



[Galileo Resources PLC](#) - GLR

Star Zinc Project Update

Released 07:00 15-Oct-2018

RNS Number : 9593D
Galileo Resources PLC
15 October 2018

**For immediate release
15 October 2018
Galileo Resources Plc
("Galileo" or "the Company")
Star Zinc Project - Phase-2 Drilling Programme Update**

Galileo, further to its announcement of 14 August 2018, is pleased to announce completion of its phase-2, 1000metre (m) diamond-drilling programme and reports on the preliminary ^(a) independent assay results ("Preliminary Results") from for an initial 8 diamond drill holes (Initial DDHs) on its highly prospective 80.75%-owned Star Zinc Project ("Star Zinc") in Zambia.

Highlights

- Completed the phase-2 drilling programme comprising 24 diamond drill holes (DDHs) totalling approximately 1000m to depths, from surface, of between 25m and 105m downhole
- Preliminary Results from four of the Initial DDHs - predominantly from the eastern body of the deposit- intersected **high-grade** mineralisation of between 14% Zn and 26% Zn and good widths. The other five of the initial DDHs intersected grades and widths similar to those reported in phase 1
- SZDD030 ¹ intersected **15.46% Zn** over **23m downhole** (from 14m to 37m) including **26.21 %Zn** over **12m downhole** (from 21m to 33m)
- SZDD032 intersected **14.32%Zn** over **12m downhole** (from 10m to 22m) including **22.69% Zn** over **7 m downhole** (from 12m to 19m)
- SZDD034 intersected **9.38% Zn** over **5m downhole** (from 11.5 m to 17 m) including **23.1% Zn** over **2m downhole**
- SZDD036 intersected **6.37% Zn** over **13m downhole** (from 13m to 26m) including **23.59% Zn** over **3m downhole** (from 18m to 21m)
- Elevated germanium (Ge) assays of up to 45 ppm recorded; generally being associated generally with high-grade zinc values
- Furthermore, portable hand-held XRF spectrometry ("**pXRF**") results ^(b) on a further 9 of 11 DDHs ^{2,3} (mainly from the western body of the deposit), showed significantly more persistent higher **pXRF** Zn grades ranging from **12% Zn to 40.4.5% Zn** and widths of up to **19m downhole** (see table 2 below)
- The transfer to Galileo of the 15% interest (indirectly 14.25% in the Star Zinc project) in Enviro Zambia Ltd. (EZL), currently not held by Galileo, is progressing pursuant to the agreement announced on 13 September 2018. On transfer Galileo will hold 95% and the Government 5% of Star Zinc

- The Company intends to develop, as soon as practicable, a work programme with the objective of meeting the requirements for the application of a small scale mining licence for Star Zinc

1 western side of open pit

² still to be independently assayed

³ 2 DDHs with no significant mineralisation

^(a) subject inter alia to Quality Assurance -Quality Control assessment

^(b) average of regular spaced point readings (3 times) over the mineralised intersection. Whole length core samples will be submitted for independent and complete assay and will be announced in due course

The two phases of drilling, are believed to have defined the general limits on mineralisation on the currently targeted resource area, though there are still potential additional drilling targets, which may be warranted to test later, subject to resource/optimisation/financial modelling. These targets include several geophysical gravity highs, outcropping hematite bodies and **beyond the fringes** of defined mineralisation, south east of which, for example holes SZDD034 reported **5.5m @ 9.4% Zn** from 11.5m and SZDD036, **13m @ 6.7% from 13m**.

Licence

Star Zinc's large-scale exploration licence 19653-HQ-LEL was renewed on 24 August 2018 for a further three years.

Colin Bird, Chief Executive Officer, said: "This has been an extremely satisfactory drilling program, which has effectively delineated the mineralisation limits of the current targeted resource area. Good results have been obtained in both the eastern and western "ore" bodies, with the latter suggesting significantly higher grades than in the east. We believe we have extended the zone of mineralisation from that reported previously and expect, on incorporating these latest boreholes in the current model, to show an increase in contained metal. The previously announced programme objectives (April and May 2018) have been achieved. We did not pursue, to any extent, identifying a possible feeder source because the programme, as it developed, was directed, amongst other things to focus on defining the parameters necessary for an open pit design. Our understanding of Star Zinc's geology and controls has increased. We intend now to proceed to scoping study stage to include resource modelling of the data and an initial pit design. The Company believes it has adequately delineated a resource to design an open pit and generate a maiden JORC compliant resource estimate. The Company has engaged an independent consultant to undertake this exercise. When the Company entered into the Term Sheet agreement to acquire Star Zinc (31 August 2017), it undertook that on proven success it would provide ore feed for the Kabwe zinc project. An offtake agreement to this effect is under discussion and negotiation."

Table 1 Initial independent assay drilling results ^(c)

Hole_ID	SZDD	From (m)	To (m)	Width (m)	Zn_ %	Ge_ ppm	Ag_ ppm
029	3	4		1	0.51	0.5	11
	7	8		1	0.43	2	13
	12	13		1	0.41	1	6
030	0	10		10	4.27	6.45	6.8
030	14	37		23	15.47	14.39	4.39
	21	33		12	26.21	23.16	5.25
031	0	2		2	0.45	2	4.5
031	5	30		25	2.98	1.92	8.96
031	18	19		1	10.78	8	33
032	0	5		5	0.46	2.8	3.8
032	10	22		12	14.32	14.96	16.66
032	12	19		7	22.69	24.28	22.14
033	0	12		12	1.4	2.625	6.08

034	11.5	17	5.5	9.38	9.55	8.18
034	13	15	2	23.1	23	7.5
035	16	21	5	2.4	0.5	2.75
036	0	1	1	1.45	3	3
036	7.4	8.65	1.25	0.97	2	12
036	13	26	13	6.7	11.05	18.69
036	18	21	3	23.59	45.4	12.66
027	No significant intersection					
028	No significant intersection					

(C) 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

Table 2 pXRF drilling results ^(d) for holes that intersected mineralisation (subject to independent assay)

Hole ID SZDD	EOH ^(e) (m)	From (m)	To (m)	Drill Width (m)	pXRF_Zn%
038	56.7	35	52	16	11.8
038	56.7	35	45	10	18
039	62.7	36	52	16	15.44
039	62.7	44	51	7	29.18
040	44.9	23	41	18	21.88
040	44.9	25	38	13	29
041	55	14	21	7	5.4
041	55	34	49	15	18.26
041	55	36	47	11	24.3
042	38.9	0	7	7	1.35
042	38.9	24	31	7	15.5
043	35.7	15	28	13	16.50.
043	35.7	19	24	5	40.3
044	38.6	30	32	2	14.72
044	38.6	30.86	32	1.14	26.81
045	44.6	17	20	3	18.8
048	51.7	30	49	19	26.63
048	51.7	31	47	16	31.51

^(d) *average of regular spaced point readings (3 times) over the mineralised intersection . **Whole length ¼ core samples will be submitted for independent and complete assay and will be announced in due course***

^(e) *EOH - end of hole*

Note pXRF Zn Determinations:
 2-3 Single Point Determinations on 1m of Whole Core Averaged
 No lower cut-off grade applied
 No high grade cut off applied

Minimum Intersection drilled width of 3m
Internal dilution not considered
No Criteria Applied
Represent a Relevant 'Total Mineralised Interval'

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

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

For further information, please contact: Galileo Resources PLC

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

Star Zinc

The Star Zinc project "(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 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 11 of, 2015, which grants a Large Scale Exploration Licence (LSEL), governs the mineral tenement. The Act 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 LSEL was renewed on 24 August 2018 for a further 3 years.

In the 1960s, geologists of the Northern Rhodesia (now Zambia) Geological Survey mapped the Project.

At Star Zinc, two main fracture trends are present, one E - W, and another N - S. Both set 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 non sulphides includes a whole number of minerals: the main economic phases present are Zn-silicates (willemite, hemimorphite, Zn-bearing clays), Zn- Pb carbonates (smithsonite, cerussite), hydrated Zn- Pb carbonates (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.

In summary, Star Zinc 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
Germanium (Ge)	semi metal element commonly used in the semiconductor industry, wide-angle camera lenses and fibre optics.
Hematite	reddish-black mineral consisting of ferric oxide. It is an important ore of iron.
ICP-OES/MS	inductively coupled plasma - optical emission spectrometry/mass spectrometry
Karst	landscape underlain by limestone (calcium carbonate), which has been eroded by dissolution, producing ridges, fissures and so on
Karstic	pertaining to karst
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 spectrometry
Supergene	pertaining to processes or enrichment that occurs relatively near surface
Willemite	zinc silicate ore mineral

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

END