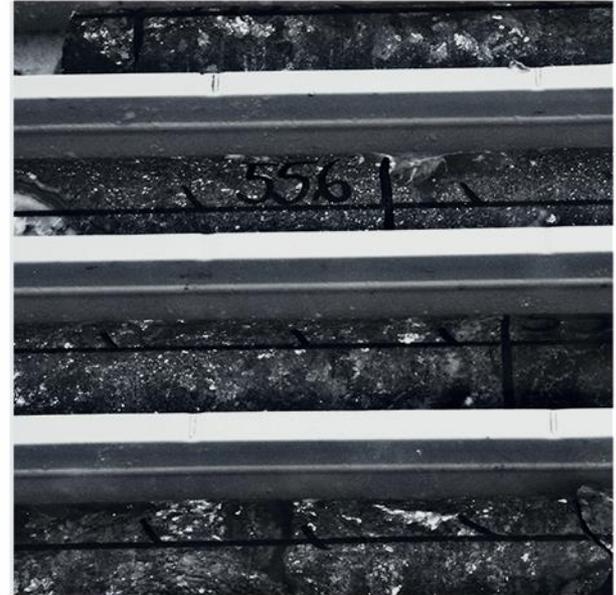
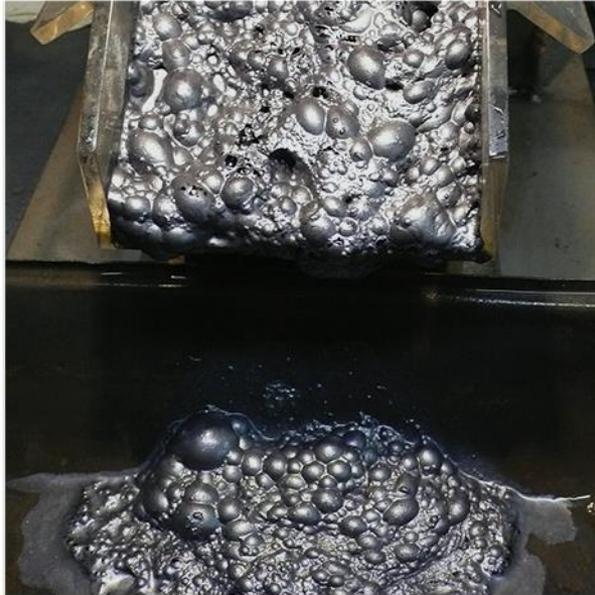




# GALENA

MINING LIMITED



**3 JULY 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.

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The Scoping Study ("Study") referred to in this presentation is a technical and economic investigation of the viability of the Abra Project. It is based on low accuracy technical and economic assessments, (+/- 35% accuracy) and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Study will be realised. Notwithstanding many components of this study, such as plant design, capital cost, processing operating cost are more accurate than +/- 35%. The Production Target referred to in this presentation is based on JORC Resources which are approximately 50% Indicated and 50% Inferred. The mine plan has been generated using sectional interpretation and averaging of grades over multiple year periods prior to the application of mining dilution. To achieve the outcomes indicated in this study initial funding in the order of \$153 million is likely to be required. Investors should note that there is no certainty that Galena will be able to raise funding when needed. It is also possible funding may only be available on terms that may be dilutive to or otherwise effect the value of Galena's shares.

This presentation may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Galena. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law, Galena does not undertake any obligation to update or revise any information or any of the forward looking statements in this presentation or any changes in events, conditions, or circumstances on which any such forward looking statement is based.

## 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.

# HIGHLIGHTS – PERFECTLY PLACED



World Class, 100% owned,  
high-grade, unmined, base  
metals deposit



Outstanding Scoping Study  
economic outcome  
Base case NPV<sub>(10)</sub>  
multiples of Capex



PFS due Sept '18  
FS mid '19,  
Production Q1 2021  
on track



Infrastructure and port  
capacity confirmed



Rapid development with  
granted mining licence and  
native title agreement



Excellent lead-silver  
concentrate produced, 100%  
offtake available

# PATHWAY TO PRODUCTION

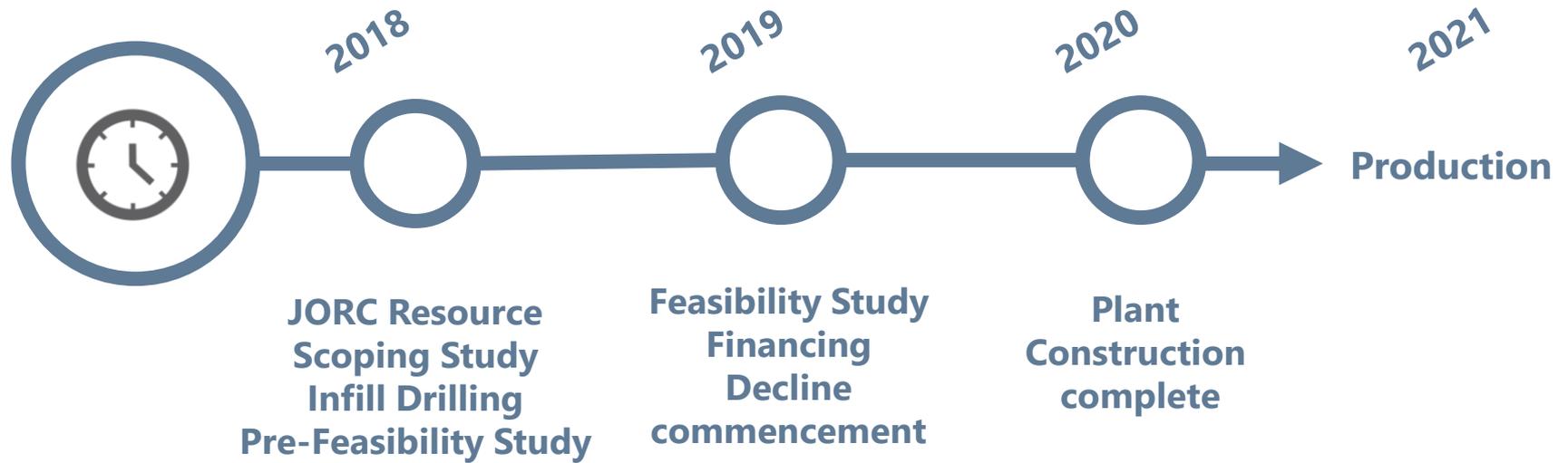


Base Case (A\$)	NPV <sub>(10)</sub> \$394m	IRR 61%	Capex \$153m
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Key financial and production assumptions and economic metrics		Key production and financial metrics (pre tax)	
Processing capacity	1 Mtpa	Pre-production capital	A\$153m
Initial mine life	11 years	Average net cash flows (Years 3-11)	A\$103m
Average LOM lead (Pb) metal production	91 ktpa	Project Payback from start of production	1.0-1.5 years
Average LOM silver (Ag) metal production	450ktpa	BASE CASE (10% discount rate) (Pb US\$0.95lb, Ag US\$16.5/oz, A\$:US\$ 0.75)	A\$394m NPV 60.9% IRR
Average LOM C1 cost (payable)	US\$ 0.46/lb	SPOT PRICE (10% discount rate) (Pb US\$1.14lb, Ag US\$16.5/oz, A\$:US\$ 0.75)	A\$615m NPV 82.5% IRR
Average LOM All in Sustaining Costs	US\$ 0.56/lb		

## Scoping Study – Cautionary Statement

Refer to ASX announcement 28 June 2018. The Scoping Study referred to in this announcement is a preliminary technical and economic investigation of the potential viability of the Abra Lead-Silver Project. It is based on low accuracy technical and economic assessments, (+/- 35% accuracy) and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage; or to provide certainty that the conclusions of the Study will be realised. Galena Mining confirms that all the material assumptions underpinning the production target, or the forecast financial information derived from the production target, in the initial ASX announcement continue to apply and have not materially changed. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Measured or Indicated Mineral Resources or that the Production Target or preliminary economic assessment will be realised.

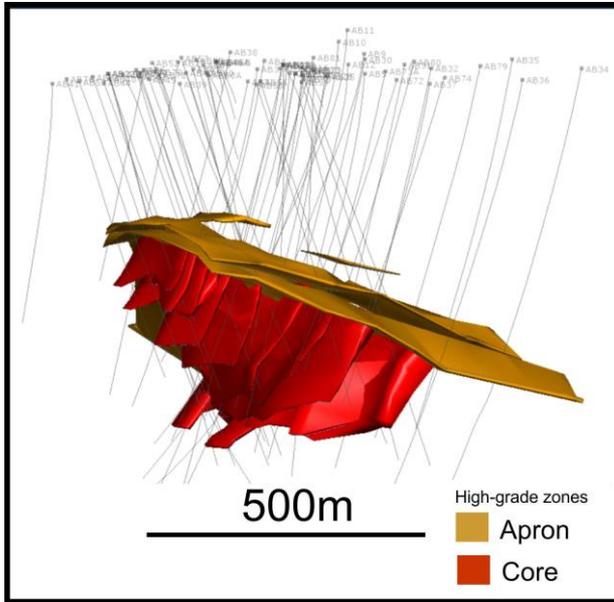




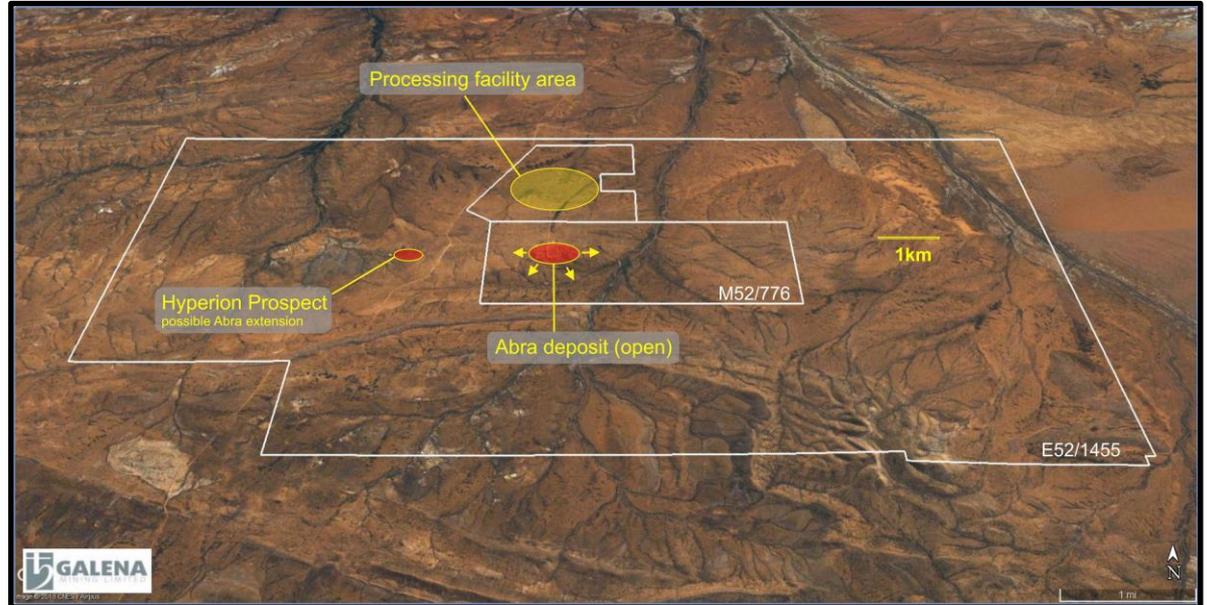
- 100% owned by Galena Mining, Abra is located in the Gascoyne region of Western Australia approximately 110km from Sandfire Resources high-grade DeGrussa copper mine
- Well serviced by infrastructure and located approximately halfway between Newman and Meekatharra
- Lead sulphide exports (Golden Grove base metal mine) have been shipped from Geraldton for +20 years



Geraldton Port has ample capacity for Abra concentrate exports



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



JORC Resource - 11.2Mt @ 10.1% lead and 28g/t silver\* , within 36.6Mt @ 7.3% lead and 18g/t silver\*\*

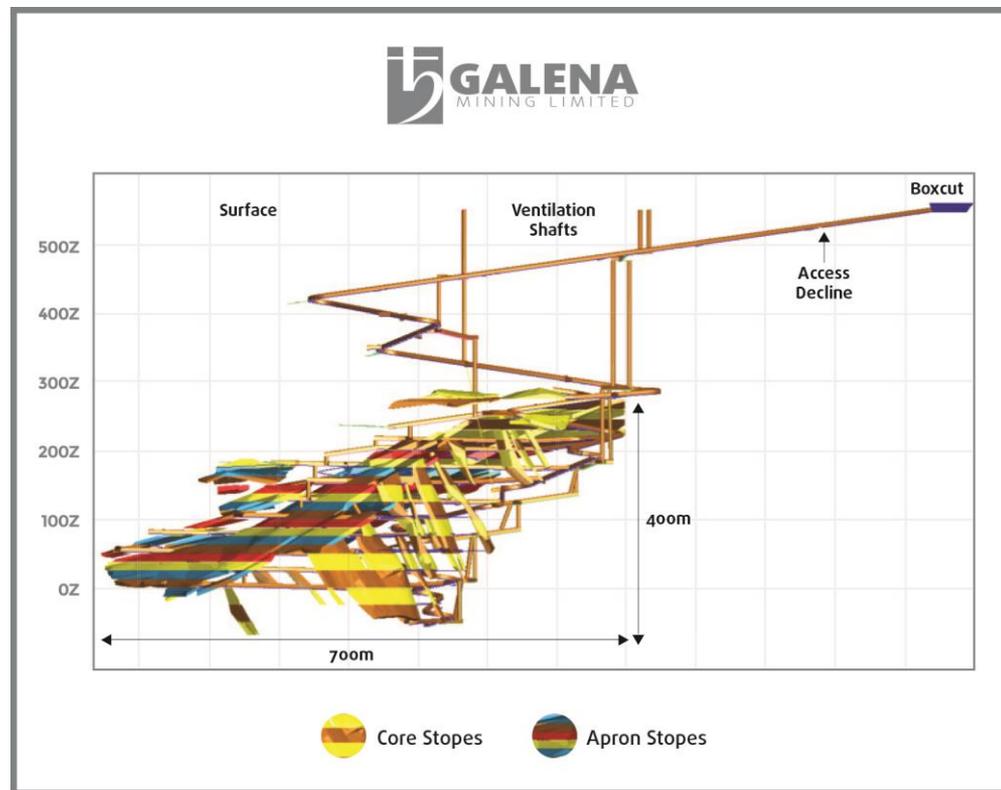
Approximately 51% of the mineable material is in the Indicated category with the first two (2) years of production all in the Indicated category

\* 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.

\*\* 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.



Description		Values
Millions of tonnes per annum (Mtpa)	1.0	
Years Construction	1.5-2.25	
Years Ramp Up ranges	0.5-1.0	
Process Recovery (%)	94	
Lead (Pb) Payability (%)	95	
Concentrate grade (% Pb)	75	
Mining Grade	9.7% Pb	15 g/t Ag
Exchange Rate - US\$:A\$	0.75	
Prices - Base case (US\$)	Pb 0.95/lb	Ag 16.50/oz
Prices - Spot case (US\$)	Pb 1.14/lb	Ag 16.50/oz



- Underground - sublevel open stoping, room and pillar
- Deposit open at depth and in multiple directions
- Potential to significantly increase mine life

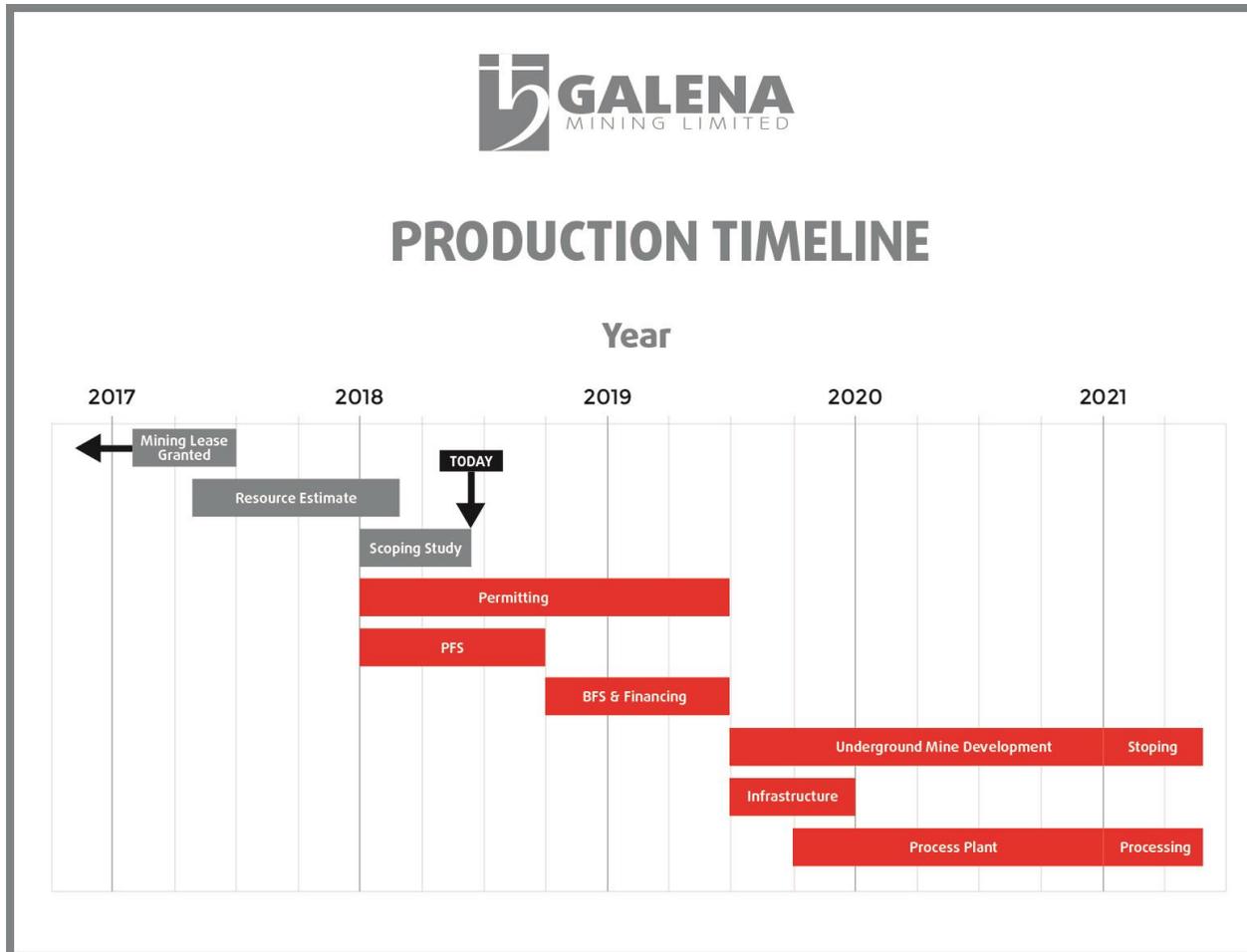
# PROCESSING AND METALLURGY – SIMPLE & CHEAP

- A 1 Mtpa capacity processing plant – conventional crushing, grinding, flotation and filtration
- Very high metal recoveries (ave 95%) in an exceptionally high-grade and clean lead-silver concentrate (ave 74.5%). With 120-160 g/t Ag
- Flexibility to increase recovery and still have very high concentrate grade

Average Opex cost estimates	US\$ ¢/lb Pb (A\$:US\$ 0.75)
Mine	19
Mill	13
TC/RC and concentrate transport	14
Total C1 cash cost	46
All in Sustaining Costs	56



Galena has an aggressive timeline to start construction at Abra in Q3 CY2019 with planned extraction of first mineralization in Q1 CY2021



## 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
- Low CAPEX comparable to other WA underground operations
- Ability to increase production tonnages in future years

## Capital Structure

Shares on issue (ASX.G1A)	336.5 million
Options on issue*	34.75 million
Share price	\$0.17
Market Cap	~\$57 million
Cash balance (1 June 2018)	~\$10 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

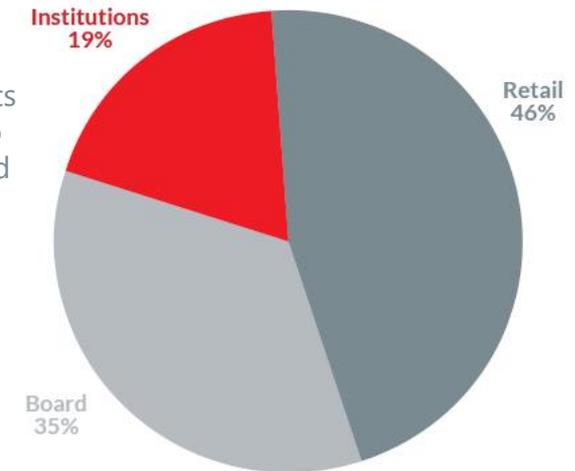
## Board of Directors & Key Management

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

Adrian Byass	Non Executive Chairman	Economist, 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 and precious 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

## Shareholder Summary

A company primed for its opportunity to develop and bring online a world class base metals asset



- Galena's Scoping Study confirms Abra as a globally significant base metals project
- Projected to be the 5<sup>th</sup> or 6<sup>th</sup> largest lead mine in the world
- Large high grade resource, high recoveries, high concentrates = high demand from offtakers
- Galena market cap of only ~A\$60m verses a base case pre-tax post royalties NPV<sub>10</sub> of A\$394 million and IRR of 61% & Spot case pre-tax post royalties NPV<sub>10</sub> of A\$615 million and IRR of 82%
- High margin, strong cash generative operation – C1 costs of US\$0.46/lb and C3 costs of US\$0.56/lb
- Average LOM revenues estimate of \$251 million and operating cash flows of \$104 million per year (Base Case)
- Pre-production CAPEX estimated to be \$153 million with a payback period of approximately 18 months
- Aggressive timeline to be in production within 2.5 years
- Very favourable outlook with strong upward movement in demand and pricing



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1. Projected Revenue and Key Assumptions
2. Sensitivity Analysis
3. 10 Year LME Lead Prices and Stocks
4. Hyperion
5. Regional Exploration Upside
6. Mineral Resources and Mineable Material
7. Galena's 2017 High Grade Drilling Intersections

# PROJECTED REVENUE & KEY ASSUMPTIONS



## Abra's Base Assumptions (life of mine averages)

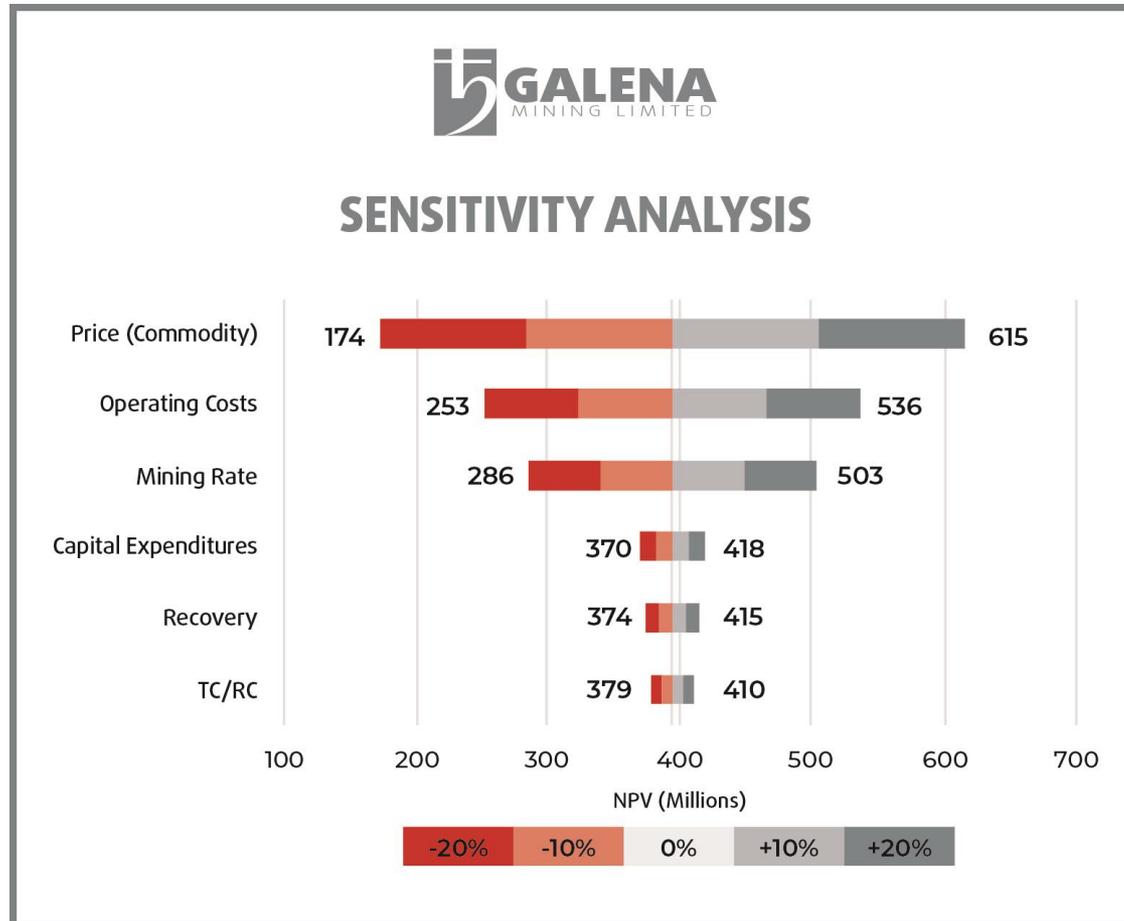
Description	Values	
<b>Millions of tonnes per annum (Mtpa)</b>	1.0	
<b>Years Construction</b>	1.5-2.25	
<b>Years Ramp Up ranges</b>	0.5-1.0	
<b>Process Recovery (%)</b>	94	
<b>Lead (Pb) Payability (%)</b>	95	
<b>Concentrate grade (% Pb)</b>	75	
<b>Mining Grade</b>	9.7% Pb	15 g/t Ag
<b>Exchange Rate – US\$:A\$</b>	0.75	
<b>Prices - Base case (US\$)</b>	Pb 0.95/lb	Ag 16.50/oz
<b>Prices - Spot case (US\$)</b>	Pb 1.14/lb	Ag 16.50/oz

## Financial and Production Metrics

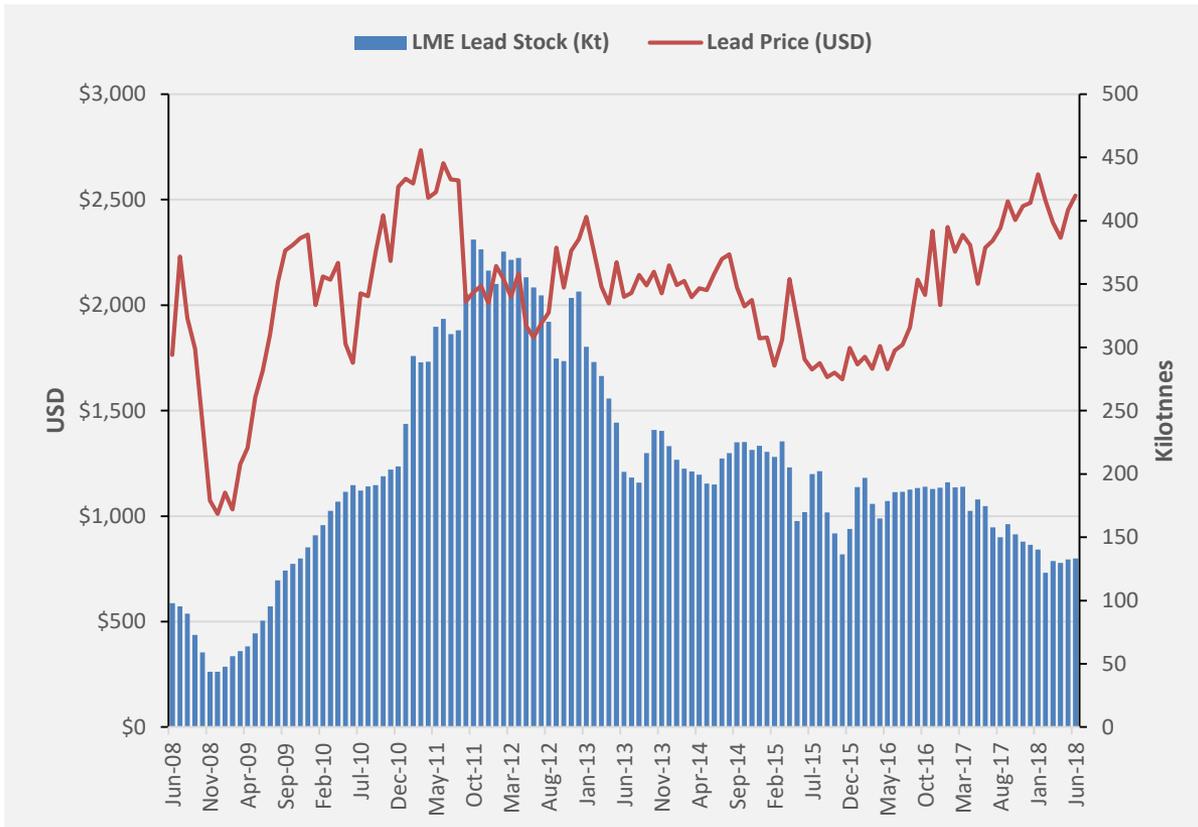
Key Financial and Production Metrics	
<b>Processing capacity</b>	1 Mtpa
<b>Initial mine life</b>	11 years
<b>Average lead metal production</b>	91 ktpa
<b>Average silver metal production</b>	450 ozpa
<b>C1 cost payable</b>	46 US\$/lb
<b>All-in sustaining cost</b>	56 US\$/lb
<b>Pre-production capital</b>	A\$153 m

	Pre-tax
<b>Average net cash flow (Years 3-11)</b>	A\$103 m
<b>Net Present Value (DR @ 10% &amp; Pb = US\$ 0.95/lb) - long term Pb Price</b>	A\$394 m
<b>Internal Rate of Return – long term Pb price</b>	60.9%
<b>Project Payback (from start of Production)</b>	1-1.5 yrs
<b>Net Present Value (DR @ 10% &amp; Pb = US\$ 1.14/lb) – spot Pb price</b>	A\$615 m
<b>Internal Rate of Return – spot Pb price</b>	82.5%

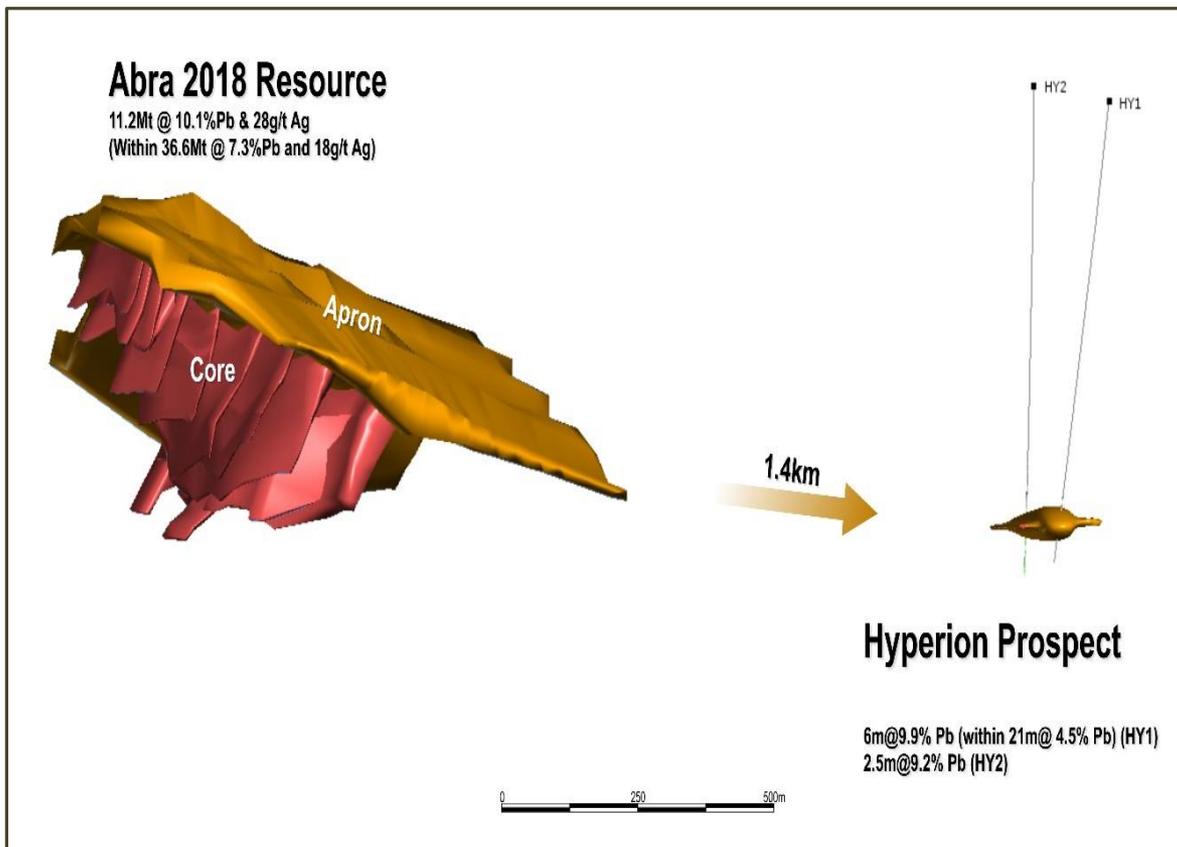
Abra's sensitivity analysis showing the project is very robust, as at lead prices of US\$0.76/lb NPV (10%) = \$174 million (versus June 2018 average price of US\$ 1.14/lb)



# 10 YEAR LME LEAD PRICES & STOCKS



- Strong market conditions and the outlook for lead are very favourable
- Falling LME stockpiles, coupled with increasing demand have resulted in upwards price pressure over an extended period



- Hyperion sits ~1.4km west of Abra
- Same stratigraphic horizon going deeper
- Historic high grade drill results of 6m @ 9.9% Pb from 548 in HY1 and;  
 2.5m @ 9.2% Pb from 572 in HY2  
 fits interpretation of the high-grade model at Abra
- Abra Apron is not closed off
- Ready opportunity to increase size of Abra

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

## ① Woodlands Prospect ~50km West of Abra

- Significant historic intersections include 60m @ 0.3% Cu in WDH1 (inc. 0.4m @ 8.4% Cu and 16g/t Ag from 558m) and 3m @ 1.6% Cu from 188m in JLWA-78-34
- Strong coincidental conductive electromagnetic plates for massive sulphide copper mineralisation recently drilled – ASSAYS PENDING

## ① Manganese Range and Quartzite Well Prospects

- Significant historic intersections include 28m @ 2.3% Pb, 32g/t Ag & 1.2% Zn from 121m in JLWA-75-7
- 12m @ 18.8% Mn from 52m in MRRC004 and 6m @ 20.1% Mn from 174m in JLWA-75-6
- Any positive results will add upside to overall Galena story  
– NO VALUE ATTRIBUTED TO THESE PROSPECTS AT THIS TIME

- This JORC Resource forms the basis of mineable material comprising 9.2 Mt at a grade of 9.7% Pb & 15 g/t Ag for a contained 842,500 t lead & 4.2 Moz silver
- Approximately 51% of the mineable material is in the Indicated category with the first two (2) years of production all in the Indicated category
- This ensures 100% of the payback period (< 1.5 years of production) is mining solely Indicated resources and the mineable material in the indicated classification exceeds 75% up to year five

INDICATED RESOURCE				
<i>Pb% Cut off</i>	<i>Vol m<sup>3</sup></i>	<i>Tonnes</i>	<i>Pb%</i>	<i>Ag g/t</i>
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
INFERRED RESOURCE				
<i>Pb% Cut off</i>	<i>Vol m<sup>3</sup></i>	<i>Tonnes</i>	<i>Pb%</i>	<i>Ag g/t</i>
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
TOTAL RESOURCE (INFERRED AND INDICATED COMBINED)				
<i>Pb% Cut off</i>	<i>Vol m<sup>3</sup></i>	<i>Tonnes</i>	<i>Pb%</i>	<i>Ag g/t</i>
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

*Abra March 2018 JORC Resource Estimate (Inverse Distance interpolation)*

# GALENA'S 2017 HIGH GRADE DRILLING INTERSECTIONS



- 31m @ 14.5% Pb, 10ppm Ag (within 64.0m @ 10.6% Pb, 7ppm Ag) in AB70
- 56m @ 7.8% Pb, 20ppm Ag in AB71
- 19m @ 9.9% Pb, 26ppm Ag in AB72
- 14m @ 13.5% Pb, 42ppm Ag in AB73A
- 15m @ 9.2% Pb, 20ppm Ag in AB74
- 22m @ 9.5% Pb, 20ppm Ag in AB75
- 6m @ 8.9% Pb, 26ppm Ag in AB76
- 32m @ 13.5% Pb, 27ppm Ag (within 53.3m @ 10.9% Pb, 20ppm Ag) in AB77
- 22m @ 12.0% Pb, 21ppm Ag in AB78
- 30m @ 10.9% Pb, 9ppm Ag in AB79
- 30m @ 8.2% Pb, 12ppm Ag in AB80
- 19m @ 10.8% Pb, 15ppm Ag in AB81