

ASX ANNOUNCEMENT



Galena Mining Limited

28 March 2018

ASX : G1A (G1ADA)

Shares on Issue

278,000,000 (post 1:5 share split)

Cash (Dec Qtr)

\$3.1m

Directors & Management

Non-Executive Chairman

Adrian Byass

CEO

Edward Turner

COO

Troy Flannery

Non-Executive Directors

Jonathan Downes

Oliver Cairns

Tim Morrison

Company Secretary

Stephen Brockhurst

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UPDATED ANNOUNCEMENT – G1A DEVELOPING A WORLD CLASS MINING ASSET

Galena Mining Limited (ASX: G1A) (“Galena” or the “Company”) wishes to retract ASX announcement released to the market on 28 March 2018 “G1A Developing a World Class Mining Asset” as it included production targets which cannot be relied upon and included a comparison of Abra’s resources, which included a component of inferred material, to peers’ reserves.

As a consequence of the retraction of the information, the Company advises that the information should be disregarded and that accordingly investors should not rely on the retracted information for their investment decisions.

The Company wishes instead to replace the announcement with the attached and be released from the trading halt which it requested earlier this morning.

For more information visit www.galenamining.com.au

Contact

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CEO

Galena Mining Limited

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Revised Presentation - Developing a World Class Lead-Silver Asset

March 28 2018

For Consideration

This presentation has been prepared by Galena Mining Limited "Galena". This document contains background information about Galena current at the date of this presentation. The presentation is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this presentation.

This presentation does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this presentation are not intended to represent recommendations of particular investments to particular persons. Galena Mining Limited has a prospectus on issue and available. Investment decisions should be based upon detailed reading and understanding of the prospectus and applications should use the application form contained in that prospectus. Recipients should seek professional advice when deciding if an investment is appropriate. All securities involve risks which include (among others) the risk of adverse or unanticipated market, financial or political developments.

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Competent Persons Statement

Competent Person Statement: The information in this report related to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr E Turner B.App Sc, MAIG, and Mr A Byass, B.Sc Hons (Geol), B.Econ, FSEG, MAIG both an employee and a Director of Galena Mining Limited. Mr Turner and Byass have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves. Mr Turner and Mr Byass consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Capital Structure (Post 1:5 Split)

Shares on issue (ASX.G1A)	278 million
Options on issue*	42.25 million
Share price	\$0.20
Market Cap	\$56 million
Cash balance (31 Dec 2017)	\$3.1 million
Debt	Nil

*Options issued to employees and management with 11.75m having an exercise price of \$0.06 and expiry date of 30 June 2020, and 18m having an exercise price of \$0.08 and expiry date of 30 June 2021. 5m having exercise price of \$0.30

Tight Capital Structure

Board and Management	38.8%
Top 20	65.8%

Board of Directors & Key Management

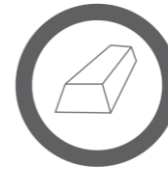
A proven track record in acquisition, financing, development and production of mineral assets

Adrian Byass	Non Executive Chairman	Economic geologist, experienced Board member, mine development specialist
Ed Turner	Chief Executive Officer	Geologist, 30 years global experience, base and precious metals, former exploration manager of Abra
Troy Flannery	Chief Operating Officer	Mining engineer, underground development, base metals, corporate analysis
Jonathan Downes	Non Executive Director	Geologist, mining and mine development expertise
Olly Cairns	Non Executive Director	Corporate finance, LSE & ASX capital markets, M&A, IR
Timothy Morrison	Non Executive Director	Corporate finance, Capital markets, M&A, IPOs

A world class and globally significant base metals project which can be in production by 2020



100% owned



All offtake available



World class lead-silver
JORC resource of 11.2 Mt @
10.1% Pb within 36.6Mt @
7.3% Pb



Granted Mining Licence
in WA



Easy processing - high
recovery, high quality
concentrate



PFS Q3 2018
Production 2020



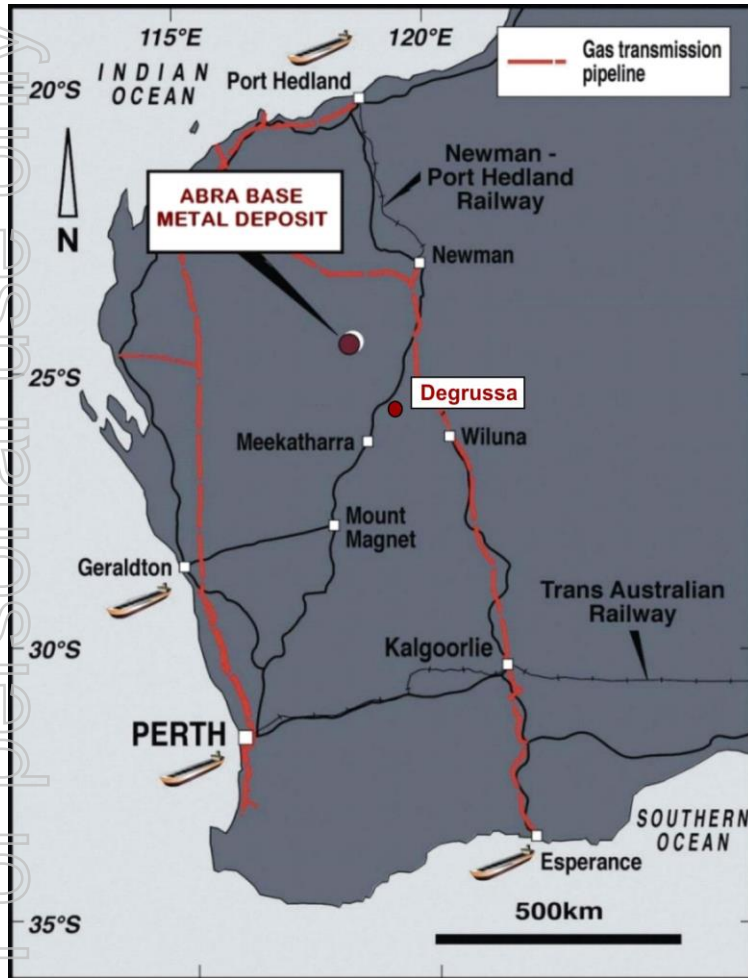
Established infrastructure



Targeting high margin,
low capex

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Location and Infrastructure



- 100% owned by Galena Mining, Abra is located approximately 110km from Sandfire Resources high-grade Degrudda copper mine in mining friendly Western Australia
- Well serviced by infrastructure and located approximately halfway between Newman and Meekatharra
- Lead sulphide exports (Golden Grove base metal mine) have been shipped in an environmentally safe manner through Geraldton for +20 years



Geraldton Port has ample capacity for Abra concentrate exports

Abra - A New High Grade World Class Resource

11.2Mt @ 10.1% lead and 28g/t silver*

within

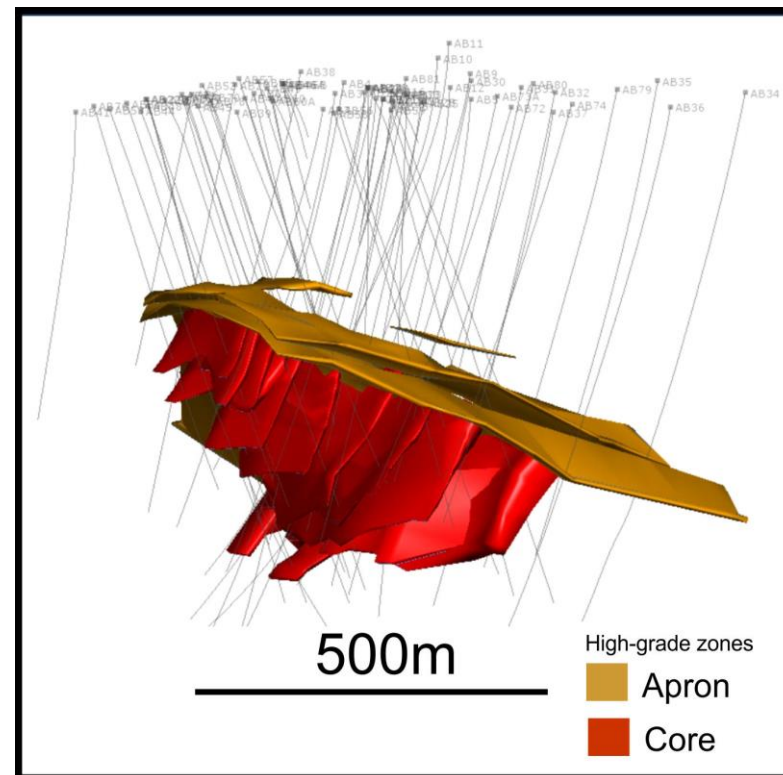
36.6Mt @ 7.3% lead and 18g/t silver**

- Well-drilled, high confidence resource
- Resource remains open along strike and at depth
- Significant copper and gold intersections below lead-silver zone

4m @ 6.3% Cu and 0.2 g/t Au from 716m in AB22A (including **1m @ 10.5% Cu** from 716m); and **8m @ 5.8 g/t Au and 1.0% Cu** from 506m in AB3 (including **1m @ 15.0 g/t Au** from 509m)

* Indicated Resource of 5.3 Mt at 10.6% lead & 28 g/t silver and an Inferred Resource of 5.9 Mt at 9.7% Pb & 29 g/t silver (using a 7.5% Pb cut-off) using ID2 interpolation. See appendices for more detail

** Indicated Resource of 13.2 Mt at 7.9% lead & 19g/t silver and an Inferred Resource of 23.5 Mt at 6.9% Pb & 17 g/t silver (using a 5.0% Pb cut-off) using ID2 interpolation. See appendices for more detail



3D view of Abra looking south east highlighting the high grade mineralised zones and scale. Drilling and 5% lead shells shown.



**World Class deposit
with +5Mt of
contained lead**

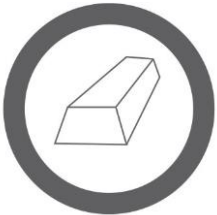
Simple, cheap processing

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- Simple mineralogy and standard flotation to concentrate
- **Historic test work achieved +90% recovery to high-grade concentrate**
- Low Capital and Operating Cost



High grade massive galena from Abra (AB71)



- **All offtake available**



- **High Quality Concentrate of 55 - 65% lead grade in test work**

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→ PFS underway

- Underground (decline access) mechanised mining using industry standard techniques of Room and Pillar for the Apron and Long Hole Stopping for the Core zones are proposed
- Flotation to concentrate
- Low CAPEX comparable to other WA underground operations
- Ability to increase production tonnages in future years



→ Abra compares favourably to peers DeGrussa and Nova

- Mechanised underground operations
- Similar depth and size
- High payability
- Produce a concentrate and ship to port for export
- Decade plus potential mine life



Clear Pathway to Production


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 **H2 2018** - PFS to be completed; granted Mining Licence

Key specialists appointed covering:

engineering, metallurgy, mine planning, hydrology, environmental and native title; *regular news flow on all fronts over coming months*

 **2019** – BFS, Offtake, Financing, underground development commences

 **2020** – Construction, underground development, commissioning, commence production



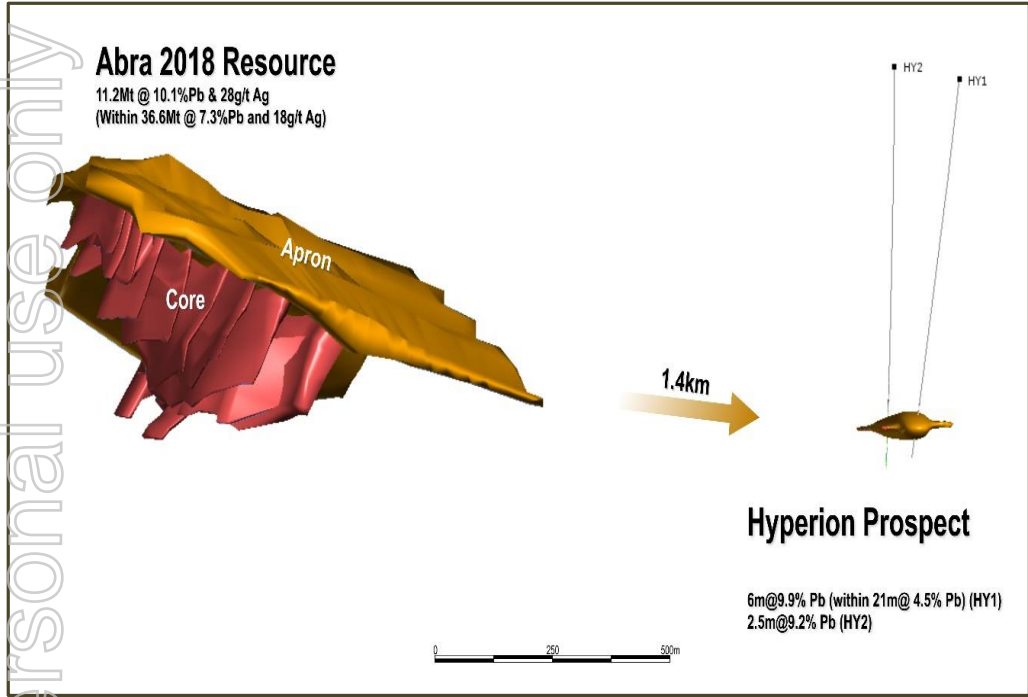
Granted Mining Licence



Galena has a defined vision to develop Abra as a high-grade, high margin mining operation within 3 years.



Hyperion – presents additional resource opportunity



3D model of Hyperion Prospect and its relationship to Abra looking south east

- Hyperion sits ~1.4km west of Abra
- Same stratigraphic horizon going deeper

Historic high grade drill results of **6m @ 9.9% Pb** from 548m in HY1 and; **2.5m @ 9.2% Pb** from 572m in HY2 fits interpretation of the high-grade model at Abra

- ➔ Abra Apron is not closed off
- ➔ Ready opportunity to increase size of Abra

% Woodlands Prospect ~50km West of Abra

➔ Significant historic intersections include **60m @ 0.3% copper** in WDH1 (inc. **0.4m @ 8.4% copper and 16g/t silver from 558m**) and **3m @ 1.6% copper from 188m** in JLWA-78-34

- Strong coincidental conductive electromagnetic plates for massive sulphide copper mineralisation will be drilled Q2 2018

% Manganese Range and Quartzite Well Prospects

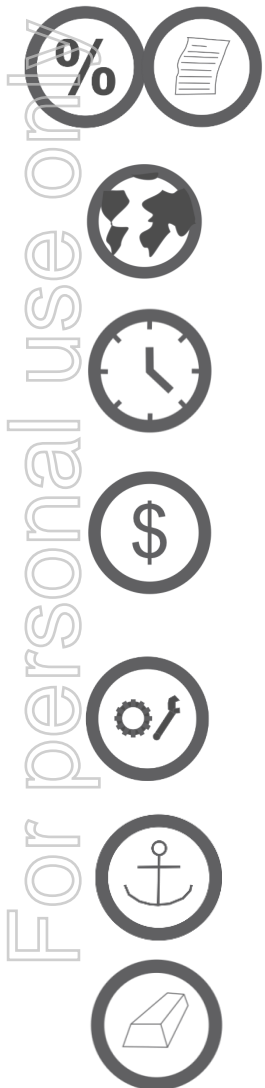
➔ Significant historic intersections include **28m @ 2.3% lead, 32g/t silver & 1.2% zinc from 121m** in JLWA-75-7

- Detailed review of geology and geophysics underway will prioritise drill targets to be followed and targets will be tested this year

➔ **Work to commence on these highly prospective base metal prospects in conjunction with Abra PFS**

- Any positive results will add upside to overall Galena story

Summary – Abra ticks all the boxes



- Galena owns **100%** of one of the largest undeveloped lead-silver deposits in the world on a granted mining licence in WA
- World class, high grade resource of **11.2 Mt @ 10.1% Pb** within **36.6Mt @ 7.3% Pb** - a GLOBALLY SIGNIFICANT DEPOSIT
- **Accelerated strategy** to deliver robust PFS in H2 2018 - Production targeted for 2020
- **High grade, low capex**, high margin underground mining strategy with option to increase after constant production reached (Stage 1 - 0.75-1.0Mtpa)
- **Easy processing** for high recovery and a high quality concentrate
- **Established infrastructure** – Geraldton Port, WA has exported lead sulphide concentrates for +20 years
- **All offtake available** at a time when the demand for lead is growing with supply shrinking



Contact Information

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1. Mineral Resource Tables
2. The Lead Market
3. Lead – The right commodity at the right time
4. The Australian Landscape for Lead
5. Longer Term Lead price A\$:US\$ decoupling
6. Galena's base metals projects – 100% owned

Appendix 1 – Mineral Resources Tables

Table 1: Abra March 2018 JORC Resource Estimate
(Inverse Distance interpolation)

INDICATED RESOURCE				
Pb% Cut off	Vol m ³	Tonnes	Pb%	Ag g/t
5.0*	3,800,000	13,200,000	7.9	19
6.0	2,700,000	9,300,000	8.9	22
7.0	1,800,000	6,300,000	10.1	26
7.5*	1,500,000	5,300,000	10.6	28
8.0	1,300,000	4,500,000	11.1	30
9.0	900,000	3,200,000	12.2	35
10.0	700,000	2,300,000	13.2	42
INFERRED RESOURCE				
Pb% Cut off	Vol m ³	Tonnes	Pb%	Ag g/t
5.0*	6,900,000	23,500,000	6.9	17
6.0	4,000,000	13,400,000	8.0	21
7.0	2,300,000	7,800,000	9.1	26
7.5*	1,700,000	5,900,000	9.7	29
8.0	1,300,000	4,600,000	10.2	32
9.0	900,000	3,000,000	11.2	39
10.0	600,000	2,000,000	12.0	46
TOTAL RESOURCE (INFERRED AND INDICATED COMBINED)				
Pb% Cut off	Vol m ³	Tonnes	Pb%	Ag g/t
5.0*	10,700,000	36,600,000	7.3	18
6.0	6,600,000	22,700,000	8.4	21
7.0	4,100,000	14,100,000	9.5	26
7.5*	3,300,000	11,200,000	10.1	28
8.0	2,700,000	9,100,000	10.7	31
9.0	1,800,000	6,300,000	11.7	37
10.0	1,300,000	4,300,000	12.7	44

Table 2: Abra March 2018 JORC Resource Estimate
(Ordinary Kriged Interpolation)

INDICATED RESOURCE				
Pb% Cut off	Vol m ³	Tonnes	Pb%	Ag g/t
5.0*	3,900,000	13,600,000	7.6	18
6.0	2,800,000	9,600,000	8.5	21
7.0	1,900,000	6,400,000	9.5	26
7.5*	1,600,000	5,400,000	10.0	28
8.0	1,300,000	4,400,000	10.4	30
9.0	900,000	2,900,000	11.5	37
10.0	500,000	1,800,000	12.8	48
INFERRED RESOURCE				
Pb% Cut off	Vol m ³	Tonnes	Pb%	Ag g/t
5.0*	6,800,000	23,200,000	6.7	17
6.0	3,800,000	12,800,000	7.6	21
7.0	1,900,000	6,600,000	8.8	27
7.5*	1,400,000	4,900,000	9.3	31
8.0	1,100,000	3,600,000	9.9	36
9.0	600,000	2,100,000	10.9	45
10.0	400,000	1,400,000	11.6	53
TOTAL RESOURCE (INFERRED AND INDICATED COMBINED)				
Pb% Cut off	Vol m ³	Tonnes	Pb%	Ag g/t
5.0*	10,700,000	36,800,000	7.0	17
6.0	6,500,000	22,300,000	8.0	21
7.0	3,800,000	13,000,000	9.1	26
7.5*	3,000,000	10,300,000	9.7	29
8.0	2,300,000	8,000,000	10.2	33
9.0	1,500,000	5,000,000	11.2	40
10.0	900,000	3,200,000	12.3	51

* denotes preferred cut-offs for resource reporting

Nb Tonnages are rounded to the nearest 100,000t, lead grades to one decimal place and silver to the nearest gram. Rounding errors may occur when using the above figures.

Appendix 2 – The Lead Market

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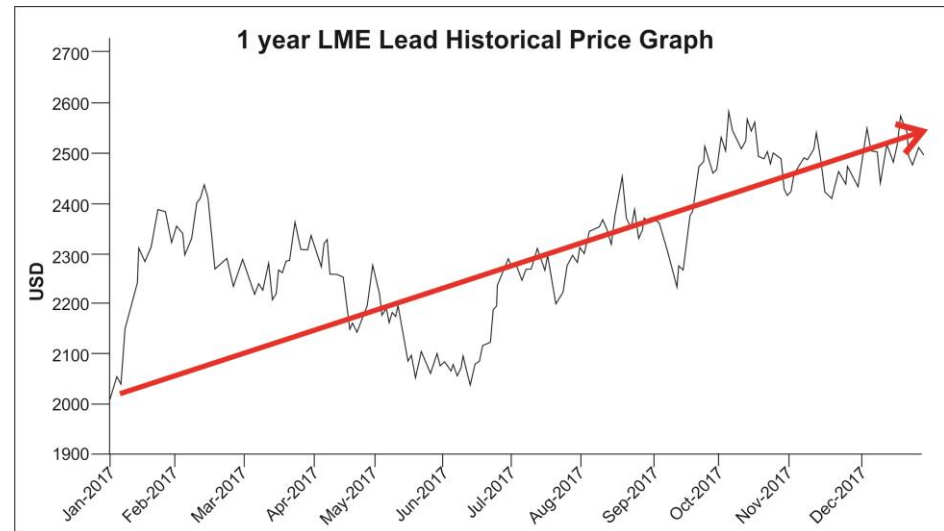
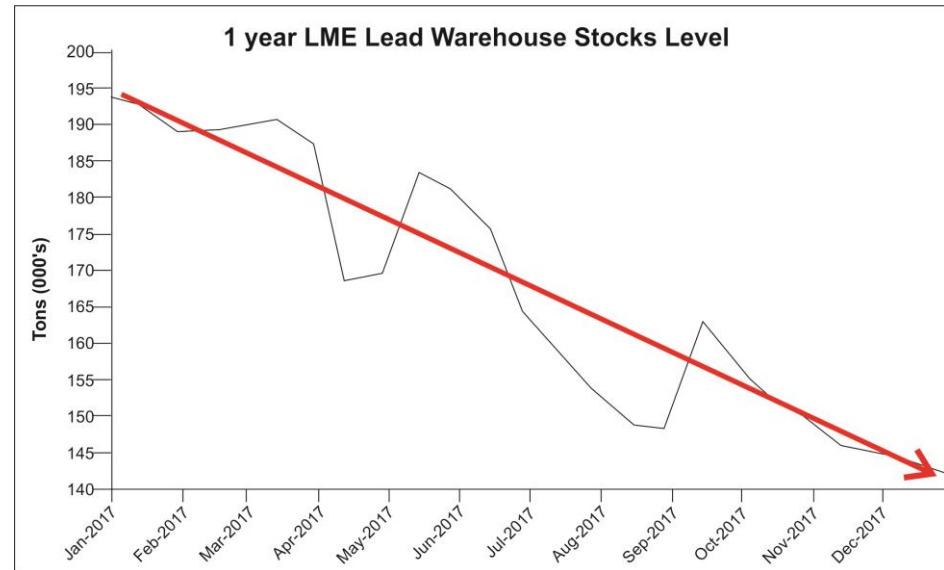
Consumption up year on year for last decade

Demand is growing

Stockpiles are down

Prices are up

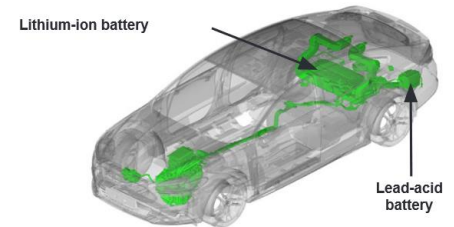
➔ A\$ lead price highest since discovery



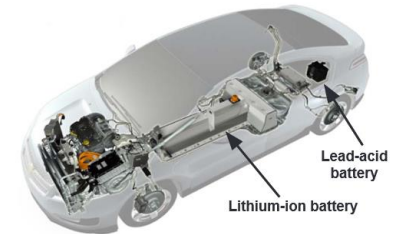
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- In January 2018 Lead reached its **highest price since 2011**
- The primary use of lead is within batteries:
 - Over 75% of lead demand is utilised in lead-acid batteries, in vehicles and for solar power storage
 - Most of today's hybrid vehicles contain lead-acid batteries as well as lithium-ion batteries

Ford Fusion Hybrid Battery System



Chevrolet Volt Battery System



- Demand from 2010-2016 was up 56%, led by China but increasing demand in North America and Europe
- Coupled with expected ongoing demand growth, supply is becoming constrained with Treatment Charges falling to below zero as China tries to attract lead concentrate**



(*) Source: Deutsche Bank, United States Geological Society, company data

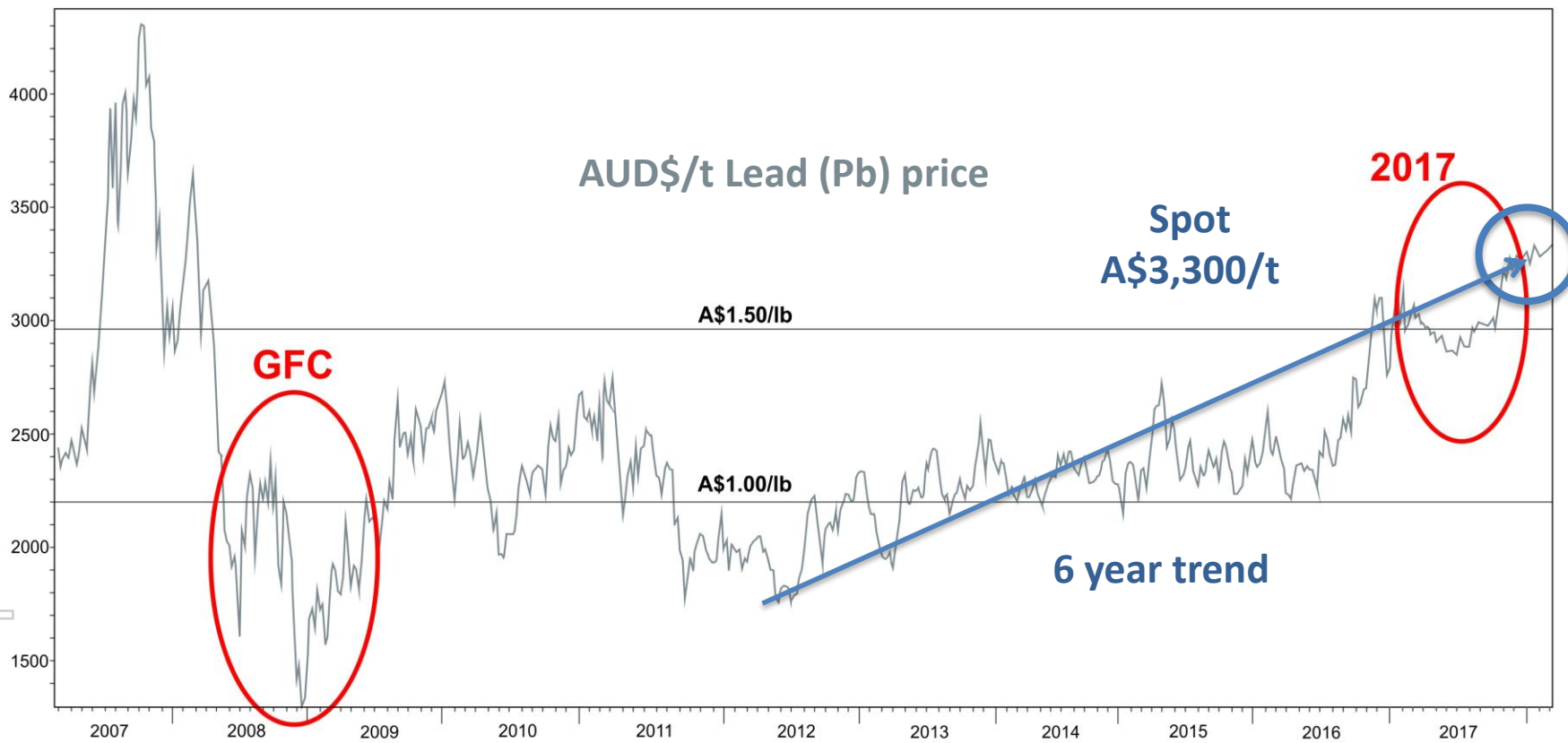
(**) Wood Mackenzie

Appendix 4 - The Australian Lead Landscape

- Australia is already the worlds largest exporter – Galena is planning on doing more of what we do well here already
- South 32’s Cannington mine currently produces 7% of the world’s lead annually
- Other significant lead projects include:
 - McArthur River
 - Broken Hill
 - Golden Grove
- 500ktpa of new mine capacity is estimated to be required by 2020 with probable projects only being able to deliver ~300ktpa

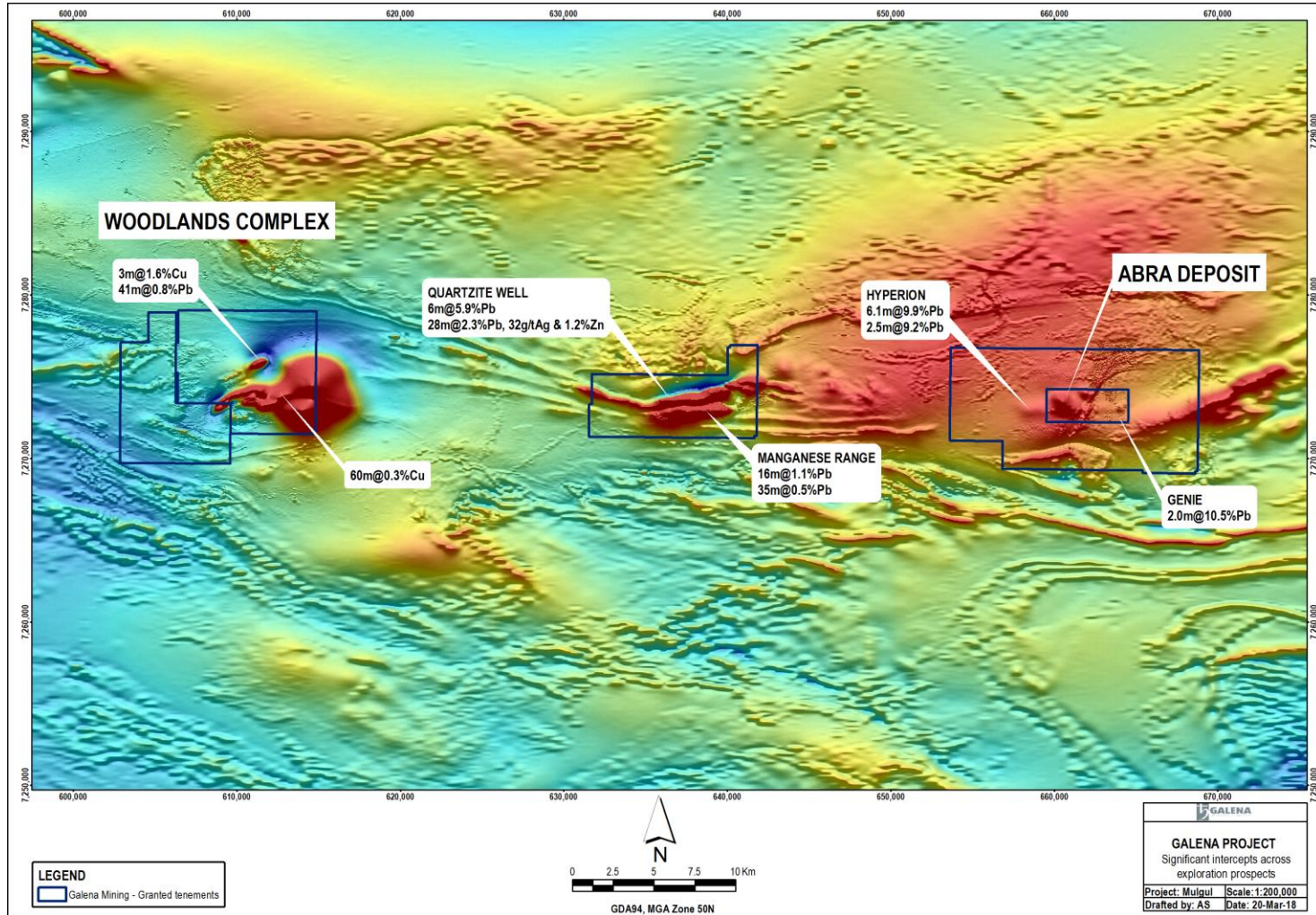
Abra is therefore GLOBALLY VERY SIGNIFICANT as an upcoming lead mine

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Appendix 6 - Galena's base metal projects – 100% owned

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Galena's exploration prospects with significant historic drill intersections on magnetic background