Regulatory Story

Galileo Resources PLC - GLR

Audited Results

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Galileo Resources PLC
23 August 2019

Galileo Resources Plc
("Galileo" or the "Company" or the "Group")

23 August 2019

Audited Results for the year ended 31 March 2019
Notice of AGM

Galileo (AIM: GLR), the exploration and development mining company, announces its audited results for the year ended 31 March 2019.

Highlights for the period under review

- Independent conceptual tonnage grade models ("CGT Model") for Star Zinc deposit developed from the 2-phase drilling programme
- CGT Model defines specific high grade willemite (>20% Zinc (Zn)) domain areas within the deposit, which potentially could be selectively mined as direct ore feed to process
- The Project's large-scale exploration license 19653-HQ-LEL was renewed on 24 August 2018 for a further three years Kashitu Zinc Prospect ("Kashitu")
- Kabwe Residual Rights, which includes the Kashitu Prospect, conditionally acquired from BMR Group plc, ("BMR")
- Potential for Kashitu to be larger than Star Zinc Glenover completed the Environmental Impact Assessment (EIA)/EMP Management Programme ("EMP") in respect of it Mining Right Application ("MRA"). The Department of Mineral Resources ("DMR") formally accepted the EIA on 31 May 2018
- The Group reported a net loss of £416,784 (2018: loss of £1,026,891). Basic loss reported is 0.14 pence (2018: loss of 0.45 pence) per share

Highlights post the period under review

- Completed, 21 June 2019, an independent initial inferred resource estimate ("IRE") for the Star Zinc project in accordance with JORC 2012
- The IRE reports Inferred zinc resources with reasonable prospects of future economic extraction of approximately 500 000 tonnes at 16% Zn or 77 000 tonnes of contained metal above a cut-off grade of 2% Zn, including approximately 340 000 tonnes at 21% Zn for 72 000 tonnes of metal above a cut-off grade of 8% Zn
- Negotiations commenced with Jubilee Metals Group plc for an off-take agreement to supply

future ore from Star Zinc

- Raised £500 000 in placing, before expenses, to advance Star Zinc
- Acquired unconditionally from BMR, the remaining 15% of the shares that the Company did not hold in Enviro Zambia Ltd, thereby increasing the Company's ownership in the Star Zinc Project to 95% with the Zambian government holding the other 5% Kashitu Zinc Prospect ("Kashitu")
- Kabwe Residual Rights, which includes the Kashitu Prospect, acquired unconditionally from BMR
- On 5 October 2018, the DMR requested a Record of Decision ("ROD") from the Department of Water and Sanitation ("DWS") with regard to the MRA related Waste Management Licence Application. The ROD is pending final discussions by Glenover Consultants with DWS in this regard
- South African major fertilizer producer ("MFP") completed the first phase of a 2-phase pilot plant flotation study to produce a bulk phosphate flotation concentrate for testing in MFP's fertilizer processing plant

A copy of this announcement is available on the Company's website www.galileoresources.com. and the annual report is being posted to shareholders on 23 August 2019.

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

You can also follow Galileo on Twitter: **@GalileoResource.**

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Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Galileo will be held at Fladgate LLP, 16 Great Queen Street, London, WC2B 5DG on 17 September 2019 at 14:00.

Letter by the Chairman

Dear Shareholder

The year under review has been positive for the Company, with the main focus being the Star Zinc Project in Zambia. We announced in June 2018 a conceptual grade tonnage estimate, which suggested a potential exploration target of 485 000 tonnes at 15.4% Zn. This was a very encouraging result based on original estimations from previously reported Chartered Consolidated work. On the 14th of August 2018, we announced that a second phase of drilling will commence, with a similar size to the first, scheduling about 1 000m of diamond core drilling. The intent being to identify, both east and west extensions to mineralisation, as well as to investigate certain geophysical anomalies. The programme was very successful and increased the tonnage target to between 600 000-900 000 tonnes with an estimated average grade of 10-12% Zn at above 3% cut off.

Following Jubilee Metals Group Plc's ("Jubilee") acquisition of the Sable Zinc Project at Kabwe, the

Company entered into initial discussions for an offtake agreement. The obvious benefits for such an agreement would be that Galileo would not have to build a processing facility at Star Zinc, thus negating the capital cost of such a facility. Additionally, it is assumed that since the high-grade willemite (zinc mineral) ore is easily identified, a selective high-grade pit could be easily operated by contractors, again negating the need for capital expenditure on mining equipment. Thus, processing and mining will require only modest capital expenditure and the operation could be very profitable, since operating costs would be low against projected revenue for high-grade ore feed to the Jubilee's Sable Plant.

We have worked on a number of operational scenarios, and we have selected the base case scenario to be a 6-year mine life at approximately 60 000 tonnes per annum of high grade ore being mined by an open cast mining contractor and transported by road to the Kabwe facility. The Glenover Phosphate Project has been the subject of a mining right application, which was submitted 15 November 2017. We await the grant of the mining right. The prospects for western-produced rare earths, has improved due to the trade tensions between China and America. It has become apparent that rare earth supply being confined to China presents major risk to the free world, and if one considers that a good proportion of rare earth use is for military purposes, then the concern is justified. This concern was very conspicuous in 2011-2013, but for no apparent reason faded into the background resulting in the demise of many junior mining companies with a rare earth focus.

The Glenover Rare Earth Project, had good financial and technical fundamentals and nothing has changed in this regard. The objective, however, is to commence operations on a phosphate operation, utilising the stockpiles and primary ore sources for a relatively long-life project. The rare earths will not be lost and will be recovered from the sludge of a phosphate process plant. Should there be new demand in the western markets for rare earth products, then Galileo will re-assess its strategy and processing circuits to address this new situation. We look forward to the issuance of the mining right, which will allow us to enter into definitive plans for the development of this project.

During the period under review, we have not utilised our resources on the Nevada based Ferber Project, since Star Zinc placed great demand on all our available resources, both financial and people. However, we remain convinced that the exploration project is well above average and relative to that, we have maintained the property in good standing for the year ahead commencing 1 September 2019. The gold exploration activity in Nevada has increased with many junior and major mining companies sourcing quality projects. The Ferber position and recent history makes it one of the more attractive areas for gold exploration in Nevada and we consider our holding to be highly prospective for future joint venture or own work. The general investment climate for junior resource companies deteriorated during the period under review and at the time of writing this report the situation has deteriorated even further. A combination of trade wars, Brexit and geopolitical tension has caused this small company aversion, particularly small resource companies. The paradox is that major markets continue to break records, defying the global uncertainties that historically have led to sharp corrections and occasionally crashes. I remain very confident, despite the aforementioned, that metal prices will improve, quite dramatically in the coming decade and that the small mining resource companies will have a long-awaited positive run. Exploration discoveries have been few and far between and major mining companies' metal inventories are being depleted without replacement. This situation generally leads to intense acquisition activity, which changes the fortunes of the junior explorer, with some being acquired and most, finding funds easier for their exploration activities.

The Group reported a loss per share of 0.14 pence compared to 0.45 pence for the comparative period (2018).

I would like to thank my fellow directors and employees for their efforts and contribution during a difficult, but positive period. We assure shareholders that we will apply best efforts to enhance shareholder value to our portfolio of projects and look forward to the challenge.

Colin Bird
Chairman

Operational review

ZAMBIA
Star Zinc Project ("Star Zinc")

The Star Zinc deposit is located approximately 20km NNW of the Zambian capital Lusaka. The project is accessible via the tarred Great North road with a journey time of approximately 30 minutes. The project was discovered and explored historically in the 1960s by Chartered Exploration Ltd. Fifty-nine diamond drill holes totaling 2 578.5m were drilled. Historic small-scale mining was reported, from a small apparent open pit working present on site. The Company believes this open pit may be a collapsed dome. To date the Company's exploration on the deposit comprises a two phase 56-hole diamond core drilling programme (total 2 220 meters) to depths of 60m. The Company has executed two independent conceptual tonnage grade ("CGT") models of the drilling results and completed an independent initial inferred resource estimate ("IRE"). The IRE is 500 000 tonnes gross, grading 16% Zn at 2% Zn cut-off and hosting 77 000 t Zn. The IRE at similar grade and cut-off, attributable to Galileo is 475 000 t and 73 150 t Zn. The local geology of Star Zinc is complex and forms a varied stratigraphic sequence of argillite, limestone, massive willemite (zinc silicate mineral) zinc ore, massive limestone and dolomites (Cheta and Lusaka Formations). A broad west-east trending mineralised dome is the main structural feature of Star Zinc.

Period under review

- The Company commissioned an independent conceptual tonnage grade ("CGT") model of the Phase 1 drilling results – for Star Zinc, which demonstrated at nominal 3% Zn cut-off a potential deposit target of 485 000 tonnes grading 15.4% Zn grade
- This CGT model represents an 80% increase in deposit tonnage with a 14% decrease in grade when compared to previous CGT modelling ("conservative case") in 2015 based on historical exploration data
- Based on positive recommendations, the Company undertook and completed a Phase 2 drilling programme, comprising 26 diamond drill holes that targeted open-ended areas east-, north-east and southeast of the known mineralised zone

Post Period Under Review

- In May 2019, the Company and independent consulting group Addison Mining Services Ltd ("AMS") completed an initial inferred resource estimate on Star Zinc. The Inferred estimate utilized data for all drill holes completed by Galileo with the final drillhole being completed on the 9th of December 2018
- The final drillhole database used for estimation included 52 drill holes for 2 220m of drilling of which 1 412m were assayed over 1 433 samples. All drill core was logged for geology, core recovery and rock quality designation. Material below a 2% Zn cut-off grade is not considered to have a reasonable prospect of economic extraction and is not considered part of the Resource

- The Inferred Resource block model ranges from surface to approximately 40m below surface over a length of approximately 300m from east to west and 20m to 100m from north to south. Thickness is typically between 5m and 25m

Kashitu Prospect ("Kashitu")

Kashitu is located in the SE corner of BMR's 100% owned Kabwe ML site in Zambia. The area is considered prospective, due to elevated zinc-in-soil values, which could be amenable to zinc extraction via leaching technologies, similar to that proposed for Kabwe Tailings Recovery Project. Historical soil sampling by Billiton (now BHP) has recorded zinc values greater than 15 000 ppm Zn (1.5% Zn) over a 1.2km by 0.3km NW verging area, which is in close proximity to the historical workings. Reportedly high-grade surficial willemite was extracted from the historical workings and fed in to the main historical Kabwe Mine plant, during its operation. An interpretation of existing RAB (Rotary Air Blasting), RC (Reverse Circulation) and diamond drilling has refined the area of potential interest and is likely associated with an ENE-trending structure containing steeply dipping, high grade willemite veins.

Operations Period Under Review

The Company executed a binding and exclusive Heads of Terms ("Kashitu Agreement")a, to acquire, conditionally, from BMR Group plc ("BMR"), 1) the Kabwe Residual Rights, which includes Kabwe Mining License (6990-HQLML) ("Kabwe ML") but excludes BMR's small-scale license 7081-HQ-SML ("Kabwe Tailings Recovery Project") situated within Kabwe ML, and 2) the remaining 15% of the shares, that Galileo currently did not hold in BMR's subsidiary Enviro Zambia Ltd ("EZL"). EZL owns 95% of Enviro Processing Zambia Ltd, the entity to which the Star Zinc project license is still to be transferred from the holder, BMR's subsidiary Enviro Processing Limited (the "Acquisition"). The Kabwe Residual Rights include the Kashitu Zinc willemite exploration prospect ("Kashitu″.

Post Period Under Review

Pursuant to the Kashitu Agreement, the Company, on 24 June 2019, served a Notice of Completion of the Conditions Precedent to Complete the Acquisition ("Completion") and issued 9 615 385 Galileo ordinary shares at 0.52p in lieu of the cash consideration of £50 000 payable on Completion.

South Africa

Glenover Project (or "Project")

The Glenover Project is situated in the Limpopo Province of the Republic of South Africa.
The Project deposit is a complex circular carbonatite/pyroxenite plug intruded into sedimentary shale and arenite rocks of the Waterberg Group and is prominently visible as a major circular feature on satellite images of the area. The majority of the mineral assets are located on the farm Glenover 371 LQ. This includes a large open pit mine and various stockpiles of high, medium and low-grade phosphate-bearing material. Historical exploitation of the phosphate content in the Glenover deposit resulted in the formation of a series of stockpiles, which contain high levels of phosphate and varying amounts of rare earth elements ("REEs").

Period Under Review

Glenover completed and submitted the EIA/EMP, which the DMR accepted on 31 May 2018 and has up to 107 days from date of acceptance in which to evaluate the submission. Glenover executed a Heads of Agreement ("Heads") with a major fertiliser producer ("MFP") for the supply of phosphate rock ("Phosphate Rock") for testing in MFP's phosphate production facility ("Testing"). The terms of the Heads

include among other things, MFP agreeing to undertake a 2-phase pilot plant phosphate flotation study ("Study") on Glenover ore in order ultimately produce a bulk phosphate flotation concentrate ("Phosphate Rock") for testing. This Study is pursuant to the terms of the Heads of Agreement with a major fertilizer producer agreeing to undertake the Study in order to ultimately produce a bulk phosphate flotation concentrate for testing in its fertilizer processing plant. The first phase of the Study (in two parts) comprising ore variability flotation and flotation water tests, were completed during the period under review with satisfactory results.
On the basis of the results, the MFP provisionally offered and Glenover accepted an offtake agreement ("Provisional Offtake Agreement") for future Glenover Phosphate Rock. A definitive offtake agreement is still subject to satisfactory outcome of second phase of the Study. In the meantime, the MFP continued to review the results in relation to the logistics and options for transport of the phosphate rock to their processing facility, before committing to second phase of the Study. On 5 October 2018, the DMR requested, in respect of Glenover's MRA, a Record of Decision ("ROD") from the Department of Water and Sanitation ("DWS") in terms of Section 49 (2) of the National Environmental Management: Waste Act, 2008 for waste related activities which overlaps with some of Section 21(g) water uses for which a Water Use License application was submitted in terms Section 40 of the National Water Act, 1998. This ROD remains the outstanding issue for the DMR's adjudication on granting a Mining Right for the Project.

Concordia Copper Project ("Concordia" or "Project")

Period Under Review

The Company retains a 15% holding in the Project. The majority owner and operator of the Project namely SHIP Copper Pty Ltd carried out no exploration on the Project.

USA Nevada

Ferber Property

The Ferber property is a historic producer of gold and copper. It hosts widespread gold and copper mineralisation. 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 recognizing geochemical zoning, delineating district-scale structure and understanding the stratigraphy. Integrating these three components should serve as a vector to quality exploration targets.

Period under Review

The Company carried out no exploration on the property and continued to seek JV/farm-out partners for the project.

CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 March 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS 31 March 2019

Figures in Pound Sterling	2019	2018
Assets		

Non-current assets		
Intangible assets	2,855,856	1,380,085
Investment in joint ventures	2,156,507	3,268,236
Loans to joint ventures and subsidiaries	444,004	284,396
Other financial assets	402,751	458,131
	5,859,118	5,390,848
Current assets		
Trade and other receivables	42,920	41,218
Cash and cash equivalents	1,075	539,301
	43,995	580,519
Total assets	5,903,113	5,971,367
Equity and liabilities		
Equity		
Share capital	25,440,319	24,945,319
Reserves	461,554	729,772
Accumulated loss	(20,580,601)	(20,163,817
	5,321,272	5,511,274
Liabilities		
Non-current liabilities		
Other financial liabilities	3,846	3,579
Current liabilities		
Trade and other payables	577,995	456,514
Total liabilities	581,841	460,093
Total equity and liabilities	5,903,113	5,971,367

These financial statements were approved by the directors and authorised for issue on 23 August 2019 and are signed on their behalf by:

Colin Bird ***Andrew Sarosi***

Company number: 05679987

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2019

Figures in Pound Sterling	2019	2018
Revenue	-	-
Operating expenses	(404,303)	(624,631)
Operating loss	(404,303)	(624,631)
Investment revenue	3,993	180

Impairment losses recognised	-	(525,870)
Profit/(loss) from equity accounted investments	(16.474)	123,430
Loss for the year	(416,784)	(1,026,891)
Other comprehensive income:		
Foreign exchange movements for the year	(268,218)	(160,288)
Total comprehensive loss for the year	(685,002)	(1,187,179)
Loss per share in pence (basic)	(0.14)	(0.45)

All operating expenses and operating losses relate to continuing activities.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 March 2019

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
Balance at 1 April 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
Loss for the year								(1,026,891)	(1,026,891)
Other comprehensive income				(160,288)			(160,288)		(160,288)
Total comprehensive loss for the year				(160,288)			(160,288)	(1,026,891)	(1,187,179)
Issue of shares	58,723	1,003,102	1,061,825	-	-	-			1,061,825
Total contributions by and distributions to owners of company recognised directly in equity	58,723	1,003,102	1,061,825	-	-	-			1,061,825
Balance at 31 March 2018	5,865,231	19,080,088	24,945,319	(467,842)	1,047,821	149,793	729,772	(20,163,817)	5,511,274
Loss for the year								(416,784)	(416,784)
Other comprehensive income				(268,218)			(268,218)		(268,218)
Total comprehensive loss for the year				(268,218)			(268,218)	(416,784)	(685,002)
Issue of shares	50,000	445,000	495,000	-	-	-			495,000
Total contributions by and distributions to owners of company recognised directly in equity	50,000	445,000	495,000	-	-	-			495,000
Balance at 31 March 2019	5,915,231	19,525,088	25,440,319	(736,060)	1,047,821	149,793	461,554	(20,580,601)	5,321,272

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 March 2019

Figures in Pound Sterling	2019	2018
Cash flows from operating activities		
Cash used in operations	(302,518)	(598,676)
Interest income	3,993	180
Net cash from operating activities	(298,525)	(598,496)
Cash flows from investing activities		
Additions to intangible assets	(573,093)	(67,275)
Movement in investments	-	(797,338)
Net movement on group company loans	(159,608)	(170,236)
Net cash flows from investing activities	(734,701)	(1,034,849)
Cash flows from financing activities		
Proceeds on share issue	495,000	1,061,825
Net cash flows from financing activities	495,000	1,061,825
Total cash movement for the year	(538,226)	(571,520)
Cash at the beginning of the year	539,301	1,110,821
Total cash at end of the year	1,075	539,301

Statement of Directors' Responsibilities for the year ended 31 March 2019

- 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 present 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 judgments 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 control 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 behavior 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.

Colin Bird	Chairman
Andrew Francis Sarosi	Finance & Technical Director
J Richard Wollenberg	Non-Executive director
Christopher Molefe	Non-Executive Director

NOTES TO THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS

1. Basis of preparation

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. The accounting policies applied are consistent with those of the previous period.

The comparative figures for the financial year ended 31 March 2018 are not the Company's statutory accounts for that financial year but the consolidated accounts. Those accounts have been reported on by the Company's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not give any reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006, relating to the accounting records of the company.

2. 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.

3. Financial review

The Group reported a net loss of £ 416, 784 (2018: loss of £ 1,026,891). Basic loss is 0.14 pence (2018: loss of 0.45 pence) per share. Operating expenses for the period under review are down 35.27 % to £ 404,303 compared to £ 624,631 in 2018.

As previously announced, Galileo, on having spent a further USD250 000 on the Star Zinc Project, earned in an additional 34% beneficial interest to take its aggregate interest to 85% in Star Zinc, which is to be realised by way of an 85% equity stake in Enviro Zambia Limited ("EZL"), a joint venture company incorporated between BMR and Galileo. Following Galileo's increased interest in EZL, Galileo's investment in EZL is accounted for as a subsidiary (2018 accounted for as an investment in Joint Venture). The carrying value of Galileo's investment in EZL at the period end was £ 1,272,968 (2018: £ nil). Post the period under review and on 27 June 2019, Galileo acquired the remaining share capital of EZL.

Galileo's direct investment in Glenover is 29% and it also has an indirect investment in Glenover through its shareholding in Galagen Proprietary Limited, a special purpose vehicle incorporated to hold the BEE shareholding in the Glenover project, of 4.99% resulting in a total interest in Glenover of 33.99%. 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. The loss so recognised for the period under review amounted to £ 16,474 (2018: profit of £ 123,430).

Segmental analysis

Business Unit

The Company's investments in subsidiaries and associates, that were operational at year-end, operate in two geographical locations being South Africa, Zambia 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 before taxation is given below:

Figures in pound sterling	Country of operations	31 March 2019 Loss from operating activities	31 March 2018 Profit/(loss) operating activities
Rare earths, aggregates and iron ore and manganese	South Africa	(16,474)	123,430
Gold, Copper	USA	(793)	(292,352)
Corporate costs	South Africa and United Kingdom	(399,517)	(857,969)
Total loss before taxation		(416,784)	(1,026,891)

An analysis of the assets and liabilities of the geographical segments as at the period end are presented below:

	Corporate (UK)	Corporate (South Africa)	Gold/Copper (South Africa)	Zinc Zambia	Total
Non-current Assets	330,036	2,673,225	1,582,887	1,272,968	5,859,117
Current Assets	13,428	3,469	27,037	-	43,995
Non-current liabilities	-	(6)	(3,840)	-	(3,846)
Current liabilities	(233,988)	(34,925)	(309,089)	-	(577,995)
Net assets	109,477	2,641,764	1,296,996	1,272,968	5,321,272

4. Taxation

No provision has been made for 2019 tax as the Group has no taxable income. The estimated tax loss available for set off against future taxable income is £1,904,931 (2018: £1,827,985). 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.

6. Auditors' Report

The comparative figures for the financial year ended 31 March 2019 are not the Company's statutory accounts for that financial year but the consolidated accounts. Those accounts have been reported on by the Company's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not give any reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006, relating to the accounting records of the company.

7. Availability of the Annual Report

This information has been extracted from the Company's Audited Annual Report for the year ended 31 March 2019, copies of which will be mailed to shareholders on 23 August 2019 and a copy will also be available to shareholders and members of the public in hard copy and free of charge, from the Company's London office at 1st Floor, 7/8 Kendrick Mews, London, SW7 3HD. Alternatively a downloadable version will be available from 23 August 2019 from Company's website: www.galileoresources.com.