Regulatory Story

Galileo Resources PLC - GLR

Star Zinc Drilling Results

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Galileo Resources Plc
("Galileo" or "the Company")
Star Zinc Drilling Results

Galileo is pleased to announce positive results* from a further seven new diamond drill holes ("DDHs") from its current drilling programme on the Zambian Star Zinc project ("Star Zinc"), in which the Company has an 85% interest.

Highlights

- Completed 1,200 metres (m) drilling comprising 26 DDHs on Star Zinc to depths of between 24m to 81m downhole
- DDH results again show significant widths of 'semi-massive' **high-grade** zinc **("Zn"),** between 22m and 25m downhole in several DDHs *(see table 1 - including results previously reported 02 March 2018).*
- Results Include three DDH holes (002, 012 and 014) showing **exceptionally high zinc grades of between 41.51%Zn and 46.58%Zn** over widths of between **7.0m and 9.0m**.
- DDH012 showed a weighted average assay [a] of **23.54% Zn** over a width **of 22m downhole** (from 23m to 45m downhole) including **30.85% Zn** over **16m (**from 20m to 36m)**,** DDH014 showed **21.73% Zn** over **25m** (from 29m to 54m) and DDH016: **19.82% Zn over 15m (from 22m to 37m)**
- Continued presence of significant **germanium** (Ge) values, up to 29 ppm (g/t) associated with high-grade Zn mineralisation, and up to 38g/t silver (Ag) recorded in the intersections. Germanium has been trading at $2300/kg ($2.3/g) [b]
- DDHs, that targeted the **periphery** of the known mineralised domain, intersected zinc mineralisation - up to 6.4% Zn - in near-surface oxidised/weathered lateritic karst zones and in distinct veins or fractures

** all assays subject to final QAQC analysis*

[a] *average of regular spaced 3 point readings over the mineralised width. Whole length core samples have been submitted for independent assay by Intertek Genalysis Laboratory Services*

[b] *05 April 2018* http://www.kitco.com/strategic-metals/*) Germanium is used mainly in semiconductors in transistors and electronic, and end uses include* fibre-optic *systems,* infrared optics*,* solar cell *applications, and* light-emitting diodes *(LEDs*

Colin Bird, Chief Executive Officer, said: "The results are very pleasing in that they exhibit a large zone of exceptionally high-grade zinc mineralisation. The additional mineralisation identified in karst/laterite zones could

potentially lead to a considerable bulking up of Star Zinc's overall tonnage. Other operations have reported smelting directly willemite (zinc mineral) ore in excess of 30% zinc without processing being required other than crushing [g]. Previous testwork on the project has also shown the karstic material is amenable to leaching. Another benefit is that the karst mineralisation is close to surface meaning that it is likely that this could be cheaply mined with minimal blasting.

Once all results are in place we will model the various ore types and develop a 3-D model to direct drilling towards expanding the resource.

We are currently testing various geophysical methods against DDH core recovered from the current programme and subject to that analysis we intend to conduct a programme of geophysics in the period prior to the next drilling.

This initial programme and results thereof lead me to be very optimistic on the future prospects of developing a new zinc contributor."

[g] *http://www.perilya.com.au/our-business/development/flinders*

Table 1- Drilling results for semi-massive high grade DDHs in the ore body [b]

Hole ID SZD	From (downhole)	To (downhole)	Width (downhole)	Zn (zinc) **weighted average** [c]	Ge (germanium) weighted average ppm	Ag (silver) weighted average	Gross In situ Value**
	m	m	m	%		ppm	$/t rock
002	0.0	46.0	46.0	15.80	17	11	550
Inc.	20.0	36.0	16.0	**38.86** [d]	38 *	13	1338
Inc.	22.0	31.0	9.0	**46.58** [e]	45.6	9	1600
Inc.	38.7	41.0	2.3	**23.37** [d]	30	32	833
004	8	20.5	12.5	11.03	11.7	9	384
Inc.	9.0	15.0	6.0	**21.28** [d]	21.0	13	736
006	12.0	21.0	9.0	14.60	8.7	na	487
Inc.	14.0	20.0	6.0	**20.86** [d]	12.3	na	696
012	23.0	45.0	22.0	23.54	22.3	20	815
Inc.	27.0	43.0	16.0	**30.85** [d]	29.0	26	1067
Inc.	34.0	43.0	9.0	**42.02** [e]	42.0	29	1456
014	29.0	54.0	25.0	21.73	19.0	29	754
Inc.	36.0	52.0	16.0	**28.83** [d]	25.5	15	989
Inc.	38.0	45.0	7.0	**41.51** [e]	35.3	6	113
016	2.0	18.0	16.0	2.42	4.1	7	90
Inc.	22.0	37.0	15.0	**19.82** [d]	26.1	38	714

* the individual assays comprising the weighted average ranged from 17 to 63 ppm Ge

** the figures in this column are simply a calculation of grade multiplied by price (as set out in f below) and should not be considered a guide to the value of recoverable material at this stage

na = not assayed

[b] *Analysis by Accredited Intertek Genalysis Laboratory Services: Zn and Ge by peroxide fusion finish with ICP-OES/MS; Ag by 4-Acid digestion with MS. Analyses subject QA/QC quality assurance/checks*

[c] *0.4% nominal Zn cut unless otherwise indicated*

[d] **1***0% nominal Zn cut*

[e] *30% nominal Zn cut*

[f] **Zn $3200/t; Ge $2300/kg; Ag $16/oz**

Table 2 - **Results of DDH's on peripheries of the known mineralised domain targeted towards karst and laterites** [b]

Hole ID SZD	From (downhole)	To (downhole)	Width (downhole)	Zn (zinc) **weighted average** [c]	Ge (germanium) weighted average ppm	Ag (silver) weighted average	Gross In situ **Value**** [f]
	m	m	m	%		ppm	$/t rock
005	0.0	19.0	19.0	3.22	5.4	na	115
007	26.0	50.0	24.0	2.54	3.3	9	93
008	9.0	16.0	7.0	3.92	14.7	2	160
009	47.0	54.0	7.0	6.4	8.9	22	237
010	9.0	17.0	8.0	3.25	2.5	19	120

na = not assayed

** the figures in this column are simply a calculation of grade multiplied by price (as set out in f below) and should not be considered a guide to the value of recoverable material at this stage

[b] *Analysis by Accredited Intertek Genalysis Laboratory Services: Zn and Ge by peroxide fusion finish with ICP-OES/MS; Ag by 4-Acid digestion with MS. Analyses subject QA/QC quality assurance/checks*

[c] *0.4% nominal Zn cut unless otherwise indicated*

[f] *Zn $3200/t; Ge $2300/kg; Ag $16/oz*

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

Technical Sign-Off

Andrew Sarosi, Director of Galileo, who holds a B.Sc. Metallurgy and M.Sc. Engineering, University of Witwatersrand and is a member of the Institute of Materials, Minerals and Mining, is a "qualified person" as defined under the AIM Rules for Companies and a competent person under the reporting standards. The technical parts of this announcement have been prepared under Andrew's supervision and he has approved the release of this announcement.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014

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For further information, please contact: Galileo Resources PLC

Colin Bird, Chairman Tel +44 (0) 20 7581 4477
Andrew Sarosi, Executive Director Tel +44 (0) 1752 221937
Beaumont Cornish Limited - Nomad & Joint Broker Tel +44 (0) 20 7628 3396
Roland Cornish/James Biddle
Novum Securities Limited - Joint Broker +44 (0) 20 7399 9400
Colin Rowbury /Jon Belliss

The Star Zinc Project

The Star Zinc project is a historical small-scale open pit mine from where, reportedly, low tonnage, but high grade willemite (a zinc silicate mineral) was extracted intermittently in the 1950s to 1990s.

The Star Zinc project is located approximately 18km NNW of Lusaka (see Figure 3.1 below), and is accessible via the tarred "Great North Road" and a good all weather graded road, with the journey time from central Lusaka of approximately 30 minutes (traffic allowing).

There is adequate power, water, rail & telecommunications, with the International Airport at Lusaka, less than 45 minutes away.

The Mines and Minerals Development Act No. 7 of 2008, which grants a Large Scale Prospecting Licence for a maximum of 7 years, governs the mineral tenement. Recent changes to the Act now provides for an initial 4 years with a further two 3-year extensions totalling 10 years, with a mandatory 50% reduction of licence area at the completion of the 1st grant and 2nd grant periods respectively. The first renewal period initially expired 13 August 2016 but was extended to 13 August 2018. The Company has submitted an application for the next renewal period.

The Star Zinc Willemite project was mapped in the 1960s by several geologists of the Northern Rhodesia (now Zambia) Geological Survey.

At Star Zinc, two main fracture trends are present, one E - W, and another N - S. Both sets of fractures are nearly vertical and are irregularly mineralised. Willemite generally replaces the host rock marbles in the form of massive ore bodies, but it occurs also in veins

In addition, karstic (pertaining to landscape underlain by limestone which has been eroded by dissolution, producing ridges, fissures, sinkholes and other characteristic landforms) mineralisation and red soils (terra rossa) are locally heavily mineralised with detrital willemite and supergene zinc minerals. Zinc values measured in soils at Star Zinc reach up to 15,600 ppm and are accompanied by the pathfinder elements Ag (silver), Pb (lead), Ba (barium), Sb (antimony) and Cd (cadmium). The karst infill has a zinc (Zn) content up to 45wt.% Zn, up to 35wt.% Fe and up to 5g/t Ag.

The mineralogical assemblage of Zn nonsulphides includes a whole number of minerals, but the main economic phases present are Zn-silicates (willemite, hemimorphite, Zn-bearing clays), Zn- Pb carbonates (smithsonite, cerussite), hydrated Zn- Pbcarbonates (hydrozincite, hydrocerussite) and Zn- Mn- Fe- oxides (zincite, franklinite, gahnite).

Limited independent metallurgical testwork by others has clearly shown that the willemite present at Star Zinc is amenable to acid leaching with positive results for two samples tested. Zinc leaching efficiencies obtained ranged from 89% and 92%. The testwork indicated polymerisation of dissolved silica in the leachate.

An independent competent person's report commissioned by BMR concluded. In summary, the Star Zinc project has good potential to become a viable project.

Note: the information about Star Zinc is sourced primarily from Competent Person's Report for the Star Zinc Project, Zambia; Wardell Armstrong, January 2016

Glossary

Detrital loose fragments or grains that have been worn away from rock
Calcite mineral of calcium carbonate
Dolomite mineral composed of calcium magnesium carbonate
Dolomitic pertaining to dolomite
Floats pieces of rock that have been removed and transported from their original outcrop
Hematite reddish-black mineral consisting of ferric oxide. It is an important ore of iron.
ICP-OES/MS inductively coupled plasma - optical emission spectrometery/mass spectrometery
Karstic pertaining to landscape underlain by limestone (calcium carbonate), which has been eroded by dissolution, producing ridges, fissures and so on

Leaching chemical process of solubilising metals in rock into solution
ppm parts per million
XRF Spectrometer analytical instrument for determining chemical composition using x-ray fluorescence

Supergene pertaining t**o** processes or enrichment that occurs relatively near surface
Willemite zinc silicate ore mineral

END