinary business at the annual general meeting, a resolution will be proposed to renew the power of your directors to allot equity securities, pursuant to section 551 of the Companies act 2006, such power being to equity securities having an aggregate nominal value of £64,638. This authority may be renewed for five years but, in common with modern corporate governance practice, it is your directors' intention that the resolution be limited to one year and that its renewal be proposed at each annual general meeting.

Pre-emption rights

As special business at the annual general meeting, a resolution will be proposed to renew for a further year the power of your directors to allot equity securities for cash without first offering such securities to existing shareholders. The aggregate nominal amount of equity securities, which may be allotted in this way shall not exceed £195,874.

6. DIVIDENDS

No dividends were declared or paid to shareholders during the year under review.

7. DIRECTORS

The directors of the Company during the year and to the date of this report are disclosed under Corporate Information on page 2 of this report.

8. SECRETARY

The secretary of the Company is Capita Asset Services, a division of Capita Registrars Ltd with address; 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

9. AUDITORS

A resolution proposing the appointment of the auditors, Chapman Davis LLP, will be put to vote at the annual general meeting.

10. DISCLOSURE OF INFORMATION TO AUDITORS

The directors, who held office at the date of approval of this directors' report, confirm that as far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

11. DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act 2006 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly represent the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the applicable UK laws.

The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong controlled environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The going-concern basis has been adopted in preparing the consolidated annual financial statements. The directors have no reason to believe that the Group will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These consolidated annual financial statements support the viability of the Company. The directors have reviewed the Group's financial position at the balance sheet date and for the period ending on the anniversary of the date of approval of these financial statements and they are satisfied that the Group has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

12. RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in note 26.

13. FINANCIAL INSTRUMENTS

For the period under review the Group held no financial instruments, outside of cash and receivables. Financial risk management policies are disclosed in note 29.

14. POLITICAL AND CHARITABLE CONTRIBUTIONS

The Group made no charitable donations (2016: £Nil) and no political donations (2016: £Nil) during the year.

The Company's independent auditors, Chapman Davis LLP, audited the Group's consolidated annual financial statement, and their report is presented on pages 16 to 17.

The Group and Company annual financial statements set out on pages 18 to 46, which have been prepared on the going-concern basis, were approved by the Board on 31 August 2017 and were signed on its behalf by:

Colin Bird
Chairman

31 August 2017

Independent Auditors' Report

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GALILEO RESOURCES PLC

We have audited the financial statements of Galileo Resources PLC for the year ended 31 March 2017 which comprise the Group and Company Statements of Financial Position, Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows and the related notes 1 to 32. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out in the Directors' Report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:-

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2017 and of the group's and the parent company's results for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we required for our audit.

We have nothing to report by exception.

Rowan J Palmer
(Senior Statutory Auditor)

For and on behalf of Chapman Davis LLP
Chartered Accountants and Statutory Auditors
London
United Kingdom

31 August 2017

Statements of Financial Position

as at 31 March 2017

Figures in Pound Sterling

		Group		Company	
	Note(s)	**31 March 2017**	31 March 2016	**31 March 2017**	31 March 2016
Assets					
Non-current assets					
Intangible assets	4	**1,473,494**	2,667,062	**–**	–
Investment in subsidiaries	5	**–**	–	**2,357,599**	2,357,599
Investment in joint ventures	6	**2,325,144**	1,868,370	**–**	–
Loans to joint ventures and subsidiaries	7	**640,030**	79,457	**5,156,026**	5,350,128
Other financial assets	8	**454,604**	556,078	**–**	198,908
		4,893,272	5,170,967	**7,513,625**	7,906,635
Current assets					
Trade and other receivables	10	**30,522**	20,453	**–**	–
Cash and cash equivalents	11	**1,110,821**	135,086	**915,733**	136,264
		1,141,343	155,539	**915,733**	136,264
Total assets		**6,034,615**	5,326,506	**8,429,358**	8,042,899
Equity and liabilities					
Equity					
Share capital	12	**23,883,494**	23,854,957	**23,883,494**	23,854,957
Reserves		**890,060**	155,384	**1,197,614**	1,834,960
Accumulated loss		**(19,136,926)**	(18,977,249)	**(17,630,333)**	(17,711,657)
		5,636,628	5,033,092	**7,450,775**	7,978,260
Liabilities					
Non-current liabilities					
Loans from subsidiaries		**–**	–	**919,178**	–
Other financial liabilities	15	**4,016**	2,692	**–**	–
Current liabilities					
Trade and other payables	16	**393,971**	290,722	**59,405**	64,639
Total liabilities		**397,987**	293,414	**978,583**	64,639
Total equity and liabilities		**6,034,615**	5,326,506	**8,429,358**	8,042,899

These financial statements were approved by the directors and authorised for issue on 31 August 2017 and are signed on their behalf by:

Colin Bird **Andrew Sarosi**

Company number: 05679987

Statements of Comprehensive Income

for the year ended 31 March 2017

Figures in Pound Sterling

		Group		Company	
	Note(s)	**31 March 2017**	31 March 2016	**31 March 2017**	31 March 2016
Revenue					
Operating expenses	18	**(871,776)**	(435,862)	**(706,596)**	(381,575)
Operating loss		**(871,776)**	(435,862)	**(706,596)**	(381,575)
Investment revenue	19	**781**	48,578	**781**	775
Finance Costs		**–**	(2)	**–**	–
Loss on disposal of non-current asset	4	**(469,259)**	–	**–**	–
Loss from equity accounted investments	6	**(48,443)**	(32,341)	**–**	–
Loss for the year		**(1,388,697)**	(419,627)	**(705,815)**	(380,800)
Other comprehensive income:					
Exchange differences on translating foreign operations	22	**1,372,022**	(364,872)	**–**	–
Total comprehensive loss for the year		**(16,675)**	(784,499)	**(705,815)**	(380,800)
Loss per share in pence (basic)	23	**(0.7)**	(0.3)		

All operating expenses and operating losses relate to continuing activities.

Statements of Changes in Equity

as at 31 March 2017

Figures in Pound Sterling *Figures in Pound Sterling*

	Share capital	Share premium	Total share capital	Foreign currency transaction reserve	Merger reserve	Share based payment reserve	Total reserves	Accumulated loss	Total equity
Group									
Balance at 1 April 2015	**5,735,137**	**17,418,570**	**23,153,707**	**(1,314,704)**	**1,047,821**	**787,139**	**520,256**	**(18,556,522)**	**5,116,341**
Loss for the year	–	–	–	–	–	–	–	(419,627)	(419,294)
Other comprehensive income	–	–	–	(364,872)	–	–	(364,872)	–	(365,205)
Total comprehensive loss for the year	**–**	**–**	**–**	**(364,872)**	**–**	**–**	**(364,872)**	**(419,627)**	**(784,499)**
Issue of shares	**69,250**	**632,000**	**701,250**	–	–	–	–	–	**701,250**
Total contributions by and distributions to owners of Company recognised directly in equity	**69,250**	**632,000**	**701,250**	**–**	**–**	**–**	**–**	**–**	**701,250**
Balance at 1 April 2016	**5,804,387**	**18,050,570**	**23,854,957**	**(1,679,576)**	**1,047,821**	**787,139**	**155,384**	**(18,977,249)**	**5,033,092**
Loss for the year	–	–	–	–	–	–	–	(1,388,697)	(1,388,697)
Other comprehensive income	–	–	–	1,813,903	–	–	1,813,903	–	1,813,903
Total comprehensive loss for the year	**–**	**–**	**–**	**1,813,903**	**–**	**–**	**1,813,903**	**(1,388,697)**	**425,206**
Issue of share options	–	–	–	–	–	149,793	149,793	–	149,793
Share options expired	–	–	–	–	–	(787,139)	(787,139)	787,139	–
Issue of shares	2,121	26,416	28,537	–	–	–	–	–	28,537
Transfer between reserves	–	–	–	(441,881)	–	–	(441,881)	441,881	–
Total contributions by and distributions to owners of company recognised directly In equity	**2,121**	**26,416**	**28,537**	**1,372,022**	**–**	**(637,346)**	**584,883**	**(159,677)**	**603,536**
Balance at 31 March 2017	**5,806,508**	**18,076,986**	**23,883,494**	**(307,554)**	**1,047,821**	**149,793**	**890,060**	**(19,136,926)**	**5,636,628**
	Share capital	**Share premium**	**Total share capital**	**Foreign currency transaction reserve**	**Merger reserve**	**Share based payment reserve**	**Total reserves**	**Accumulated loss**	**Total equity**
Company									
Balance at 1 April 2015	**5,735,137**	**17,418,570**	**23,153,707**	**–**	**1,047,821**	**787,139**	**1,834,960**	**(17,330,857)**	**7,657,810**
Loss for the year	–	–	–	–	–	–	–	(380,800)	(380,800)
Total comprehensive loss for the year	–	–	–	–	–	–	–	(380,800)	(380,800)
Issue of shares	69,250	632,000	701,250	–	–	–	–	–	701,250
Total contributions by and distributions to owners of Company recognised directly in equity	**69,250**	**632,000**	**701,250**	**–**	**–**	**–**	**–**	**–**	**701,250**
Balance at 1 April 2016	**5,804,387**	**18,050,570**	**23,854,957**	**–**	**1,047,821**	**787,139**	**1,834,960**	**(17,711,657)**	**7,978,260**
Loss for the year	–	–	–	–	–	–	–	(705,815)	(705,815)
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(705,815)**	**(705,815)**
Issue of share options	–	–	–	–	–	149,793	149,793	–	149,793
Share options expired	–	–	–	–	–	(787,139)	(787,139)	787,139	–
Issue of shares	2,121	26,416	28,537	–	–	–	–	–	28,537
Total contributions by and distributions to owners of company recognised directly In equity	**2,121**	**26,416**	**28,537**	**–**	**–**	**(637,346)**	**(637,346)**	**787,139**	**178,330**
Balance at 31 March 2017	**5,806,508**	**18,076,986**	**23,883,494**	**–**	**1,047,821**	**149,793**	**1,197,614**	**(17,630,333)**	**7,450,775**
Note(s)	12	12	12	14					

Statements of Cash Flows

for the year ended 31 March 2017

Figures in Pound Sterling

		Group		Company	
	Note(s)	**31 March 2017**	31 March 2016	**31 March 2017**	31 March 2016
Cash flows from operating activities					
Cash used in operations	24	**(654,067)**	(459,601)	**(562,037)**	(382,326)
Investment Revenue	19	**781**	45	**781**	775
Finance Cost		**–**	(2)	**–**	–
Net cash from operating activities		**(653,286)**	(459,558)	**(561,256)**	(381,551)
Cash flows from investing activities					
Additions to intangible assets	4	**(23,969)**	(163,701)	**–**	–
Sale of intangible asset		**1,957,587**	–	**–**	–
Net movement on group company loans	7	**(333,134)**	14,956	**1,113,280**	(157,569)
Loans and receivables		**–**	(138,732)	**198,908**	(198,908)
Net cash flows from investing activities		**1,600,484**	(287,477)	**1,312,188**	(356,477)
Cash flows from financing activities					
Proceeds on share issue		**28,537**	701,250	**28,537**	701,250
Net cash flows from financing activities		**28,537**	701,250	**28,537**	701,250
Total cash movement for the year		**975,735**	(45,785)	**779,469**	(36,778)
Cash at the beginning of the year		**135,086**	180,871	**136,264**	173,042
Total cash at end of the year	11	**1,110,821**	135,086	**915,733**	136,264

Accounting Policies

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards IFRIC interpretations issued by the International Accounting Standards Board and the Companies Act 2006. The consolidated annual financial statements have been prepared on the historical cost basis, except for certain financial instruments at fair value, and incorporate the principal accounting policies set out below. Cost is based on the fair values of the consideration given in exchange for assets and they are presented in Pound Sterling.

1.1 Basis of Consolidation

The consolidated annual financial statements incorporate the annual financial statements of the Company and all entities, including special purpose entities, which are controlled by the Company.

Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions, which result in changes in ownership levels, where the Group has control of the subsidiary both before and after the transaction, are regarded as equity transactions and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt, which are amortised as part of the effective interest, and costs to issue equity, which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity, which arise as a result of the contingent consideration, are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 non-current assets held-for-sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests arising from a business combination, which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRSs.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the Group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

Investment in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in associate is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 non-current assets held-for-sale and discontinued operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate, less any impairment losses.

Losses in an associate in excess of the Group's interest in that associate are recognised only to the extent that the Group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment; however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the Group and an associate are eliminated to the extent of the Group's interest therein.

When the Group reduces its level of significant influence or loses significant influence, the Group proportionately reclassifies the related items, which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

Interests in joint ventures

A joint venture is a contractual agreement whereby the Group and other parties undertake an economic activity that is subject to joint control that is when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control.

Jointly controlled entities

An interest in a jointly controlled entity is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 non-current assets held-for-sale and discontinued operations. Under the equity method, interests in jointly controlled entities are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the jointly controlled entity, less any impairment losses. Profits or losses on transactions between the Group and a joint venture are eliminated to the extent of the Group's interest therein.

When the Group loses joint control, the Group proportionately reclassifies the related items, which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the annual financial statements. Significant judgements include:

Options granted

Management used the ABC model to determine the value of the options issued at listing date and will use the Black Scholes Formula for subsequent options being granted. Additional details regarding the estimates are included in note 13 – share-based payments.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

1.3 Exploration and evaluation costs

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or

(ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if:

(i) sufficient data exist to determine technical feasibility and commercial viability; and

(ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units ("CGU") to which the exploration activity related.

Exploration and evaluation assets are carried forward in the balance sheet under intangible assets.

1.4 Investment in subsidiaries

Company annual financial statements

In the Company's separate annual financial statements, investment in subsidiaries are carried at:

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.5 Investment in joint ventures

Company annual financial statements

An investment in a joint venture is carried at cost less any accumulated impairment.

In respect of its interests in jointly controlled operations, the Company recognises in its annual financial statements:

- the assets that it controls and the liabilities that it incurs; and
- the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint venture.

In respect of its interest in jointly controlled assets, the Company recognises in its annual financial statements:

- its share of the jointly controlled assets, classified according to the nature of the assets;
- any liabilities that it has incurred;
- its share of any liabilities incurred jointly with the other venturers in relation to the joint venture;
- any income from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture; and
- any expenses that it has incurred in respect of its interest in the joint venture.

1.6 Investments in associates

Company annual financial statements

An investment in an associate is carried at cost less any accumulated impairment.

1.7 Financial instruments

Classification

The Group classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss designated
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is reassessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instruments.

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments, which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Regular way purchases of financial assets are accounted for at trade date.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the Group's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Loans to/(from) Group companies and Joint Ventures

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to Group companies are classified as loans and receivables.

Loans from Group companies are classified as financial liabilities measured at amortised cost.

Inter-company loans bear no interest.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.8 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.10 Share-capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.11 Share-based payments

Goods or services received or acquired in a share based payment transaction are recognised when the goods or as the services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity-settled share based payment transaction or a liability if the goods or services were acquired in a cash-settled share based payment transaction.

When the goods or services received or acquired in a share based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in equity are measured, directly, at the fair value of the goods or services received provided that the fair value can be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, or if the services received are employee services, their value and the corresponding increase in equity, are measured, indirectly, by reference to the fair value of the equity instruments granted.

Vesting conditions, which are not market, related (i.e. service conditions and non-market related performance conditions) are not taken into consideration when determining the fair value of the equity instruments granted. Instead, vesting conditions which are not market related shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Market conditions, such as a target share price, are taken into account when estimating the fair value of the equity instruments granted. The number of equity instruments are not adjusted to reflect equity instruments which are not expected to vest or do not vest because the market condition is not achieved.

If the share-based payments granted do not vest until the counterparty completes a specified period of service, Group accounts for those services as they are rendered by the counterparty during the vesting period, (or on a straight-line basis over the vesting period).

If the share based payments vest immediately the services received are recognised in full.

1.12 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.13 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.14 Translation of foreign currencies

Functional and presentation currency

Items included in the annual financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated annual financial statements are presented in Pound Sterling, which is the Group functional, and presentation currency.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in South African Rand, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in South African Rand by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Investments in subsidiaries, joint ventures and associates

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

1.15 Going concern

The going concern basis has been adopted in preparing the consolidated annual financial statements. The directors have no reason to believe that the Group will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These consolidated annual financial statements support the viability of the Company. The directors have reviewed the Group's financial position at the balance sheet date and for the period ending on the anniversary of the date of approval of these financial statements, they are satisfied that the Group has or has access to adequate resources to continue in operational existence for the foreseeable future.

2. NEW STANDARDS AND INTERPRETATIONS

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

New standards, amendments and interpretations adopted by the Company

New and/or revised Standards and Interpretations that have been required to be adopted, and/or are applicable in the current year by/to the Company, as standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2016 do not have a material effect on the Company financial statements.

New standards, amendments and interpretations not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements, were in issue but not yet effective for the year presented:

- IFRS 9 in respect of Financial Instruments which will be effective for the accounting periods beginning on or after 1 January 2018.
- IFRS 15 in respect of Revenue from Contracts with Customers which will be effective for accounting periods beginning on or after 1 January 2018.
- IFRS 16 in respect of Leases which will be effective for accounting periods beginning on or after 1 January 2019.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Figures in Pound Sterling

3. PROPERTY, PLANT AND EQUIPMENT

	31 March 2017			31 March 2016		
	Cost/ Valuation	Impairment loss	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
Group						
Furniture and fixtures	–	–	–	282	(282)	–
Total	–	–	–	282	(282)	–

Company	31 March 2017			31 March 2016		
	Cost/ Valuation	Impairment loss	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	–	–	–	282	(282)	–

Reconciliation of property, plant and equipment

	Group 31 March 2017			Group 31 March 2017		
	Opening balance	Impairment loss	Total	Opening balance	Foreign exchange movements	Total
Furniture and fixtures	–	–	–	282	(282)	–
	–	–	–	–	–	–

Reconciliation of property, plant and equipment

	Group 31 March 2017			Group 31 March 2017		
	Opening balance	Impairment loss	Total	Opening balance	Foreign exchange movements	Total
Furniture and fixtures	–	–	–	282	(282)	–

Figures in Pound Sterling

4. INTANGIBLE ASSETS

	31 March 2017 Cost/ Valuation	31 March 2017 Accumulated depreciation	31 March 2017 Carrying value	31 March 2016 Cost/ Valuation	31 March 2016 Accumulated depreciation	31 March 2016 Carrying value
Group						
Exploration and evaluation asset – U.S.A.	**1,473,494**	**–**	**1,473,494**	2,667,062	–	2,667,062

Reconciliation of intangible assets

	Opening	Additions	Disposals	Foreign Exchange	Impairment	Total
2017	**2,667,062**	**23,969**	**(2,426,846)**	**1,209,309**	**–**	**1,473,494**
2016	2,487,111	163,701	–	16,250	–	2,667,062

The exploration and evaluation asset is a USD denominated asset. It is carried at cost adjusted for any foreign currency movements during the period under review.

On 30 August 2016, the Company executed an Asset Purchase Agreement (the "Agreement") with a subsidiary of Waterton Precious Metals Fund II Cayman, LP ("Waterton"). Under the terms of the Agreement, Waterton has purchased the Company's advanced Gabbs gold-copper property in Nevada for a consideration of USD$2.5 million cash. (GBP1.9 million) in cash. The Group reported a loss on the sale of the property of GBP0.47 million which is mainly attributable to the uplift of the foreign exchange currency movements prior to the disposal.

The proceeds will be directed towards aggressive exploration of the South African Concordia Copper project. This aligns with the Company's strategic decision to reduce exposure to gold exploration and focus instead on exploration and funding of its Concordia copper project in Namaqualand, Northern Cape Province in South Africa.

The Company retains its greenfield Ferber coppergold property in Nevada. During the latter part of 2016 the Company undertook an extensive survey of its Ferber property and during this investigation took many chip samples. The results of the samples were very encouraging to the extent that the Company acquired further ground to enlarge the size of its concession. The Company's confidence is such on the Ferber project that it paid for the original license plus extension during the round of license renewals in August 2017 and the project is now in good standing with the intent to carry out drilling during the coming year.

5. INVESTMENTS IN SUBSIDIARIES

Name of Company	31 March 2017 % voting power	31 March 2016 % voting power	31 March 2017 Carrying amount	31 March 2016 Carrying amount
Skiptons Global Investments Ltd – Incorporated in British Virgin Islands	**100**	100	**–**	10,166,000
Galileo Resources SA Proprietary Limited – Incorporated in the Republic of South Africa	**100**	100	**–**	–
St Vincent Minerals	**100**	100	**2,357,599**	2,357,599
			2,357,599	12,523,599
Impairment of investment – Skiptons			**–**	(10,166,000)
			2,357,599	2,357,599

The carrying amounts of subsidiaries are shown net of impairment losses.

Galileo holds 100% of the issued share capital in Galileo Resources SA Proprietary Limited, incorporated in the Republic of South Africa, through its fully owned subsidiary, Skiptons Global Investment Ltd (BVI).

The principal activity of Galileo Resources SA Proprietary Limited is the same as that of Galileo Resources Plc.

Figures in Pound Sterling

6. INVESTMENT IN JOINT VENTURES

Name of Company	31 March 2017 % holding	31 March 2016 % holding	31 March 2017 Carrying amount	31 March 2016 Carrying amount
Glenover Phosphate (Pty) Ltd ("Glenover")	**33.99**	33.99	**2,325,144**	1,868,370

Galileo's direct investment in Glenover is 29% and it also has an indirect investment in Glenover through its shareholding in Galagen of 4.99% resulting in a total economic interest in Glenover of 33.99%. Galileo is currently carrying the BEE in terms of its interest in Glenover. The carrying amounts of Joint Ventures are shown net of impairment losses. Galileo's share of the equity accounted profit/loss for the Joint Venture is recognised from the date of acquisition on 4 July 2011.

Summary of Groups interest in joint venture – South Africa

	Group 31 March 2017	31 March 2016
Carrying value at the beginning of the year	**1,868,370**	2,257,137
Additional investment	**–**	–
Effect of change in translation currency	**505,217**	(356,426)
Equity accounted loss for the year	**(48,443)**	(32,341)
Carrying value at year end	**2,325,144**	1,868,370
The Group's share of the Joint Venture investment in Glenover		
Summary of the Group's interests in the Joint Venture.		
Current assets	**1,895**	1,081
Non-current assets	**881,931**	673,281
Current liabilities	**(1,411)**	(29,964)
Non-current liabilities	**(211,776)**	(89,948)
Net assets	**670,639**	554,450
Income	**810**	169
Interest received	**–**	4,468
Interest paid	**(14,883)**	–
Expenses	**(34,370)**	(35,178)
Taxation	**–**	(1,800)
Equity accounted loss for the year	**(48,443)**	(32,341)

Figures in Pound Sterling

7. LOANS TO JOINT VENTURES AND SUBSIDIARIES

	Group		Company	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
Loans to/(from) subsidiaries				
Galileo Resources SA Proprietary Limited			**4,947,826**	4,945,989
Skiptons Global Investment Ltd			**4,884**	3,272
St Vincent Minerals			**(919,178)**	400,867
			4,033,532	5,350,128
Loans to Joint Ventures				
Glenover Phosphate (Pty) Ltd	**101,125**	79,457	**–**	–
SHIP – Concordia	**538,905**	–	**203,316**	–
	640,030	79,457	**203,316**	–

On 6 July 2017, Galileo executed a term sheet with its JV partner Fer-Min-Ore Proprietary Limited ("FMO"), in the Glenover Phosphate/Rare earth project (the "Glenover Project" or "Project"), to advance the Project to a stage where it obtains a mining right ("MRA") from the Department of Mineral Resources ("DMR") to mine and produce phosphate (the "Term Sheet").

One of the terms in the Term Sheet, amongst other, includes Galileo funding the execution of the mining right application ("MRA") by way of a loan, convertible to 4% of the equity in Glenover Phosphate Proprietary Limited ("Glenover"). The Company has engaged a consulting group to execute the MRA.

8. OTHER FINANCIAL ASSETS

	Group		Company	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
Fair value through profit or loss-designated				
Galagen – Ordinary shares	**10**	8	**–**	–
Galagen – B Preference shares	**450,431**	353,913	**–**	–
	450,441	353,921	**–**	**–**

The above non-listed preference share investment represents the "B" class zero percent coupon rate preference shares issued by Galagen for its investment in Glenover as part of the BBBEE transaction.

Preference share dividends are not receivable as the share are represented by zero percent coupon rate and are only redeemable after three years.

	Group		Company	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
Loans and receivables				
Galagen	**4,163**	202,157	**–**	198,908
This loan bears no interest and has no fixed terms of repayment.				
Total other financial assets	**4,163**	556,078	**–**	198,908
Non-current assets				
At fair value through profit or loss – designated	**450,441**	353,921	**–**	–
Loans and receivables	**4,163**	202,157	**–**	198,908
	454,604	**556,078**	**–**	**198,908**

Figures in Pound Sterling

8. OTHER FINANCIAL ASSETS (continued)

Fair value hierarchy of financial assets at fair value through profit or loss.

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy, which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets, which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs, which are not based on observable market data.

	Group		Company	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
Level 3 – Class 1 Unlisted ordinary shares	**10**	8	**–**	–
Class 2 Unlisted preference shares	**450,431**	353,913	**–**	–
	450,441	353,921	**–**	–

Reconciliation of financial assets at fair value through profit or loss measured at level 3

Group – 31 March 2017

	Opening balance	**Foreign exchange movement**	**Gains or losses in profit or loss**	**Total**
Class 1 – Unlisted ordinary shares	**8**	**2**	**–**	**10**
Class 2 – Unlisted preference shares	**353,913**	**96,518**	**–**	**450,431**
	353,921	**96,520**	**–**	**450,441**

Group – 31 March 2016

	Opening balance	Foreign exchange movement	Gains or losses in profit or loss	Total
Class 1 – Unlisted ordinary shares	9	(1)	–	8
Class 2 – Unlisted preference shares	365,673	(59,563)	47,803	353,913
	365,682	(59,564)	47,803	353,921

The Group has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

Figures in Pound Sterling

9. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	Group – 31 March 2017			Group – 31 March 2016		
	Loans and receivables	**Fair value through profit or loss – designated**	**Total**	Loans and receivables	Fair value through profit or loss – designated	Total
Other financial assets	**4,163**	**450,441**	**454,604**	202,157	353,921	556,078
Trade and other receivables	**30,522**	**–**	**30,522**	20,453	–	20,453
Cash and cash equivalents	**1,110,821**	**–**	**1,110,821**	135,086	–	135,086
	1,145,506	**450,441**	**1,595,947**	357,696	353,921	711,617

	Company – 31 March 2017			Company – 31 March 2016		
	Loans and receivables	**Fair value through profit or loss – designated**	**Total**	Loans and receivables	Fair value through profit or loss – designated	Total
Loans to Group companies	**5,156,026**	**–**	**5,156,026**	5,350,128	–	5,350,128
Other financial assets	**–**	**–**	**–**	198,908	–	198,908
Cash and cash equivalents	**915,733**	**–**	**915,733**	136,264	–	136,264
	6,071,759	**–**	**6,071,759**	5,685,300	–	5,685,300

Figures in Pound Sterling

	Group 31 March 2017	Group 31 March 2016	Company 31 March 2017	Company 31 March 2016

10. TRADE AND OTHER RECEIVABLES

	Group 31 March 2017	Group 31 March 2016	Company 31 March 2017	Company 31 March 2016
Prepayments	**23,211**	15,554	**–**	–
Other receivables	**7,311**	4,899	**–**	–
	30,522	20,453	**–**	–

The directors consider that the carrying amount of trade and other receivables approximates to fair value.

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	Group 31 March 2017	Group 31 March 2016	Company 31 March 2017	Company 31 March 2016
Cash on hand	–	522	–	460
Bank balances	**1,110,821**	134,564	915,733	135,804
	1,110,821	135,086	**915,733**	136,264

Credit quality of cash at bank and short-term deposits, excluding cash on hand.

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating

	Group 31 March 2017	Group 31 March 2016	Company 31 March 2017	Company 31 March 2016
F1 + (ZAF)	**1,110,821**	134,564	**915,733**	135,804
Other	–	522	–	460
	1,110,821	135,086	**915,733**	136,264

Figures in Pound Sterling

	Group 31 March 2017	Group 31 March 2016	Company 31 March 2017	Company 31 March 2016
12. SHARE CAPITAL				
Authorised share capital				
Unlimited ordinary shares of 0.01 pence (2016: 0.01 pence)				
Issued share capital				
Reported as at 1 April	**193,752,721**	124,502,721	**193,752,721**	124,502,721
Issues for cash	**2,121,341**	69,250,000	**2,121,341**	69,250,000
Reported as at 31 March	**195,874,062**	193,752,721	**195,874,062**	193,752,721
Reconciliation of share capital:				
Ordinary shares of 0.1p	**195,874**	193,753	**195,874**	193,753
Deferred shares of 4.9p	**5,610,634**	5,610,634	**5,610,634**	5,610,634
Share premium	**18,076,986**	18,050,570	**18,076,986**	18,050,570
	23,883,494	23,854,957	**23,883,494**	23,854,957

During the period under review the Company issued 2,121,341 new ordinary shares as follows:

Date	Number of ordinary shares	Purpose of Issue
12 April 2016	500,000	Settlement of debt
3 February 2017	1,621,341	Shares in lieu of director remuneration

Subsequent to the period under review the Company did not issue any new ordinary shares.

13. SHARE-BASED PAYMENTS

Share option group	Number
Outstanding at the beginning of the year	4,495,000
Expired	(4,495,000)
Issued	9,700,000
Outstanding at the end of the year	9,700,000

During the financial period under review 9,700,000 option were issued.

Outstanding options	Exercise from grant date
Options exercisable at £0.02 on or before 26/01/2022	9,700,000

A summary of options held by directors at year-end is given below.

Name	Number of options
Colin Bird	5,000,000
Chris Molefe	250,000
Richard Wollenberg	750,000
Andrew Sarosi	3,000,000

The above options were granted on 27 January 2017 at a strike price of £0.02 per share.

Figures in Pound Sterling

13. SHARE-BASED PAYMENTS (continued)

The options are exercisable at any time during a five-year period from the date of grant. The holders of options may exercise them at any time up to 26 January 2022. Options are valued using the Black Scholes model, a commonly used option-pricing model. The calculation of volatility used in the model is based upon the share price and equity instrument movements during the financial period. The following factors are all taken into consideration when the options are valued:

- Weighted average share price
- Expected volatility
- Expected dividends
- Stock price
- Exercise price
- Option life
- Risk free interest rate

The above model applies to all grants made after 1 October 2011. Share-based payments represent the value of unexercised share options to directors and employees. The charge for share options to profit and loss amounted to £149,793 (2016: £nil).

14. FOREIGN CURRENCY TRANSLATION RESERVE

Translation reserve comprises exchange differences on consolidation of foreign subsidiaries, foreign exchange profits or losses on inter-company loan accounts and revaluation of foreign intangibles recognised as part of a business combination.

	Group		Company	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
Exchange differences on consolidation of foreign subsidiaries	**419,408**	631,555	**–**	–
Foreign exchange profits or losses on inter-company loan accounts	**(861,446)**	(2,122,279)	**–**	–
Foreign intangibles recognised as part of a business combination	**134,484**	(188,852)	**–**	–
	(307,554)	(1,679,576)	**–**	–

15. OTHER FINANCIAL LIABILITIES

	Group		Company	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
Held at amortised cost				
Fer-Min-Ore	**7**	5	**–**	–
Loans	**4,009**	2,687	**–**	–
Non current liabilities	**4,016**	2,692	**–**	–
At amortised cost				
Current liabilities	**4,016**	2,692	**–**	–

16. TRADE AND OTHER PAYABLES

Trade and other payables	**277,876**	189,857	**14,234**	34,786
Accrued expense	**116,095**	100,865	**45,171**	29,853
	393,971	290,722	**59,405**	64,639

Figures in Pound Sterling

17. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	Group – 31 March 2017		Group – 31 March 2016	
	Financial liabilities at amortised cost	Total	Financial liabilities at amortised cost	Total
Other financial liabilities	4,016	4,016	2,692	2,692
Trade and other payables	393,971	393,971	290,772	290,772
	397,987	397,987	293,414	293,414

	Company – 2017		Company – 2016	
	Financial liabilities at amortised cost	Total	Financial liabilities at amortised cost	Total
Trade and other payables	59,405	59,405	64,639	64,639

	Group		Company	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
18. OPERATING LOSS				
Operating loss for the year is stated after accounting for the following:				
Operating lease charges				
Premises contractual amounts	50,772	83,050	35,400	49,637
Employee costs – including management	308,493	161,784	308,493	161,784
Auditors Remuneration – refer note 21.				
Directors Remuneration – refer note 28.				
19. INVESTMENT REVENUE				
Interest revenue				
Bank interest	781	775	781	775
Interest preference shares	–	47,803	–	–
	781	48,578	781	775

Figures in Pound Sterling

	Group 31 March 2017	Group 31 March 2016	Company 31 March 2017	Company 31 March 2016
20. TAXATION				
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting loss	**(1,388,697)**	(419,294)	**(705,815)**	(380,800)
Tax at the applicable tax rate of 20% (2016: 20%)	**(277,739)**	(83,925)	**(141,163)**	(76,160)
Tax effect of adjustments on taxable income				
Expenses not allowed for tax purposes	**123,811**	–	**29,959**	–
Tax losses carried forward	**153,928**	83,925	**111,204**	76,160
	–	–	**–**	–

No provision has been made for 2017 tax as the Group has no taxable income. The estimated tax loss available for set off against future taxable income is £1,756,243 (2016: £1,602,315). The Group has not reflected a deferred tax asset in respect of the losses carried forward as the Group is not expected to generate taxable profits in the foreseeable future.

	Group 31 March 2017	Group 31 March 2016	Company 31 March 2017	Company 31 March 2016
21. AUDITORS' REMUNERATION				
Current year – parent	**15,000**	12,500	**15,000**	12,500
Total fees	**15,000**	12,500	**15,000**	12,500

22. OTHER COMPREHENSIVE INCOME

Components of other comprehensive income	**Group – 31 March 2017 Gross**	**Tax**	**Net**	Group – 31 March2016 Gross	Tax	Net
Exchange differences through other comprehensive income	**1,372,022**	**–**	**1,372,022**	**(364,872)**	**–**	**(364,872)**

Figures in Pound Sterling

23. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Basic earnings per share was based on a loss of £1,388,697 (2016: loss of £419,627) and a weighted average number of ordinary shares of 194,525,720 (2016: 148,691,077).

	Group	
	31 March 2017	31 March 2016
Reconciliation of loss attributable to equity holders of the parent to loss for the year		
Profit or loss for the year attributable to equity holders of the parent	**(16,675)**	(784,499)
Adjusted for:		
Foreign exchange movements during the year	**(1,372,022)**	(364,872)
Loss for the year	**(1,388,697)**	(419,627)
Loss per share		
Basic and diluted loss per share (pence)	**(0.7)**	(0.3)

	Group		Company	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
24. CASH USED IN OPERATIONS				
Loss before taxation	**(1,388,697)**	(419,627)	**(705,815)**	(380,800)
Adjustments for:				
Loss from equity accounted investments	**48,443**	32,341	**–**	–
Investment revenue	**(781)**	(48,578)	**(781)**	(775)
Loss on sale of intangible asset	**469,259**	–	**–**	–
Finance Costs	**–**	2	**–**	–
Share based payment	**149,793**	–	**149,793**	–
Other non-cash items	**(25,264)**	(24,682)	**–**	–
Changes in working capital:				
Trade and other receivables	**(10,069)**	(132)	**–**	–
Trade and other payables	**103,249**	343	**(5,234)**	(751)
	(654,067)	(459,601)	**(562,037)**	(382,326)

Figures in Pound Sterling

25. COMMITMENTS

The Group had no material commitments at the year-end date.

	Group 31 March 2017	Group 31 March 2016	Company 31 March 2017	Company 31 March 2016
26. RELATED PARTY BALANCES AND TRANSACTIONS				
Loan accounts – owed by related parties				
Glenover	**101,125**	79,457	**–**	–
SHIP – Concordia	**536,450**	–	**203,316**	–
Amounts paid – to related parties				
Lion Mining Finance Ltd (“LMF”).	**42,480**	35,400	**42,480**	35,400

Galileo paid rent and administrative service cost to LMF. Colin Bird is a director of both Galileo and LMF.

	Group 31 March 2017	Group 31 March 2016	Company 31 March 2017	Company 31 March 2016
27. EMPLOYEE COST				
Salaries and wages	**8,040**	6,960	**8,040**	6,960
Total	**8,040**	6,960	**8,040**	6,960
Average number of employees	**1**	1	**1**	1

28. DIRECTORS’ AND PRESCRIBED OFFICER’S EMOLUMENTS

	Directors’ fees
Executive	
2017	
Colin Bird	**26,875**
Andrew Sarosi	**26,250**
	53,125
2016	
Colin Bird	25,000
Andrew Sarosi	25,000
	50,000
Non executive	
2017	
Christopher Molefe	**15,000**
Richard Wollenberg	**15,000**
	30,000
2016	
Christopher Molefe	15,000
Richard Wollenberg	15,000
	30,000

Figures in Pound Sterling

28. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS (continued)

Directors' interests in the Company's share option scheme at the date of this report were as follows:

	At 31 March 2017[1]	At 31 March 2016[2]
Beneficial owner	Options	Options
Colin Bird	5,000,000	500,000
Andrew Sarosi	3,000,000	250,000
John Richard Wollenberg	750,000	2,500,000
Chris Molefe	250,000	900,000

(1)= These options were granted to the directors 27 January 2017 at a strike price of £0.02 per share.

(2)= These options were granted to the directors on 1 October 2011 and have since expired.

In addition to the remuneration disclosed above and included in operating expenses for the period under review is an amount of £138,983 being the share based payment expense recognised in relation to options granted to directors as follows:

Beneficial owner	At 31 March 2017 Share based payment expense
Colin Bird	77,213
Andrew Sarosi	46,327
John Richard Wollenberg	11,582
Chris Molefe	3,861
Total	**138,983**

	Emoluments
2017	
Executive management	**78,000**
2016	
Executive management	78,000

29. RISK MANAGEMENT

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in note 12, cash and cash equivalents disclosed in note 11 and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

Figures in Pound Sterling

29. RISK MANAGEMENT (continued)

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out under policies approved by the Board. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The Group's risk to liquidity is a result of the funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the Group's financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group

At 31 March 2017	Less than 1 year	Between 2 and 5 years
Trade and other payables	**393,971**	**–**
Other financial liabilities	**–**	**4,016**

At 31 March 2016	Less than 1 year	Between 2 and 5 years
Trade and other payables	290,722	–
Other financial liabilities	–	2,692

Company

At 31 March 2017	Less than 1 year
Trade and other payables	**59,405**

At 31 March 2016	Less than 1 year
Trade and other payables	64,639

Interest rate risk

The Group's interest rate risk arises from cash held and short-term deposits.

The Company does not face any significant interest rate risk as it has no borrowings.

Figures in Pound Sterling

29. RISK MANAGEMENT (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Financial assets exposed to credit risk at year-end were as follows:

	Group		Company	
Financial instrument	**31 March 2017**	31 March 2016	**31 March 2017**	31 March 2016
Trade and other receivables	**30,522**	20,453	**–**	–
Cash and cash equivalents	**1,110,821**	135,086	**915,733**	136,264
Other financial assets	**454,604**	556,078	**–**	198,908
Loans to Group companies and other related entities	**–**	–	**5,156,026**	5,350,128

Foreign exchange risk

The Group is exposed to fluctuations in foreign currencies arising from having deposits in various currencies as well as the purchase of goods and services in currencies other than the Group's measurement currency.

Galileo Group operates internationally and the USD exposed to foreign exchange risk arising from various currency exposures primarily with respect to the ZAR, the CAD, the USD and Pound Sterling. Galileo Group is exposed to currency risk on cash reserves, deposits received, trade receivables, and trade payables. The most significant of these being the inter-company loans, which it holds with its subsidiaries Galileo Resources SA (ZAR) and St Vincent Minerals (CAD and USD).

Profit is less sensitive to movement in Pound Sterling exchange rates in 2017 than 2016 hence the significant adjustment to the fair value of the intangible assets.

The Group does not hedge its foreign exchange on funding of projects as management is of the opinion that it would not have reduced these foreign currency fluctuations. Currency movements mainly include movements that arise as a result of South African Rand denominated projects that are revalued at each period end.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

The table below classifies the Group's foreign currency risk between the different functional currencies as at year-end, and the respective balance thereof:

Exchange rates used for conversion of foreign items were:

ZAR : £ (Average)	1 : 0.0548	(2016: 1 : 0.0485)
ZAR : £ (Spot)	1 : 0.0597	(2016: 1 : 0.0469)
USD : £ (Average)	1 : 0.7676	(2016: 1 : 0.6637)
USD : £ (Spot)	1 : 0.8007	(2016: 1 : 0.6959)

The Group reviews its foreign currency exposure, including commitments on an ongoing basis.

30. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the Company and that the operations have the continued support of the holding company.

30. GOING CONCERN (continued)

The directors have also considered the Group's ability to fund its planned projects and general operating costs. They consider the Group as sufficiently funded and anticipate that as projects come on line, the new cash raised will be sufficient to further develop current and future planned projects and provide adequate working capital. Throughout the development of projects, executive management and the directors will monitor the timing and funding requirements of each project to ensure that the Group remains a going concern.

31. SEGMENTAL REPORTING ON INCOME AND LOSSES ATTRIBUTABLE TO VARIOUS OPERATIONAL SEGMENTS

Business unit

The Company's investments in subsidiaries and associates, that were operational at year-end, operate in two geographical locations being South Africa and USA, and are organised into one business unit, namely Mineral Assets, from which the Group's expenses are incurred and future revenues are expected to be earned. This being the exploration for and extraction of its mineral assets through direct and indirect holdings. The reporting on these investments to the board focuses on the use of funds towards the respective projects and the forecasted profit earnings potential of the projects.

Geographical segments

An analysis of the loss on ordinary activities before taxation and net assets is given below:

		31 March 2017 Loss from operating activities (£)	31 March 2016 Loss from operating activities (£)
Rare earths, aggregates and iron ore and manganese	**South Africa**	**(48,443)**	(32,341)
Gold, Copper	**USA**	**(630,044)**	(44,324)
Corporate costs	**South Africa and United Kingdom**	**(710,270)**	(342,962)
Total		**(1,388,697)**	(419,627)

32. SUBSEQUENT EVENTS

32.1 Glenover Phosphate (Pty) Ltd - Agreement to Advance Project

On 6 July 2017, Galileo executed a term sheet with its JV partner Fer-Min-Ore Proprietary Limited ("FMO"), in the Glenover Phosphate/Rare earth project (the "Glenover Project" or "Project"), to advance the Project to a stage where it obtains a mining right ("MRA") from the Department of Mineral Resources ("DMR") to mine and produce phosphate (the "Term Sheet").

One of the terms in the Term Sheet, amongst other, includes Galileo funding the execution of the mining right application ("MRA") by way of a loan, convertible to 4% of the equity in Glenover Phosphate Proprietary Limited ("Glenover"). The Company has engaged a consulting group to execute the MRA.

Refer to page 7 of this report for more detail on the agreement.

32.2 Concordia Project Update

On 11 August 2017, Galileo advised that its decision to turn the Concordia project to account for the benefit of the JV parties, and to increase the Company's interest in the project by way of issue of Galileo ordinary shares to its JV partner, is pending the outcome of the continuing assessment and results from intended completion of the programme with the remaining committed funds. JV partner, SHIP claims the Company should dilute to a 15% interest in terms of the Co-operation and Joint Venture Agreement ("Agreement"). This claim is not supported by the Agreement given that no decision has been made by the Company to turn the project to account.

Galileo has also informed SHIP that in its opinion, the Company owns 51% of the Concordia project and has not yet had the opportunity to make a decision on the most appropriate way forward in terms of Galileo's options. This is fully provided for in the agreement as are other matters, which give Galileo full protection on its current 51% interest in the project.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Galileo Resources Plc will be held at Fladgate LLP, 16 Great Queen Street, London, WC2B 5DG, on 26 September 2017 at 14:00 p.m., for the following purposes:

To consider and, if deemed fit, to pass resolutions 1 – 6 as ordinary resolutions and resolutions 7 – 8 as special resolutions.

ORDINARY BUSINESS

Resolution number 1

To receive the reports of the directors and auditors and the financial statements for the year ended 31 March 2017 for the Group and the Company.

Resolution number 2

To re-elect Colin Bird as a Director of the Company.

Resolution number 3

To re-elect Richard Wollenberg as Director of the Company.

Resolution number 4

To confirm the appointment of Chapman Davis LLP as statutory auditor of the Company from the conclusion of this meeting to the conclusion of the next shareholder meeting, at which the reports of the directors and auditors and the financial statements are laid before the Company.

Resolution number 5

To authorise the Directors to determine auditors' remuneration for the year ended 31 March 2017.

Resolution number 6

That the Directors be generally and unconditionally authorised, pursuant to and in accordance with section 551 of the Companies Act 2006 of the United Kingdom ('the Act'), in substitution for all previous powers granted to them thereunder, (but without prejudice to the continuing power of the directors):

(i) to allot shares in the Company or grant rights, warrants or options to subscribe for, or convert any relevant security into shares in the Company (together "Relevant Securities") pursuant to an offer or agreement made by the Company before the date that this resolution is passed; and

(ii) to exercise all the powers of the Company to allot and make offers to allot relevant securities up to an aggregate nominal amount £64,638 (representing approximately 33% of the total issued share capital of the Company, as at the last practicable date prior to the publication of the Notice of meeting)

such authority shall, unless previously renewed, extended, revoked or varied by the Company in general meeting, expire on the conclusion of the next Annual General Meeting of the Company or 30 September 2018 (whichever is earlier) provided that the Company may, at any time before such expiry, make an offer or enter into an agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities pursuant to any such offer or agreement; as if the authority conferred hereby had not expired.

SPECIAL BUSINESS

Resolution number 7

Resolved that, subject to the passing of resolution 6, the directors be and they are hereby empowered in substitution for any such power previously granted pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the authority referred to in resolution 6 above, as if section 561(1) of that Act or any pre-emption provisions contained in the articles of association of the Company or otherwise did not apply to any such allotment, provided that this power:

(a) shall be limited to the allotment of equity securities up to an aggregate nominal amount of £195,874 representing 100% of the Company's issued share capital; and

(b) shall expire on the date of the next Annual General Meeting of the Company or 15 months from the passing of this resolution, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the board may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

Resolution number 8

This resolution seeks Shareholder approval to authorise the Company to, at its discretion, issue shares to directors in lieu of directors' deferred remuneration and allowances over the period to 30 September 2018.

Shares issued in lieu of directors' remuneration will be issued on a quarterly basis for services that have been provided to the Company during that quarter (payment in arrears). The shares shall be issued at a price representing the quarterly average weighted share price.

If Shareholder approval is not obtained, directors' remuneration will accrue on a non-cash basis to the directors. The shares will be issued at the average share price over the quarter during which the services have been rendered.

By order of the board

Registered office:
1st Floor
7/8 Kendrick Mews
London, SW7 3HG

31 August 2017

NOTES

(1) A member of the Company may appoint one or more proxies to attend, speak and vote instead of the member. A proxy of a member need not also be a member. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share.

(2) The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, must be deposited with the Company's Registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA no less than 48 hours (excluding non-business days) before the time for holding the meeting. A Form of Proxy accompanies this document for use by members.

(3) Completion of the Form of Proxy will not preclude a member from attending and voting in person.

(4) A corporation which is a member of the Company may authorise a person (who need not be a member of the Company) to act as its representative to attend, speak and vote (on a show of hands or a poll) on its behalf. Holders of ordinary shares are entitled to attend and vote at General Meetings of the Company. On a vote by a show of hands, every member who is present has one vote and every proxy present who has been duly appointed by a member entitled to vote has one vote, unless the proxy has been appointed by more than one member and has been instructed by more than one member to vote for the resolution and by one or more members to vote against the resolution, in which case the proxy has one vote for and one against. On a poll vote, every member who is present in person or by proxy has one vote for every ordinary share of which he/she is the holder.

(5) To be valid this proxy must be completed and signed and sent or delivered to the Company's Registrars, Neville Registrars Ltd, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA no later than 14:00 p.m. on 22 September 2017.

(6) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 as amended the Company specifies that only those shareholders registered in the Register of Members of the Company as at 14:00 p.m. on 22 September 2017 (the "Specified Time") shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the relevant register of members (the "Register") for certificated or uncertificated shares of the Company after the Specified Time shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting. Should the Annual General Meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of shareholders to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Annual General Meeting. Should the Annual General Meeting be adjourned for a longer period, to be so entitled, shareholders must have been entered on the Register at the time which is 48 hours (excluding non-business days) before the time fixed for the adjourned Annual General Meeting or, if the Company gives notice of the adjourned Annual General Meeting, at the time specified in the Notice.

(7) There are no Directors' service contracts of more than one year's duration.

(8) Copies of Contracts of Service and letters of appointment (including indemnities) between any director and the Company or its subsidiaries are available for inspection at the registered office of the Company during normal business hours and will also be available for inspection at the place of the Annual General Meeting until the conclusion of the Annual General Meeting.

(9) CREST members who wish to appoint a Proxy or Proxies through the CREST electronic Proxy appointment service may do so for the Annual General Meeting and any adjournment thereof by using the procedures described in the CREST manual. CREST personal members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a Proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCO's specifications and must contain the information required for such instructions, as described in the CREST manual. All messages relating to the appointment of a Proxy or an instruction to a previously appointed proxy must be transmitted so as to be received by Neville Registrars Limited (ID: 7RA11) no later than 14:00 p.m. on 22 September 2017. Normal system timings and limitations will apply in relation to the input of CREST Proxy Instructions. It is therefore the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable their CREST sponsor(s) or voting service provider(s) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 as amended.

(10) As at 30 August 2017, being the last practicable date before the date of this Notice there were 195,874,062 ordinary shares in issue, each with equal voting rights. The total number of voting rights in the Company as at 30 August 2017, being the last practicable date before the date of this Notice is 195,874,062. Holders of ordinary shares are entitled to attend, speak and vote, either in person or by proxy, at General Meetings of the Company.

Form of Proxy

galileo RESOURCES PLC

(Incorporated and Registered in England and Wales with Registered Number 5679987)

I/We being (a) member(s) of the Company and entitled to vote at the Annual General Meeting hereby appoint the chairman of the meeting

or

(see note 1 below) as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting to be held at Fladgate LLP, 16 Great Queen Street, London, WC2B 5DG on 26 September 2017 at 14:00 p.m. and at any adjournment thereof, as indicated below:

	Resolutions (*Special Resolutions)	FOR	AGAINST	WITHHELD
1	To receive the reports of the directors and auditors and the financial statements for the year ended 31 March 2017 for the Group and the Company.			
2	To re-elect Colin Bird as a Director of the Company.			
3	To re-elect Richard Wollenberg as Director of the Company.			
4	To confirm the appointment of Chapman Davis LLP as statutory auditor of the Company.			
5	To authorise the directors to determine auditors' remuneration for the year ended 31 March 2017.			
6	To authorise the directors to allot and grant options over shares in accordance with section 551 of the Companies Act 2006.			
7*	To empower the directors to allot equity securities			
8*	To authorise the Company to, at its discretion, issue shares to directors in lieu of remuneration			

Signed .... Date ....

Name(s) ....

Notes:

1. Should a member wish to nominate any other person, strike out "the chairman of the meeting or" and insert the name of the alternative proxy who need not be a member of the Company.
2. Please indicate with an X in the boxes above how you wish your votes to be cast. In the absence of any specific direction, the proxy will vote or abstain as he/she thinks fit.
3. An appointment by a corporation must be under the common seal (if any) or, if none, under the hand of a duly authorised officer.
4. Any one of the joint holders may attend or appoint a proxy to attend at the meeting but the vote of the senior present, in person or by proxy, will be accepted to the exclusion of the other. Seniority shall be determined by the order in which the names stand in the register of shareholders in respect of the joint holding.
5. To be valid this proxy must be deposited at the registered office of Neville Registrars Ltd at Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA at least 48 hours (excluding non-business days) before the time appointed for holding the meeting or adjourned meeting (as the case may be).

For your notes

For your notes

For your notes

Printed by Michael Searle & Son Limited