
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: 10:30 am AWST
DATE: Friday, 8 November 2019
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 4:00 pm (AWST) on Wednesday, 6 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 2019, 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 2019.”

Note: the vote on this Resolution 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 TIMOTHY MORRISON

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, Timothy Morrison, a Director, retires and, being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – RE-ELECTION OF MR ADRIAN BYASS

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, Adrian Byass, a Director, retires and, being eligible, is re-elected as a Director.”

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES AND OPTIONS

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 12,500,000 Shares and 2,500,000 Kingfisher Options 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 or on behalf of a person who participated in the issue, or any associate of that person (or 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.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES AND OPTIONS

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 12,500,000 Shares and 2,500,000 Kingfisher Options 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 or on behalf of a person who participated in the issue, or any associate of that person (or 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.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – PERFORMANCE RIGHTS

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 2,000,000 Performance Rights to Craig Barnes 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 or on behalf of a person who participated in the issue, or any associate of that person (or 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.

7. RESOLUTION 7 – ISSUE OF SHARE APPRECIATION RIGHTS TO MR ADRIAN BYASS

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

“That, for the purposes of sections 195(4) and 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 220,000 Share Appreciation Rights to Adrian Byass (or his

nominee/s) under the Company's Performance Rights Plan 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 or on behalf of any Director of the Company who is eligible to participate in the Company's Performance Rights Plan in respect of which the approval is sought, or any associates of those Directors (**Resolution 7 Excluded Party**). 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, provided the Chair is not a Resolution 7 Excluded Party, 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 Statement: A person 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.

Provided the Chair is not a Resolution 7 Excluded Party, 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.

8. RESOLUTION 8 – ISSUE OF SHARE APPRECIATION RIGHTS TO 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 sections 195(4) and 208 the Corporations Act, of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 220,000 Share Appreciation Rights to Anthony James (or his nominee/s) under the Company's Performance Rights Plan 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 or on behalf of any Director of the Company who is eligible to participate in the Company's Performance Rights Plan in respect of which the approval is sought, or any associates of those Directors (**Resolution 8 Excluded Party**). 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, provided the Chair is not a Resolution 8 Excluded Party, 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 Statement: A person 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.

Provided the Chair is not a Resolution 8 Excluded Party, 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.

9. RESOLUTION 9 – ISSUE OF SHARE APPRECIATION RIGHTS TO 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 sections 195(4) and 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 50,000 Share Appreciation Rights to Jonathan Downes (or his nominee/s) under the Company’s Performance Rights Plan 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 or on behalf of any Director of the Company who is eligible to participate in the Company’s Performance Rights Plan in respect of which the approval is sought, or any associates of those Directors (**Resolution 9 Excluded Party**). 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, provided the Chair is not a Resolution 9 Excluded Party, 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 Statement: A person 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.

Provided the Chair is not a Resolution 9 Excluded Party, 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.

10. RESOLUTION 10 – ISSUE OF SHARE APPRECIATION RIGHTS TO MR TIMOTHY MORRISON

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

“That, for the purposes of sections 195(4) and 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 50,000 Share Appreciation Rights to Timothy Morrison (or his nominee/s) under the Company’s Performance Rights Plan 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 or on behalf of any Director of the Company who is eligible to participate in the Company’s Performance Rights Plan in respect of which the approval is sought, or any associates of those Directors (**Resolution 10 Excluded Party**). 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, provided the Chair is not a Resolution 10 Excluded Party, 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 Statement: A person 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.

Provided the Chair is not a Resolution 10 Excluded Party, 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.

11. RESOLUTION 11 – 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 up to 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 7.1A.2 and otherwise 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 or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associate of that person (or 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: 4 October 2019

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 2019 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 2019 Annual Report to Shareholders unless specifically requested to do so. The Company's 2019 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 2019 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. RESOLUTIONS 2 AND 3 – RE-ELECTION OF MR TIMOTHY MORRISON AND MR ADRIAN BYASS

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 (except a managing Director) who has held office for 3 years or more since that Director's last election or re-election as a 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.

Listing Rule 14.4 provides that, other than a managing director, a Director must not hold office (without re-election) past the third annual general meeting following that Director's appointment or 3 years, whichever is the longer.

The Company currently has five Directors and accordingly two must retire. The Company does not have any Director who has held office for 3 years or more, or

past the third annual general meeting, since that Director's appointment, election or re-election.

Pursuant to Resolution 2, Timothy Morrison, a non-executive Director, 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.

Pursuant to Resolution 3, Adrian Byass, the non-executive chairman, 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 Timothy Morrison are set out in the 2019 Annual Report. The Board considers Mr Downes not to be an independent director.

Details regarding Adrian Byass are set out in the 2019 Annual Report. The Board considers Mr Byass to be an independent director.

2.3 Qualifications and other material directorships

Timothy Morrison

Mr Morrison co-founded Empire Equity Limited, a merchant banking and corporate advisory firm in 2008. Mr Morrison has extensive capital raising and management experience across multiple sectors and has worked as CEO, executive and non-executive director for a number of ASX listed companies. Previously, Mr Morrison worked with Westscheme Superannuation to establish and management a private equity fund targeting early stage venture opportunities. Mr Morrison has an MBA from the University of Western Australia.

Mr Morrison was appointed as a Director on 12 July 2017.

Adrian Byass

Mr Byass has over 20 years' experience in the mining and minerals industry. This experience has principally been gained through evaluation and development of mining projects for a range of base, precious and specialty metals and bulk commodities. Due to this experience in resource estimation and professional association membership, Mr Byass is a competent person for reporting to the ASX for certain minerals. Mr Byass also has experience in corporate finance, capital raising, permitting and delivery of production-ready mining projects.

Mr Byass was appointed as non-executive Chairman on the incorporation of the Company on 7 December 2016 and is also an executive director of Infinity Lithium Corporation and a non-executive director of Ferto Limited, both ASX listed companies.

2.4 Directors' Recommendation

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

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

3. RESOLUTIONS 4 AND 5 – RATIFICATION OF PRIOR ISSUES – SHARES AND OPTIONS

3.1 General

On 22 March 2019, the Company announced a \$10,000,000 strategic investment in the Company from Kingfisher Capital Pte Ltd (**Kingfisher**) to fund the acceleration of pre-development works at the Abra Base Metals Project (**Project**) (**Investment**). The Investment was conducted in two tranches of \$5,000,000 each, with the Company issuing 12,500,000 Shares at \$0.40 per Share and 2,500,000 Kingfisher Options in each tranche, for a total of 25,000,000 Shares and 5,000,000 Kingfisher Options.

On 26 March 2019, the Company issued 12,500,000 Shares and 2,500,000 Kingfisher Options to Kingfisher, pursuant to and within the Company's placement capacity under Listing Rule 7.1.

On 17 April 2019, following execution of definitive documentation for Toho Zinc Co Ltd's \$90,000,000 investment for a 40% joint venture interest in Abra Mining Pty Ltd, the owner of the Project (as announced on 12 April 2019), the Company issued the second tranche of 12,500,000 Shares and 2,500,000 Kingfisher Options to Kingfisher pursuant to the Investment. This issue was also made pursuant to and within the Company's placement capacity under Listing Rule 7.1.

Resolutions 4 and 5 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares and Kingfisher Options to Kingfisher.

3.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides that an ASX listed 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 ordinary securities on issue at the commencement of that 12 month period.

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

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

3.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issues the subject of Resolutions 4 and 5:

- (a) The following securities were issued:
 - (i) Resolution 4: 12,500,000 Shares and 2,500,000 Kingfisher Options (1,250,000 Options with an exercise price of \$0.50 and 1,250,000 with an exercise price of \$0.60) on 26 March 2019; and
 - (ii) Resolution 5: 12,500,000 Shares and 2,500,000 Kingfisher Options (1,250,000 Options with an exercise price of \$0.50 and 1,250,000 with an exercise price of \$0.60) on 17 April 2019.

- (b) The Shares were issued under each Resolution were issued at a price of \$0.40 per Share to raise \$10,000,000 and the Kingfisher Options issued under each Resolution were issued for nil consideration.
- (c) The Shares issued were all fully paid ordinary shares in the issued capital of the Company and were all issued on the same terms and conditions as the Company's existing Shares.
- (d) The Kingfisher Options have the following key terms, and the full terms are set out in Annexure A.
 - (i) Resolution 4:
 - (A) 1,250,000 unquoted options exercisable at \$0.50 on or before 26 March 2023.
 - (B) 1,250,000 unquoted options exercisable at \$0.60 on or before 26 March 2023.
 - (ii) Resolution 5:
 - (A) 1,250,000 unquoted options exercisable at \$0.50 on or before 17 April 2023.
 - (B) 1,250,000 unquoted options exercisable at \$0.60 on or before 17 April 2023.
- (e) The Shares and Kingfisher Options issued under each Resolution were issued pursuant to the Investment to Kingfisher, which is not a related party of the Company.
- (f) The funds raised from the issue of the Shares and Options are being used to accelerate pre-development works at the Project, including initial project development drilling.
- (g) A voting exclusion statement for each Resolution is contained in the Notice.

3.4 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of Resolutions 4 and 5. The Board recommends that Shareholders vote in favour of each of Resolutions 4 and 5 as it will enable the Company to refresh its placement capacity under Listing Rule 7.1.

4. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – PERFORMANCE RIGHTS

4.1 General

On 14 June 2019, the Company announced the appointment of Mr Craig Barnes as its Chief Financial Officer. On 13 August 2019, and pursuant to his employment agreement, the Company issued 2,000,000 Performance Rights to Mr Barnes as part of his remuneration package.

Resolution 6 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Performance Rights to Mr Barnes.

4.2 Listing Rules 7.1 and 7.4

Summaries of Listing Rules 7.1 and 7.4 are set out in section 3.2 above.

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 Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue the subject of this Resolution:

- (a) A total of 2,000,000 Performance Rights were issued, comprised of the following classes:
 - (i) 400,000 Class 4 Performance Rights.
 - (ii) 400,000 Class 5 Performance Rights.
 - (iii) 400,000 Class 7 Performance Rights.
 - (iv) 400,000 Class 8 Performance Rights.
 - (v) 200,000 Class 9 Performance Rights.
 - (vi) 200,000 Class 10 Performance Rights.
- (b) The Performance Rights were issued for nil consideration as part of Mr Barnes' remuneration package.
- (c) The full terms of the Performance Rights are set out in Annexure B.
- (d) The Performance Rights were issued to Mr Craig Barnes, who is not a related party of the Company.
- (e) No funds were raised from the issue of the Performance Rights.
- (f) A voting exclusion statement for Resolution 6 is contained in the Notice.

4.4 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 6. The Board recommends that Shareholders vote in favour of Resolution 6 as it will enable the Company to refresh its placement capacity under Listing Rule 7.1.

5. RESOLUTIONS 7, 8, 9 AND 10 – ISSUE OF SHARE APPRECIATION RIGHTS TO DIRECTORS

5.1 General

The Company's Shareholders approved the Company's Performance Rights Plan at its 2018 annual general meeting held on 26 November 2018.

As announced on 14 February 2019, the Directors, other than Mr Molyneux, accepted an offer of Share Appreciation Rights subject to Shareholder approval being obtained for the issue of those SARs.

Resolutions 7, 8, 9 and 10 each seek Shareholder approval for the issue of SARs to certain Directors.

5.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the SARs constitutes giving a financial benefit and Adrian Byass, Anthony James, Jonathan Downes and Timothy Morrison (**Related Parties**) are related parties of the Company by virtue of being Directors.

As it is proposed that the SARs be issued to four out of five of the Directors, the Directors have been unable to form quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act or Listing Rule 10.15 applies to these issues. Accordingly, Shareholder approval is sought for the issue of SARs to the Related Parties.

5.3 Listing Rule 10.14

Listing Rule 10.14 requires prior shareholder approval to be obtained for the issue of any securities under an employee incentive scheme to a director, an associate of a director, or a person whose relationship with the company, a director or associate of a director is, in ASX's opinion, such that approval should be obtained.

5.4 Technical information required by Chapter 2E of the Corporations Act and Listing Rule 10.15

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and Listing Rule 10.15, the following information is provided in relation to the proposed grant of the SARs:

- (a) The related parties are Adrian Byass, Anthony James, Jonathan Downes and Timothy Morrison, and they are related parties by virtue of being Directors.
- (b) A total of 540,000 SARs will be issued, as follows.
 - (i) Resolution 7: 220,000 SARs to Adrian Byass.
 - (ii) Resolution 8: 220,000 SARs to Anthony James.
 - (iii) Resolution 9: 50,000 SARs to Jonathan Downes.
 - (iv) Resolution 10: 50,000 SARs to Timothy Morrison.
- (c) The SARs being issued under each of Resolutions 7, 8, 9 and 10 are being issued for nil cash consideration.

- (d) The terms of the SARs are in accordance with the Performance Rights Plan (a summary of which is set out in Annexure A of the Company's Notice of Annual General Meeting released on 22 October 2018), and comprise the terms and conditions as set out in Annexure C.
- (e) None of the recipients of SARs under Resolutions 7, 8, 9 and 10, nor their associates, have previously received securities under the Performance Rights Plan since its approval by Shareholders at the Company's 2018 annual general meeting held on 26 November 2018.
- (f) Each of the Directors, being Messrs Byass, Molyneux, James, Downes and Morrison, are entitled to participate in the Performance Rights Plan.
- (g) There are no loans associated with the issue of the SARs.
- (h) The SARs to be issued pursuant to each of Resolutions 7, 8, 9 and 10 are intended to be issued on one date, which will be no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).
- (i) A voting exclusion statement for each of Resolutions 7, 8, 9 and 10 is contained in the Notice
- (j) A valuation of the SARs is set out in Annexure D .
- (k) The relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares ¹	Options
Adrian Byass ²	11,100,000	2,450,000
Anthony James ³	115,000	Nil
Jonathan Downes ⁴	13,162,950	2,450,000
Timothy Morrison ⁵	66,250,000	Nil

Notes:

- Fully paid ordinary shares in the capital of the Company (ASX: G1A)
- Direct holding: 50,000 Shares held by Mr Byass.
Indirect holdings: 50,000 Shares held by Megan Byass (spouse); 250,000 Shares held by Oakwood Super Fund (MR Byass' superannuation fund); 3,750,000 Shares held by Valiant Equity Management Pty Ltd ATF Byass family Trust (a company of which Mr Byass is a director); 7,000,000 Shares and 2,450,000 unquoted options exercisable at \$0.08 on or before 30 June 2021 held by Valiant Equity Management Pty Ltd (a company of which Mr Byass is a director).
- Indirect holding: 115,000 Shares held by Mr James and Mrs James <The James Family #2 A/C>.
- Direct holding: 800,000 Shares held by Mr Downes.
Indirect holdings: 2,362,950 Shares held by Katrina Downes (spouse); 10,000,000 Shares and 2,450,000 unquoted options exercisable at \$0.08 on or before 30 June 2021 held by Kiandra Nominees Pty Ltd (a company of which Mr Downes is a director).
- Indirect holding: 66,250,000 Shares held by Bloomgold Resources Pty Ltd (a company of which Mr Morrison is a director).

- (l) The remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year (FY2020)	Previous Financial Year (FY2019)
Adrian Byass	\$50,000 ¹	\$75,000 ²
Anthony James ³	\$50,000 ¹	\$35,416 ¹
Jonathan Downes	\$50,000 ¹	\$50,000 ¹
Timothy Morrison	\$50,000 ¹	\$50,000 ¹

Notes:

1. Includes superannuation.
 2. Includes bonus of \$25,000.
 3. Mr James was appointed as Director on 15 October 2018.
- (m) If the SARs granted to the Related Parties vest and are exercised, a total of 540,000 Shares would be issued. This will increase the number of Shares on issue from 376,472,853 (being the total number of Shares on issue as at the date of this Notice) to 377,012,853 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.14%, comprising 0.056% by Adrian Byass, 0.056% by Timothy James, 0.014% by Jonathan Downes and 0.014% by Timothy Morrison.
- (n) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.42	12, 24, 26 and 29 April 2019
Lowest	\$0.14	24 December 2018
Last	\$0.340	3 October 2019

- (o) The primary purpose of the grant of the SARs to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors.
- (p) Alexander Molyneux recommends that Shareholders vote in favour of Resolution 7, 8, 9 and 10 for the following reasons:
- (i) the grant of SARs to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - (ii) the grant of the SARs is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors; and

- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the SARs upon the terms proposed.
- (q) Adrian Byass declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee/s) is to be granted SARs in the Company should Resolution 7 be passed. However, in respect of Resolutions 8, 9 and 10, recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (p).
- (r) Anthony James declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee/s) is to be granted SARs in the Company should Resolution 8 be passed. However, in respect of Resolutions 7, 9 and 10, recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (p).
- (s) Jonathan Downes declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee/s) is to be granted SARs in the Company should Resolution 9 be passed. However, in respect of Resolutions 7, 8 and 10, recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (p).
- (t) Timothy Morrison declines to make a recommendation to Shareholders in relation to Resolution 10 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee/s) is to be granted SARs in the Company should Resolution 10 be passed. However, in respect of Resolutions 7, 8 and 9, recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (p).
- (u) In forming their recommendations, each Director considered the experience of each other Director, the current market price of Shares, the current market practices when determining the number of SARs to be granted as well as the expiry date of those SARs.
- (v) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 7, 8, 9 and 10.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the SARs to the Related Parties as approval is being obtained under Listing Rule 10.15. Accordingly, the issue of the SARs to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1

6. RESOLUTION 11 – APPROVAL OF 10% PLACEMENT CAPACITY

6.1 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 \$128,000,770 (based on the number of Shares on issue and the closing price of Shares of \$0.34 on the ASX on 3 October 2019).

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 6.2(c)).

6.2 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) 376,472,853 ordinary shares quoted on ASX;
- (ii) 6,050,000 options not quoted on ASX with an exercise price of \$0.06 and an exercise period expiry date of 30 June 2020;
- (iii) 12,750,000 options not quoted on ASX with an exercise price of \$0.08 and an exercise period expiry date of 30 June 2021;
- (iv) 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;
- (v) 1,250,000 options not quoted on ASX with an exercise price of \$0.50 and an exercise period expiry date of 26 March 2023;
- (vi) 1,250,000 options not quoted on ASX with an exercise price of \$0.60 and an exercise period expiry date of 26 March 2023;
- (vii) 1,250,000 options not quoted on ASX with an exercise price of \$0.50 and an exercise period expiry date of 17 April 2023;

- (viii) 1,250,000 options not quoted on ASX with an exercise price of \$0.60 and an exercise period expiry date of 17 April 2023;
- (ix) 1,500,000 Class 2 Performance Rights;
- (x) 2,500,000 Class 3 Performance Rights;
- (xi) 2,900,000 Class 4 Performance Rights;
- (xii) 2,400,000 Class 5 Performance Rights;
- (xiii) 2,900,000 Class 7 Performance Rights;
- (xiv) 2,400,000 Class 8 Performance Rights;
- (xv) 200,000 Class 9 Performance Rights;
- (xvi) 200,000 Class 10 Performance Rights; and
- (xvii) 1,260,000 Share Appreciation Rights.

(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 6.2(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 376,472,853 ordinary shares and accounting for past issues has a capacity to issue:

- (i) 20,720,927 Equity Securities under Listing Rule 7.1; and
- (ii) 35,147,285 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 6.2(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 6.2(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).

6.3 Listing Rule 7.1A

The effect of Resolution 11 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 11 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.

6.4 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 6.4(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
- (iii) 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 3 October 2019.

Variable "A" in formula in Listing Rule 7.1A.2		Issue Price		
		\$0.173 50% decrease in issue price	\$0.345 issue price	\$0.69 100% increase in issue price
Current Variable "A" 376,472,853 shares	10% voting dilution	37,647,285 shares	37,647,285 shares	37,647,285 shares
	Funds raised	\$6,400,038.45	\$12,800,076.90	\$25,600,153.80
50% Increase in current Variable "A" 564,709,279 shares	10% voting dilution	56,470,927 shares	56,470,927 shares	56,470,927 shares
	Funds raised	\$9,600,057.59	\$19,200,115.18	\$38,400,230.36
100% Increase in current Variable "A" 752,945,706 shares	10% voting dilution	75,294,570 shares	75,294,570 shares	75,294,570 shares
	Funds raised	\$12,800,076.90	\$25,600,153.80	\$51,200,307.60

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 \$0.34, being the closing price of the shares on ASX on 3 October 2019.

- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 11 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, none of who will be 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 26 November 2018 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 8 November 2018, the Company has issued a total of 47,710,000 Equity Securities which represents approximately 14.16% of the total diluted number of Equity Securities on issue in the Company on 8 November 2018, which was 337,022,853.

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.

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
2 October 2019	850,000 fully paid ordinary shares	To optionholders on exercise of options	<p>700,000 fully paid ordinary shares Price: \$0.06 (option exercise price) Discount: 82.4% discount to closing price of \$0.34 on 2 October 2019 Amount raised: \$42,000 Use of funds: N/A Amount of funds remaining: \$42,000 Value of non-cash consideration: N/A</p> <p>150,000 fully paid ordinary shares Price: \$0.08 (option exercise price) Discount: 76.5% discount to closing price of \$0.34 on 2 October 2019 Amount raised: \$12,000 Use of funds: N/A Amount of funds remaining: \$12,000 Value of non-cash consideration: N/A</p>
9 September 2019	10,100,000 fully paid ordinary shares	To optionholders on exercise of options	<p>5,000,000 fully paid ordinary shares Price: \$0.06 (option exercise price) Discount: 83.3% discount to closing price of \$0.36 on 9 September 2019 Amount raised: \$300,000 Use of funds: N/A Amount of funds remaining: \$300,000 Value of non-cash consideration: N/A</p> <p>5,100,000 fully paid ordinary shares Price: \$0.08 (option exercise price) Discount: 77.8% discount to closing price of \$0.36 on 9 September 2019 Amount raised: \$408,000 Use of funds: N/A Amount of funds remaining: \$408,000 Value of non-cash consideration: N/A</p>
6 September 2019	1,000,000 fully paid ordinary shares	Alex Molyneux (CEO & MD)	<p>Price: Nil – issued on conversion of Class 1 Performance Rights Discount: N/A Amount raised: Nil Use of funds: N/A Amount of funds remaining: N/A Value of non-cash consideration: N/A</p>

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
13 August 2019	400,000 Class 4 Performance Rights 400,000 Class 5 Performance Rights 400,000 Class 7 Performance Rights 400,000 Class 8 Performance Rights 200,000 Class 9 Performance Rights 200,000 Class 10 Performance Rights	Craig Barnes (CFO)	Price: Nil – issued as part of remuneration Discount: N/A Amount raised: Nil Use of funds: N/A Amount of funds remaining: N/A Value of non-cash consideration: N/A
2 May 2019	2,500,000 fully paid ordinary shares	Alex Molyneux (CEO & MD)	Price: Nil – issued on conversion of Class 6 Performance Rights Discount: N/A Amount raised: Nil Use of funds: N/A Amount of funds remaining: N/A Value of non-cash consideration: N/A
17 April 2019	12,500,000 fully paid ordinary shares 1,250,000 options 1,250,000 options	Kingfisher Capital Pty Ltd	Price: Shares \$0.40 each, Options nil. Discount: 1.23% discount to the closing price of \$0.405 on 17 April 2019 Amount raised: \$5,000,000 Use of funds: N/A Amount of funds remaining: \$5,000,000 Value of non-cash consideration (options): \$321,250
26 March 2019	12,500,000 fully paid ordinary shares 1,250,000 options 1,250,000 options	Kingfisher Capital Pty Ltd	Price: Shares \$0.40 each, Options nil. Discount: Nil – closing price of \$0.36 on 26 March 2019 Amount raised: \$5,000,000 Use of funds: Working capital and corporate administration expenses. Amount of funds remaining: \$4,575,767.50 Value of non-cash consideration (options): \$316,250
14 February 2019	1,260,000 share appreciation rights	Employees and consultants	Price: Nil – issued as part of remuneration Discount: N/A Amount raised: Nil Use of funds: N/A Amount of funds remaining: N/A Value of non-cash consideration: \$275,782.50

- (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.

6.5 Directors recommendations

None of the Directors have material personal interest in the subject matter of Resolution 11. The Board recommends Shareholders vote in favour of Resolution 11 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.

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 6.1.

2019 Annual Report means the Company's annual report including the reports of the Directors and auditor, Remuneration Report and the financial statements of the Company for the year ended 30 June 2019, 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.

AWST means Australian Western Standard Time, as observed in Western Australia.

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.

Kingfisher Option means an option to subscribe for a Share on the terms and conditions set out in Annexure A.

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 with the terms and conditions set out in Annexure B.

Plan or Performance Rights Plan means the Performance Rights Plan adopted at the Company's annual general meeting held on 26 November 2018.

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 2019 Annual Report.

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

Share Appreciation Right or **SAR** means a share appreciation right issued under the Plan with the terms and conditions set out in Annexure C.

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.

ANNEXURE A – TERMS OF KINGFISHER OPTIONS

- (a) **(Options):** Each Option entitles the holder of the Option (**Optionholder**) to subscribe for one Share in the Company upon exercise of the Option.
- (b) **(Option Fee):** The Options are issued for nil consideration.
- (c) **(Exercise Price):** The amount payable upon exercise of each Option will be:
 - (i) Class A: A\$0.50; and
 - (ii) Class B: A\$0.60.
- (d) **(Expiry Date):** 4 years from the date of issue.
- (e) **(Exercise Period):** The Options may be exercised at any time after the date of issue and before 5:00 pm (AWST) on the Expiry Date. Options not exercised by this time will automatically lapse.
- (f) **(Exercising Option):** To exercise, the Optionholder is required to deliver a duly completed notice of exercise (**Notice of Exercise**) and pay the Exercise Price per Option being exercised in Australian currency in cleared funds into a bank account nominated in advance by the Company (or other means of payment acceptable to the Company), at any time on or prior to the Expiry Date.

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price per Option being exercised in cleared funds (**Exercise Date**).
- (g) **(Issue of Shares):** Within 10 Business Days after the Exercise Date, the Company will issue the new Shares pursuant to the exercise of the Options.
- (h) **(Company's Obligations):** As soon as practicable after the issue of any Shares upon the exercise of an Option, and in any event within 5 Business Days of such issue, the Company must:
 - (i) deliver to the Optionholder a holding statement evidencing the Optionholder's ownership of such Underlying Shares; and
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (i) **(Nominee):** The Optionholder may specify in the notice of exercise that the Shares to be issued on exercise of the Options be issued to a nominee, provided that nominee is a related body corporate of the Optionholder.
- (j) **(Minimum Number Exercised):** 500,000 (unless the Optionholder has less than 500,000 Options in which event the Optionholder must exercise all of the Options together).
- (k) **(Ranking):** Shares issued on exercise of the Options will rank pari passu with all existing ordinary shares of the Company.

- (l) **(Quotation)**: The Company will apply to ASX for Official Quotation of the Shares issued on exercise of the Options, subject to the Company being admitted to the Official List of the ASX at the time of issue of Shares on exercise of the Options.
- (m) **(Listing of Options)**: The Options will be unlisted.
- (n) **(Dividends)**: No entitlement to participate in dividends of the Company.
- (o) **(Transferability)**: Options must not be transferred by the Optionholder (without the prior consent of the Company, which consent may be withheld in the Company's discretion).
- (p) **(Effect of Restructure)**: Following any reconstruction, consolidation, subdivision, reduction (by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled), return or pro rata cancellation of the issued capital of the Company:
 - (i) the number and/or Exercise Price of Options will be adjusted in compliance with the ASX Listing Rules; and
 - (ii) subject to provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders of the Company (**Shareholders**) approving a reconstruction of capital, in all other respects the terms of exercise of the Options will remain unchanged.

This provision is subject to the ASX Listing Rules and in the event of an inconsistency, the ASX Listing Rules will prevail.

- (q) **(Pro rata Issues)**: If there is a pro rata issue, an Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (r) **(Bonus Issues)**: If there is a bonus issue to Shareholders of the Company, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option were exercised before the record date for the bonus issue.
- (s) **(New Issues)**: The Options do not confer the right to participate in a new issue of Shares in the Company prior to exercise.

ANNEXURE B – TERMS OF PERFORMANCE RIGHTS

- (a) **(Milestones):** The Performance Rights will have the following milestones attached to them:
- (i) **Class 4 Performance Rights:** Completion of construction of the Abra Base Metal Project (**Project Milestone 2**).
 - (ii) **Class 5 Performance Rights:** Commencement of commercial production at Abra Base Metal Project (ie, achievement of two quarters of positive cash receipts from customers less cash payments to suppliers and employees) (**Project Milestone 3**).
 - (iii) **Class 7 Performance Rights:** The VWAP for the last 20 business days of the Company's shares trading on the ASX equals or exceeds A\$0.60/share (**Share Performance Milestone 2**).
 - (iv) **Class 8 Performance Rights:** The VWAP for the last 20 business days of the Company's shares trading on the ASX equals or exceeds A\$0.80/share (**Share Performance Milestone 3**).
 - (v) **Class 9 Performance Rights:** The holder remains an employee on or after vesting and at least one of Class 4 Performance Rights, Class 5 Performance Rights, Class 7 Performance Rights or Class 8 Performance Rights have become unconditional.
 - (vi) **Class 10 Performance Rights:** The holder remains an employee on or after vesting and at least one of Class 4 Performance Rights, Class 5 Performance Rights, Class 7 Performance Rights or Class 8 Performance Rights have become unconditional,
- (each a **Milestone**).
- (b) **(Vesting):** The Class 4 Performance Rights, Class 5 Performance Rights, Class 7 Performance Rights and Class 8 Performance Rights do not have any vesting conditions attached to them. The Class 9 Performance Rights vest on 1 January 2021. The Class 10 Performance Rights vest on 1 January 2022.
- (c) **(Notification to holder):** The Company shall notify the holder in writing when the Milestone has been satisfied.
- (d) **(Conversion):** Subject to paragraph (n), upon vesting and achievement of the relevant Milestone, each Performance Right will, at the election of the holder, convert into one fully paid ordinary share in the capital of the Company (**Share**).
- (e) **(Share ranking):** All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (f) **(Application to ASX)** The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.
- (g) **(Transfer of Performance Rights):** The Performance Rights are not transferable.
- (h) **(Lapse of a Performance Right):**

- (i) If a Class 4 Performance Right Milestone, Class 5 Performance Right Milestone, Class 7 Performance Right Milestone or Class 8 Performance Right Milestone is not achieved whilst the holder remains employed by the Company under his Employment Agreement, the relevant Performance Right will automatically lapse.
 - (ii) Each Performance Right shall otherwise expire on that date which is 5 years from date of grant (**Expiry Date**). If the relevant Milestone attached to the Performance Right has not been achieved by the Expiry Date, all unconverted Performance Rights of the relevant class will automatically lapse at that time.
- (i) (**Participation in new issues**) A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
 - (j) (**Reorganisation of capital**) If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.
 - (k) (**Adjustment for bonus issue**) If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.
 - (l) (**Dividend and Voting Rights**): The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
 - (m) (**Change in Control**): Subject to paragraph (n):
 - (i) In relation to the Class 4 Performance Rights, Class 5 Performance Rights, Class 7 Performance Rights and Class 8 Performance Rights, in the event of a Change of Control on or after 1 September 2019, the Class 4 Performance Rights, Class 5 Performance Rights, Class 7 Performance Rights and Class 8 Performance Rights will be immediately convertible into Shares.
 - (ii) In relation to the Class 9 Performance Rights and Class 10 Performance Rights, in the event of a Change of Control:
 - (A) prior to 1 January 2021 or prior to at least one of the Class 4 Performance Rights, Class 5 Performance Rights, Class 7 Performance Rights and Class 8 Performance Rights becoming unconditional, the Class 9 Performance Rights will vest and be immediately convertible into Shares; and
 - (B) after 1 January 2021 or after at least one of the Class 4 Performance Rights, Class 5 Performance Rights, Class 7 Performance Rights and Class 8 Performance Rights becoming unconditional, all remaining unvested classes of Performance Rights will vest and be immediately convertible into Shares.

- (iii) For the purpose of this paragraph (m), **Change of Control** means:
 - (A) when in relation to the Company any person, either alone or together with any Associate (as defined in the Corporations Act) acquires a Relevant Interest in more than 50% of the issued shares in the Company;
 - (B) the sale or disposal by the Company of 50% or more of the Abra Base Metal Project; or
 - (C) any event which the Board determines, in its discretion, is a Change of Control.

- (n) **(Deferral of conversion if resulting in a prohibited acquisition of Shares)**: If the conversion of a Performance Right under paragraph (d) or (m) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) **(General Prohibition)** then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:
 - (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition;
 - (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (n)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

- (o) **(No rights to return of capital)** A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

- (p) **(Rights on winding up)** A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

- (q) **(No other rights)** A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

- (r) **(Subdivision 83AC-C)**: Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Performance Right.

ANNEXURE C – TERMS OF SHARE APPRECIATION RIGHTS

- (a) **(Issue Price):** The Share Appreciation Rights will be issued for nil cash consideration.
- (b) **(Vesting):** The Share Appreciation Rights vest as follows, provided the holder remains employed or engaged by the Company on the vesting date:
- (i) 50% of Share Appreciation Rights issued to a holder vest 12 months from 21 January 2019;
 - (ii) 25% of Share Appreciation Rights issued to a holder vest 24 months from 21 January 2019; and
 - (iii) 25% of Share Appreciation Rights issued to a holder vest 36 months from 21 January 2019.
- (c) **(Notification to holder):** The Company shall notify the holder in writing within 10 Business Days of becoming aware that any vesting condition attached to a Share Appreciation Right has been satisfied.
- (d) **(Strike Price):** The amount payable upon exercise of each Share Appreciation Right is the 20-day VWAP prior to 21 January 2019, being \$0.17.
- (e) **(Expiry Date):** Each unexercised or unvested Share Appreciation Right shall expire on 21 January 2024.
- (f) **(Exercise on Vesting):** Subject to the holder remaining employed or engaged by the Company on the vesting date, to exercise a vested Share Appreciation Right, the holder may at any time after the Board notifies that the Share Appreciation Right has vested and before it lapses by:
- (i) providing the Company with the certificate for the Share Appreciation Rights in accordance with the terms of the Performance Rights Plan; and
 - (ii) providing the Company with a notice in the form of Schedule 3 of the Performance Rights Plan addressed to the Company and signed by the holder stating that the holder exercises the Share Appreciation Rights and specifying the number of Share Appreciation Rights which are exercised, and
- the Company, at the Board's absolute discretion and in accordance with paragraph (g), will either
- (i) require the holder to pay the Strike Price per Share Appreciation Right being exercised in Australian currency in cleared funds into a bank account nominated in advance by the Company (or other means of payment acceptable to the Company), and will settle the exercise of those exercised Share Appreciation Rights by issuing Shares; or
 - (ii) notify the holder that the Company will settle exercise of the Share Appreciation Rights by way of a cash payment, pursuant to which the Company will settle the exercise of those exercised Share Appreciation Rights by making a cash payment equal to the value of the difference between the Strike Price of the Share Appreciation Rights and the current market value of Shares (**Premium**).

- (g) **(Exercise election):** Subject to paragraph (s), upon exercise of a vested Share Appreciation Right, the holder or their nominee will be entitled to receive, at the absolute discretion of the Board, either:
- (i) issue Shares, on the basis of 1 Share for each Share Appreciation Right; or
 - (ii) make a cash payment equal to the Premium,
- in accordance with the terms of the Performance Rights Plan.
- (h) **(Eligibility):** A holder of Share Appreciation Rights must remain eligible under the Plan at the time Share Appreciation Rights are granted, exercised and converted into Shares.
- (i) **(Share ranking):** All Shares issued upon the vesting and exercise of Share Appreciation Rights will upon issue rank pari passu in all respects with other Shares.
- (j) **(Nominee):** Upon receipt of an offer in accordance with the terms of the Performance Rights Plan, a holder may, by notice in writing to the Board, nominate a Nominee (as that term is defined in the Performance Rights Plan) in whose favour the holder wishes to renounce the Offer.
- (k) **(Company's obligations):** The Company will:
- (i) issue the Shares or any cash payment to which the holder is entitled as soon as practicable after the exercise of a Share Appreciation Right; and
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (l) **(Application to ASX)** The Share Appreciation Rights will not be quoted on ASX. The Company will apply to ASX for official quotation of a Share issued on exercise of a Share Appreciation Right on ASX, subject to the Company being admitted to the Official List of the ASX at the time of issue of the Share on exercise of a Share Appreciation Right, within 10 Business Days of the later of the date the Shares are issued or the date that any restriction period that applies to the Shares ends.
- (m) **(Transfer of Share Appreciation Rights):** The Performance Rights are only transferable under special circumstances as set out in the Performance Rights Plan.
- (n) **(Participation in new issues)** A Share Appreciation Right does not entitle a holder (in their capacity as a holder of a Share Appreciation Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (o) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.
- (p) **(Adjustment for bonus issue)** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Share Appreciation Right will be increased by the number of Shares or other securities which the holder would have

received if the holder had converted the Performance Right before the record date for the bonus issue.

- (q) **(Dividend and Voting Rights):** The Share Appreciation Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
- (r) **(Change of Control):** In the event of a Change of Control, the Share Appreciation Rights will vest and the Company will, following exercise by the holder, either issue Shares or a cash payment at its election pursuant to paragraph (g).
- (i) For the purpose of this paragraph (r), **Change of Control** means:
- (A) a bona fide Takeover Bid (as that term is defined in the Corporations Act) is declared unconditional and the bidder has acquired a Relevant Interest Bid (as that term is defined in the Corporations Act) in at least 50.1% of the Company's issued Shares;
- (B) a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (C) in any other case, a person obtains Voting Power (as that term is defined in section 9 of the Corporations Act) in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.
- (s) **(Deferral of conversion if resulting in a prohibited acquisition of Shares):** If the conversion of a Share Appreciation Right under paragraph (d) or (r) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) **(General Prohibition)** then the conversion of that Share Appreciation Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Share Appreciation Right would result in a contravention of the General Prohibition:
- (i) holders may give written notification to the Company if they consider that the conversion of a Share Appreciation Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Share Appreciation Right will not result in any person being in contravention of the General Prohibition;
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (s)(i) within seven days if the Company considers that the conversion of a Share Appreciation Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Share Appreciation Right will not result in any person being in contravention of the General Prohibition.
- (t) **(No rights to return of capital)** A Share Appreciation Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

- (u) **(Rights on winding up)** A Share Appreciation Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.
- (v) **(No other rights)** A Share Appreciation Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (w) **(Subdivision 83AC-C):** Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Share Appreciation Right.

ANNEXURE D – VALUATION OF SHARE APPRECIATION RIGHTS

The SARs to be issued to the Related Parties pursuant to Resolutions 7, 8, 9 and 10 have been independently valued by RSM Australia Pty Ltd (**RSM**).

A summary of the assumptions and methodology used by RSM in valuing the SARs pursuant to the Hoadley ES02 option valuation model is set out below. Further information on Hoadley's option valuation models can be found at www.hoadley.net.

Assumption	Reference	Tranche 1	Tranche 2	Tranche 3
Valuation Date	1	24/09/2019	24/09/2019	24/09/2019
Share Price	2	\$0.345	\$0.345	\$0.345
Exercise Price	3	\$0.17	\$0.17	\$0.17
Vesting Date	4	21/01/2020	21/01/2022	21/01/2022
Expiry Date	5	21/01/2024	21/01/2024	21/01/2024
Expected Future Volatility	6	70%	70%	70%
Risk Free Rate	7	0.78%	0.78%	0.78%
Dividend Yield	8	Nil	Nil	Nil

References

- Valuation Date: Assumed the Valuation Date to be 24 September 2019, being the date of the valuation.
- Spot Price: The Company's share price of \$0.345 per share, as last traded on the ASX at the close of trade prior to the Valuation Date.
- Exercise Price: The exercise price of the SARs is \$0.17.
- Vesting Dates: are only non-market conditions attached to the SARs and:
 - 50% of the SARs, being Tranche 1, vest 12 months from the Offer Date;
 - 25% of the SARs, being Tranche 2, vest 24 months from the Offer Date; and
 - 25% of the SARs, being Tranche 3, vest 36 months from the Offer Date.
- Expiry Period: The SARs expire 5 years from the Offer Date, on 21 January 2024.
- Expected Future Volatility: Following a review of the historical volatility of Galena over several periods, it was concluded that future volatility of 70% over the life of the SARs is reasonable. It should be considered whether this is in actual fact a reasonable assumption (i.e. consider any factors which would result in historical volatility not being a reasonable proxy for expected future volatility).
- Risk Free Rate: Based on the yield of five-year Commonwealth bonds being the term which corresponds to the maximum life of the SARs. The interest rate of 0.78% has been sourced from the RBA as the closing rate on 20 September 2019.
- Dividend Yield: Assumed a nil dividend yield as the Company does not have a history of paying dividends and is not expected to pay any over the life of the SARs.

Using the the Hoadley ES02 option valuation model and based on the above assumptions, the SARs were ascribed the following indicative fair value.

Tranche	Number of SARs	Value per SAR	Total Value
1	270,000	\$0.2086	\$56,322
2	135,000	\$0.2247	\$30,335
3	135,000	\$0.2336	\$31,536
Total	540,000	N/A	\$118,193

	Tranche 1		Tranche 2		Tranche 3		Total Value
	Quantity	Value	Quantity	Value	Quantity	Value	
Adrian Byass	110,000	\$22,946	55,000	\$12,358.50	55,000	\$12,848	\$48,152.50
Anthony James	110,000	\$22,946	55,000	\$12,358.50	55,000	\$12,848	\$48,152.50
Jonathan Downes	25,000	\$5,215	12,500	\$2,808.75	12,500	\$2,920	\$10,943.75
Timothy Morrison	25,000	\$5,215	12,500	\$2,808.75	12,500	\$2,920	\$10,943.75
Total	270,000	\$56,322	135,000	\$30,334.50	135,000	\$31,536	\$118,192.50

The values above are indicative only based on the assumptions at the date of the valuation. Different assumptions may be relevant at grant date which may alter the value of the SARs for financial reporting purposes.

The valuation ranges noted above are not necessarily the market prices that the SARs could be traded at and they are not automatically the market prices for taxation purposes.

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«EFT_REFERENCE_NUMBER»

«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

Code: **G1A**

Holder Number: «HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson **OR**

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10:30am AWST on Friday 8 November 2019 at The Celtic Club, 48 Ord Street, West Perth WA 6005 and at any adjournment of that meeting.

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, 6, 7, 8, 9 and 10 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 6, 7, 8, 9 and 10 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.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain*	For	Against	Abstain*
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Issue of Share Appreciation Rights to Mr Adrian Byass	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-Election of Mr Timothy Morrison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Issue of Share Appreciation Rights to Mr Anthony James	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-Election of Mr Adrian Byass	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Issue of Share Appreciation Rights to Mr Jonathan Downes	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of Prior Issue - Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Issue of Share Appreciation Rights to Mr Timothy Morrison	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of Prior Issue - Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>
6. Ratification of Prior Issue - Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder Security Holder 2 Security Holder 3

Sole Director & Sole Company Secretary Director Director/Company Secretary

Proxies must be received by Galena Mining Limited no later than 10:30am AWST on Wednesday 6 November 2019.

+ G1APX1081119 1 1 G1A G1APX1081119 +



My/Our contact details in case of enquiries are:

Name:

Number:

()

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. 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 must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Galena Mining Limited no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

Galena Mining Limited

Postal Address GPO Box 2517
PERTH WA 6831

Facsimile +61 8 9463 6103

Email steve@miningcorporate.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

