
GALENA MINING LIMITED

ABN 63 616 317 778

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

Notice is given that the Meeting will be held at:

TIME: 11.00am WST
DATE: Monday, 26 November 2018
PLACE: The Celtic Club
48 Ord Street
WEST PERTH WA 6005

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 11:00am (WST) on Saturday, 24 November 2018.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9481 0389.

BUSINESS OF THE ANNUAL GENERAL MEETING

AGENDA

Reports and Accounts

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2018, together with the declaration of the directors, the Directors' report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2018.”

Short Explanation: The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company's annual general meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – RE-ELECTION OF MR JONATHAN DOWNES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of clause 12.11 of the Constitution and for all other purposes, Jonathan Downes, a Director, retires and, being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – ELECTION OF MR ANTHONY JAMES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of clause 12.17 of the Constitution and for all other purposes, Anthony James retires and, being eligible, is re-elected as a Director.”

4. RESOLUTION 4 – ELECTION OF MR ALEXANDER MOLYNEUX

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of clause 12.17 of the Constitution and for all other purposes, Alexander Molyneux retires and, being eligible, is re-elected as a Director.”

5. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue that number of Equity Securities equal to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by a person (and any associates of such a person) who is expected to participate in participate in the 10% Placement Facility and a person (and any associates of such a person) who will obtain a material benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the Resolution is passed. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – APPROVAL OF PERFORMANCE RIGHTS PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, Shareholders approve the Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by a Director of the Company (and any associates of such a person) who may participate in the Performance Rights Plan. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition: A person is appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 458,333 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 16 October 2018

By order of the Board

**STEPHEN BROCKHURST
COMPANY SECRETARY
GALENA MINING LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's 2018 Annual Report to Shareholders unless specifically requested to do so. The Company's 2018 Annual Report is available on its website at www.galenamining.com.au.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

1.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to shareholders. However, such a resolution is advisory only and does not bind the Company or the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the company for a financial year.

The Chair must allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

1.2 Voting Consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the Directors' report (as included in the Company's 2018 Annual Report) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

1.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

1.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member):

You ***do not*** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

If you appoint any other person as your proxy:

You ***do not*** need to direct your proxy how to vote on this Resolution, and you ***do not*** need to mark any further acknowledgement on the Proxy Form.

2. RESOLUTION 2 – RE-ELECTION OF MR JONATHAN DOWNES

2.1 General

Clause 12.11 of the Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or if their number is not 3 or a multiple of 3, then the number nearest one-third, and any other Director not in such one-third who has held office for 3 years or more (except the Managing Director) must retire from office; and
- (b) a Director who retires by rotation under clause 12.11 of the Constitution is eligible for re-election.

The Company currently has three Directors subject to rotation and accordingly one must retire.

Pursuant to Resolution 2, Jonathan Downes is retiring by rotation under Clause 12.11 of the Constitution and being eligible for re-election, offers himself for re-election at the Meeting.

2.2 Independence

Details regarding Jonathan Downes are set out in the 2018 Annual Report. The Board considers Mr Downes to be an independent director.

2.3 Qualifications and other material directorships

Mr Downes has over 20 years' experience in the minerals industry and has worked in various geological and corporate capacities. Mr Downes has experience in nickel, gold and base metals markets and has also been intimately involved with the exploration process through to production.

Mr Downes was appointed as a Director on the incorporation of the Company on 7 December 2016 and is also a Managing Director of ASX listed company, Ironbark Zinc Limited and a director of ASX listed company Corazon Mining Limited.

2.4 Board Recommendation

The Directors, other than Jonathan Downes, recommend Shareholders vote in favour of the re-election of Jonathan Downes pursuant to Resolution 2.

3. RESOLUTIONS 3 AND 4 – ELECTION OF MR ANTHONY JAMES AND MR ALEXANDER MOLYNEUX

3.1 General

Clause 12.17 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing number of Directors and that a Director appointed to fill a casual vacancy:

- (a) holds office only until Company's next Annual General Meeting after the appointment and is then eligible for re-election; and
- (b) must not be taken into account in determining the Directors who are to retire by rotation at that Annual General Meeting.

Pursuant to **Resolution 3**, Anthony James, who was appointed as an additional Director on 15. October 2018 is retiring by rotation under Clause 12.17 of the Constitution and being eligible for re-election, offers himself for re-election at the Meeting.

Pursuant to **Resolution 4**, Alexander Molyneux, who was appointed as an additional Director on 1 September 2018 is retiring by rotation under Clause 12.17 of the Constitution and being eligible for re-election, offers himself for re-election at the Meeting.

3.2 Independence

The Board considers Mr James to be an independent director.

The Board does not consider Mr Molyneux to be an independent director.

3.3 Qualifications and other material directorships

Anthony James

Anthony James is a mining engineer with considerable operational, new project development and corporate experience including recent roles as Managing

Director of Atherton Resources (ASX: ATE), Carbine Resources (ASX: CRB) and Mutiny Gold (ASX: MYG). At Atherton Resources, Mr James achieved a favourable outcome for shareholders following the takeover by Auctus Minerals. At MYG, he led the implementation of a revised development strategy for the Deflector copper-gold deposit in WA that resulted in the successful merger of Mutiny Gold and Doray Minerals (ASX: DRM). Prior to these roles, Mr James held a number of executive positions with international gold producer Alacer Gold Corporation, including President of its Australian operations following the merger between Anatolia Minerals (TSX: ANO) and Avoca Resources (ASX: AVO) in 2011. Mr James also played a key role in Avoca's initial growth and success leading the feasibility and development of the Higginsville Gold Operations.

Alexander Molyneux

Mr Molyneux is an experienced metals and mining industry executive, director and financier. Mr Molyneux recently completed three-years as CEO of Paladin Energy Ltd (ASX: PDN), one of the world's largest uranium companies, where he completed a US\$700,000,000 successful recapitalisation of the company including raising US\$115,000,000 in new capital and a re-listing on the ASX.

Prior to Paladin Energy, Mr Molyneux spent approximately five-years with Ivanhoe Mines Group and Ivanhoe Energy in various leadership capacities including as CEO and Director of SouthGobi Resources Ltd (2009 – 2012).

Mr Molyneux is well known for his breadth of experience in the mining industry and serves on a number of public company boards, including: Argosy Minerals Ltd (ASX: AGY), Metalla Royalty & Streaming Ltd (TSX-V: MTA), Tempus Resources Ltd (ASX: TMR) and Azarga Metals Corp (TSX-V: AZR).

Prior to his mining industry executive and director roles, Mr Molyneux was Managing Director, Head of Metals and Mining Investment Banking, Asia Pacific for Citigroup. As a specialist resources investment banker, he spent approximately 10 years providing investment banking services to natural resources companies. Mr Molyneux holds a Bachelor Degree in Economics from Monash University.

3.4 Board Recommendation

The Directors, other than Anthony James, recommend Shareholders vote in favour of the re-election of Anthony James pursuant to Resolution 3.

The Directors, other than Alexander Molyneux, recommend Shareholders vote in favour of the re-election of Alexander Molyneux pursuant to Resolution 4.

4. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

4.1 General

Listing Rule 7.1A enables an eligible entity to issue that number of Equity Securities equal to 10% of its issued ordinary share capital through placements over a 12 month period after approval is obtained at its annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the eligible entity's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less at the time of the relevant annual general meeting. As at the date of this Meeting, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a

current market capitalisation of \$64,034,342 (based on the number of Shares on issue and the closing price of Shares on the ASX on 10 October 2018).

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

As at the date of this Notice, the Company currently has 1 class of quoted Equity Securities on issue, being the Shares (ASX Code: G1A).

The exact number of Equity Securities which may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 4.2(c)).

4.2 Technical information required by ASX Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue the following classes of Equity Securities:

- (i) 231,522,853 ordinary shares quoted on ASX;
- (ii) 105,500,000 ordinary shares not quoted on ASX;
- (iii) 11,750,000 options not quoted on ASX with an exercise price of \$0.06 and an exercise period expiry date of 30 June 2020;
- (iv) 18,000,000 options not quoted on ASX with an exercise price of \$0.08 and an exercise period expiry date of 30 June 2021; and
- (v) 5,000,000 options not quoted on ASX with an exercise price of \$0.30 and an exercise period expiry date of 6 February 2021.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 10% Placement Period (refer to section 4.2(f)), a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary shares that became fully paid in the 12 months;
- plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of ordinary shares under Listing Rules 7.1 or 7.4;
- less the number of fully paid ordinary shares cancelled in the 12 months.

(Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.)

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 337,022,853 ordinary shares and therefore has a capacity to issue:

- (i) 50,026,345 Equity Securities under Listing Rule 7.1; and
- (ii) subject to shareholder approval being obtained under Resolution 5, 33,656,452 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 4.2(c)).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within five Trading Days of the date referred to in section 4.2(e)(i), the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- (ii) the date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

4.3 Listing Rule 7.1A

The effect of Resolution 5 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period in addition to using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a special resolution and therefore requires approval of at least 75% of the votes cast by shareholders entitled to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative) on the Resolution.

4.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows to the extent that such information is not disclosed elsewhere in this Explanatory Memorandum:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within five Trading Days of the date in section 4.4(a)(i), the date on which the Equity Securities are issued.
- (b) There is a risk that:
 - (i) the market price for the Company's Equity Securities in the same class may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities in the same class on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the risk of voting dilution of existing shareholders on the basis of the current market price of shares and the current number of ordinary shares for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary shares the Company has on issue. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, a pro rata entitlements issue) or future specific placements under Listing Rule 7.1 that are approved at a future shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary shares has decreased by 50% and increased by 100% as against the market price as at 10 October 2018.

Variable "A" in formula in Listing Rule 7.1A.2		Issue Price		
		\$0.095 50% decrease in issue price	\$0.19 issue price	\$0.38 100% increase in issue price
Current Variable "A" 337,022,853 shares	10% voting dilution	33,702,285 shares	33,702,285 shares	33,702,285 shares
	Funds raised	\$3,201,717	\$6,403,434	\$12,806,868
50% Increase in current Variable "A" 505,534,280 shares	10% voting dilution	50,553,428 shares	50,553,428 shares	50,553,428 shares
	Funds raised	\$4,802,576	\$9,605,151	\$19,210,303
100% Increase in current Variable "A" 674,045,706 shares	10% voting dilution	67,404,571 shares	67,404,571 shares	67,404,571 shares
	Funds raised	\$6,403,434	\$12,806,868	\$25,613,737

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No current options are exercised into shares before the date of the issue of the Equity Securities.

- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements pursuant to the 10% Placement Facility, based on that shareholder's holding at the date of the Meeting.
 - The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A and no other issues of Equity Securities.
 - The issue of Equity Securities under the 10% Placement Facility consists only of shares.
 - The issue price is \$0.19, being the closing price of the shares on ASX on 10 October 2018.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) as non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as referred to in the Note to Listing Rule 7.1A.3; or
 - (ii) as cash consideration, in which case the Company intends to use the funds raised towards the acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets, or other projects it owns or intends to own and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities and the number of Equity Securities allotted to each will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:
- (i) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which the existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and

- (iv) advice from corporate, financial and broking advisers (if applicable).
- (v) The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments or the nominee of such vendors.

- (f) The Company has previously obtained approval from its Shareholders under Listing Rule 7.1A at its annual general meeting held 24 November 2017 **(Previous Approval)**.

The Company has issued 27,800,000 placement Equity Securities at \$0.155 per share on 26 April 2018 pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 26 November 2017 the Company also issued a total of 31,222,853 Shares and 5,000,000 Options (on a 1:5 post-split basis) which represents approximately 13.03% of the total diluted number of Equity Securities on issue in the Company on 24 November 2017, which was 278,000,000 (equivalent to 1:5 post-split basis).

Further details of the issues of Equity Securities by the Company during the 12-month period preceding the date of the Meeting are set out in the following table. All Equity Securities in the table have been issued on a 1:5 post-split basis.

Issue date	Equity Securities	Persons issued to or basis of issue	Price, discount, amount raised and use of funds or value of non-cash consideration
9 October 2018	458,333 fully paid ordinary shares	Chief Operation Officer for the delivery of a positive pre-feasibility study on the Company's Abra deposit	Issued for nil cash consideration. Value of non-cash consideration: \$87,083 (based on closing price on ASX of \$0.19 on 10 October 2018)
7 February 2018	5,000,000 unquoted options exercisable at \$0.30 on or before 6 February 2021	Chief Operating Officer as per employment agreement	Issued for nil consideration as ratified by shareholders at 19 March 2018 general meeting.
3 April 2018	500,000 fully paid ordinary shares	Conversion of cash bonus issued to the CEO, for the delivery of a 14Mt @ 8% Pb JORC Resource within 2 years of the Company listing on ASX	Price \$0.022594 (5-day VWAP calculated 22 March 2018) Discount: no less than 20% Amount raised: Nil Use of funds: N/A Value of non-cash consideration: \$112,970 (conversion of cash bonus for delivery Milestone)

26 April 2018	30,264,520 fully paid ordinary shares	Placement to private investors	Price \$0.155 Discount: not less than 20% Amount raised: \$4,691,000 cash Use of funds: working capital and Expansion of drilling at Abra Project and completion of pre-feasibility study. Value of non-cash consideration: Nil
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- (g) A voting exclusion statement is included in the Notice. At the date of this Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing shareholder's votes will therefore be excluded under the voting exclusion statement in this Notice.

4.5 Directors recommendations

None of the Directors have material personal interest in the subject matter of Resolution 5. The Board recommends Shareholders vote in favour of Resolution 5 as it will preserve the Company's cash and provides the Company with the flexibility to issue further Securities representing up to 10%, in addition to using the Company's 15% placement capacity under Listing Rule 7.1, of the Company's share capital during the next 12 months without shareholder approval.

5. RESOLUTION 6 – APPROVAL OF PERFORMANCE RIGHTS PLAN

5.1 General

Resolution 6 seeks the approval of Shareholders of the Plan and for the Company to issue securities under the Plan in accordance with Listing Rule 7.2 (Exception 9(b)).

Listing Rule 7.1 provides that a Company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2 (Exception 9(b)) sets out an exception to Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which the Shareholders approve the issue of securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to issue Performance Rights under the Plan to eligible participants over a period of 3 years from the date of approval without diminishing the Company's 15% placement capacity calculated pursuant to Listing Rule 7.1.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the issue of Performance Rights under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Shareholders should note that no Performance Rights have previously been issued under the Performance Rights Plan.

A summary of the terms and conditions of the Performance Rights Plan is set out in Annexure A below.

Any future issues of Performance Rights under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. In addition, copies of the Plan are available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary, Mr Steve Brockhurst. Shareholders are invited to contact the Company if they have any queries or concerns.

6. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – SHARES

6.1 General

On 9 October 2018, the Company issued a 458,333 Shares to the Company's Chief Operation Officer, Mr Troy Flannery for the delivery of a positive pre-feasibility study on the Company's Abra deposit, pursuant to the Company's capacity under ASX Listing Rule 7.1.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (i) 458,333 Shares were issued;
- (ii) the Shares were issued for nil consideration at a deemed price of \$0.18 per Share (being calculated at a 14 day VWAP prior to completion of Pre-Feasibility Study), with a total value of \$82,500;
- (iii) the Shares were issued to Company's Chief Operation Officer, Mr Troy Flannery, for the delivery of a positive pre-feasibility study on Company's Abra deposit, and who is not a related party of the Company;
- (iv) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (v) no funds were raised from this issue as the Shares were issued to the Company's Chief Operation Officer, Mr Troy Flannery for the delivery of a positive pre-feasibility study on the Company's Abra deposit.

6.3 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of this Resolution. The Board recommends that Shareholders vote in favour of this Resolution as it will enable the Company to refresh its placement capacity under ASX Listing Rule 7.1.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and either:

- (a) send the Proxy Form by post to Galena Mining Limited, GPO Box 2517, Perth WA 6831;
- (b) send the Proxy Form by e-mail to steve@miningcorporate.com.au; or
- (c) send the Proxy Form by facsimile to the Company on facsimile number (08) 9463 6103,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy forms received later than this time will be invalid.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all 'directed' proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

GLOSSARY

10% Placement Facility has the meaning given in Section 4.1.

2018 Annual Report means the Company's annual report including the reports of the Directors and auditor and the financial statements of the Company for the year ended 30 June 2018, which can be downloaded from the Company's website at www.galenamining.com.au.

Annual General Meeting or **Meeting** means the Annual General Meeting of the Company convened by this Notice of Meeting.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company or **Galena Mining** means Galena Mining Limited (ABN 63 616 317 778).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this Notice of the Annual General Meeting including the Explanatory Statement and Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Right means a Performance Right to be granted pursuant to the Performance Rights Plan.

Plan or Performance Rights Plan means the Performance Rights Plan the subject of Resolution 6.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means that section of the Directors' report under the heading "Remuneration Report" set out in the 2018 Annual Report.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Share Rights means performance share rights.

Shareholder means a registered holder of a Share.

Trading Day has the meaning given to it in Chapter 19 of the ASX Listing Rules.

VWAP means the volume weighted average price of the Shares.

WST means Western Standard Time, as observed in Western Australia.

ANNEXURE A – SUMMARY OF PERFORMANCE RIGHTS PLAN

The key terms of the Plan are as follows:

- (a) The Board may, from time to time, in its absolute discretion, make a written offer to any of the following:
 - (i) a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (**Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer to participate in the Plan (**Offer**) is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under clauses (a), (b) or (c) above,
- (i) (**Eligible Participants**).
- (b) Under the Plan the Board may grant Performance Rights to Eligible Participants with effect from the date determined by the Board, upon the terms set out in the Plan and upon such additional terms and vesting conditions as the Board determines.
- (c) The Board will advise each Eligible Participant of the following minimum information regarding the Performance Rights:
 - (i) the maximum number of Performance Rights that the Eligible Participant may apply for, or the formula for determining the number of Performance Rights that may be applied for;
 - (ii) the maximum number of Shares that the Eligible Participant is entitled to be issued on the exercise of each Performance Right or the formula for determining the maximum number of Shares;
 - (iii) any applicable vesting conditions;
 - (iv) when unvested Performance Rights will expire (**Expiry Date**);
 - (v) the date by which an offer must be accepted (**Closing Date**); and
 - (vi) any other information required by law or the ASX Listing Rules or considered by the Board to be relevant to the Performance Rights or the Shares to be issued on exercise of the Performance Rights.
- (d) Subject to clause (h), a Performance Right granted under the Plan will not vest and be exercisable unless the vesting conditions (if any) have been satisfied and the Board has notified the Eligible Participant of that fact.
- (e) The Board must notify an Eligible Participant in writing within 10 Business Days of becoming aware that any vesting conditions attaching to a Performance Right have been satisfied.

- (f) Subject to the Corporations Act, the ASX Listing Rules and the Plan, the Company must issue to the Participant or his or her personal representative (as the case may be) the number of Shares the Participant is entitled to be issued in respect of vested Performance Rights that are exercised, within 10 business days of the Performance Rights being exercised.
- (g) A Performance Right will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in, or hedging of, the Performance Right occurring, as governed by the Plan;
 - (ii) a vesting condition in relation to the Performance Right is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to vest the Performance Right in accordance with the Plan;
 - (iii) a vested Performance Right is not exercised within the time limit specified in the Plan;
 - (iv) an Eligible Participant (or, where the participant is a nominee of the Eligible Participant, that Eligible Participant) ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right in accordance with the Plan;
 - (v) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant in accordance with the Plan;
 - (vi) the Company undergoes a change of control or a winding up resolution or order is made, and the Board does not exercise its discretion to vest the Performance Right in accordance with the Plan;
 - (vii) the Expiry Date of the Performance Right; and
 - (viii) the seven (7) year anniversary of the date of grant of the Performance Rights.
- (h) The Board may, in its absolute discretion, by written notice to a participant, resolve to waive any of the vesting conditions applying to the Performance Rights due to:
- (i) a Eligible Participant or, where the participant is a nominee of an Eligible Participant, that Eligible Participant, ceasing to be an Eligible Participant as a result of:
 - (A) death or total or permanent disability; or
 - (B) retirement or redundancy; or
 - (ii) an Eligible Participant or, where the participant is a nominee of an Eligible Participant, that Eligible Participant, suffering severe financial hardship;
 - (iii) the terminal illness of the participant (or Eligible Participant, as applicable) or of an immediate family member of the participant (or Eligible Participant, as applicable);
 - (iv) a change of control occurring or the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company, in which case, a participant (or their personal legal

representative where applicable) may exercise any vested Performance Right at any time within one month of the Board notifying that the Performance Right has vested, failing which the Performance Right will lapse, by a signed written notice to the Board specifying the Performance Rights being exercised and providing the certificate for those Performance Rights.

APPOINTMENT OF PROXY FORM

GALENA MINING LIMITED
ABN 63 616 317 778

ANNUAL GENERAL MEETING

I /We

of:

being a Shareholder of Galena Mining Limited entitled to attend and vote at the Annual General Meeting, hereby appoint:

Name:

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit at the Annual General Meeting to be held at The Celtic Club, 48 Ord Street, West Perth WA 6005 at 11am WST on Monday, 26 November 2018 and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 6 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-Election of Mr Jonathan Downes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Mr Anthony James	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Mr Alexander Molyneux	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact telephone
(daytime):

E-mail address:

Consent for contact by e-mail
in relation to this Proxy Form:

YES NO

GALENA MINING LIMITED
ABN 63 616 317 778
Instructions for Completing "Appointment of Proxy" Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (b) send the Proxy Form by post to Galena Mining Limited, GPO Box 2517, PERTH WA 6831;
 - (c) send the Proxy Form by e-mail to steve@miningcorporate.com.au; or
 - (d) send the Proxy Form by facsimile to the Company on facsimile number (08) 9463 6103,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy forms received later than this time will be invalid.