



Galena Mining Limited

ASX : G1A

Shares on Issue
336,500,000

Cash (June Qtr)
\$8.5m

Directors & Management

Non-Executive Chairman
Adrian Byass

CEO
Edward Turner

COO
Troy Flannery

Non-Executive Directors
Jonathan Downes
Oliver Cairns
Tim Morrison

Company Secretary
Stephen Brockhurst

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6 August 2018

GALENA MINING APPOINTS ALEX MOLYNEUX AS MANAGING DIRECTOR / CEO

Galena Mining Limited (ASX: **G1A**) ("**Galena**" or the "**Company**") is pleased to announce that Alex Molyneux has accepted an invitation to join the Board of Galena as a Director and be engaged as Chief Executive Officer / Managing Director effective 1 September 2018.

Mr Molyneux's appointment is seen by the Company as a key element of its strategy to transition its leadership to match Galena's evolution towards becoming a major base metals producer. As part of this broader transition, the Company's current Chief Executive Officer, Ed Turner will remain with Galena in the capacity of General Manager of Geology and Exploration, effective 1 September 2018.

Commenting on the leadership transition Non-Executive Chairman, Adrian Byass stated:

"I am very excited Alex has agreed to join us and lead the team. He has substantial experience in major mine development and has run complex 1,000 person plus public mining companies. Alex also has extensive relationships within the institutional investor and banking communities and this will be important to develop Abra on the best terms possible which create greater value for existing shareholders. The ability for Galena to attract a talented executive such as Alex is due to the hard work and great outcomes to date achieved by the Company and spearheaded by Ed Turner who has held the CEO role since our IPO in 2017."

Incoming CEO, Alex Molyneux commented:

"I thank Adrian, Ed and the Board for inviting me to join the team. In my 20-years in mining and mine finance, I have rarely seen a base metal project in a top-tier jurisdiction demonstrate the kind of economics as shown by the Abra Scoping Study. I look forward to being part of the delivery of the upcoming Pre-Feasibility Study results and working with the team to continue their strong forward momentum."

Mr Molyneux is an experienced metals and mining industry executive and financier. He recently completed three-years as CEO of Paladin Energy Ltd. (ASX: PDN), one of the world's largest uranium companies, where he completed a

US\$700M successful recapitalisation of the company including raising US\$115m in new capital and a re-listing on the ASX.

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

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

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

Mr Molyneux's engagement terms are summarised in Appendix 1 and include the proposed grant of 16.5 million performance rights, which have been structured to vest subject to conditions that align with creation of shareholder value. The final grant of any such performance rights will be subject to all regulatory approvals including ASX and shareholders.

Commenting on the incentive package offered to Alex Molyneux Non-Executive Chairman, Adrian Byass stated:

"We firmly believe that the clear correlation with substantial share price increases and project development milestones covering financing, construction and profitable production align all shareholder interests in the best possible manner with that of the incoming MD / CEO. Alex's willingness to embrace these significant value-adding milestones as cornerstones to his remuneration package shows the confidence he has in their delivery."

For further information contact:

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Competent Person Statement

The information in this report related to the Abra Mineral Resource estimate is based on work completed by Mr A Byass, B.Sc Hons (Geol), B.Econ, FSEG, MAIG a Director of Galena Mining Limited and Mr Don Maclean MSc (Geol), MAIG and RP Geo (Exploration and Mining), MSEG, a consultant to Galena Mining. Mr Byass was responsible for technical oversight and reporting of the estimate. Mr Maclean was responsible for data review, QAQC, development of the geological model and resource estimation. Mr Byass and Mr Maclean have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves. Mr Byass and Mr Maclean consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report to which this statement is attached that relates to Exploration results and drilling data is based upon information compiled by Mr E Turner B.App Sc, MAIG who is an employee of Galena Mining. Mr Turner has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves. Mr Turner consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Appendix 1 – Summary of Material Engagement Terms for Alex Molyneux

Commencement date:	1 September 2018.
Monthly engagement fees:	Gross Director and Consulting Fees of US\$20,000 per month.
Proposed performance rights:	<p>Subject to ASX and shareholder approval, the Company has agreed to grant Mr. Molyneux 16,500,000 performance rights in several tranches, which may convert into fully paid ordinary shares of the Company based on the vesting and conversion conditions set out below.</p> <ul style="list-style-type: none"> (i) 2,500,000 – On completion of project development funding for the Abra Base Metal Project; (ii) 2,500,000 – On completion of construction of the Abra Base Metal Project; (iii) 2,000,000 – On commencement of commercial production at the Abra Base Metal Project; (iv) 2,500,000 – If the volume-weighted average share price (“VWAP”) of the Company’s shares traded on the ASX equals or exceeds A\$0.40/share for 20 business days; (v) 2,500,000 – If the VWAP of the Company’s shares traded on the ASX equals or exceeds A\$0.60/share for 20 business days; (vi) 2,000,000 – If the VWAP of the Company’s shares traded on the ASX equals or exceeds A\$0.80/share for 20 business days; (vii) 1,000,000 – Vest after 1 September 2019 if initial project development has occurred or at least one of the aforementioned (i-vi) performance rights tranches have become unconditional and Mr Molyneux has not resigned prior to 1 September 2019; and (viii) 1,500,000 – Vest after 1 September 2020 if initial project development has occurred or at least one of the aforementioned (i-vi) performance rights tranches have become unconditional. <p>All unconverted performance rights will lapse five years from their grant date.</p> <p>Further details on the proposed performance rights will be included in a notice of meeting provided to shareholders.</p>
Effect of a change of control:	Mr Molyneux’s engagement terms have no cash payments or bonus arrangements linked to a change of control but some or all unvested performance rights may vest in such an event depending on circumstances.

About Abra

Abra is a world class lead-silver-copper-gold-zinc deposit, wholly owned by Galena on a granted mining licence and located in the Gascoyne region of Western Australia. The sediment hosted polymetallic deposit is broadly zoned into an upper level of lead+silver overlying copper+gold mineralisation. Abra is located approximately 110km from Sandfire Resources high-grade DeGrussa copper mine, is well serviced by infrastructure and located approximately halfway between Mt Newman and Meekatharra.

The deposit is sedimentary hosted replacement style with the upper sections dominated by strataform lead-silver horizons that dip shallowly to the south can be divided into two main parts. The upper Apron zone comprises stratabound massive and disseminated lead- sulphides (galena) and minor copper sulphides (chalcopyrite) within a highly altered sequence of clastic and dolomitic sediments. The Apron zone is open in several directions, extends for 1,000m along strike, 700m down dip and dips gently south.

The Core zone underlies the Apron and comprises an elongate funnel shaped body of hydrothermal breccias, veining and intense alteration overprinting gently south dipping sediments. The core zones extends from 300 to 750m below surface and can be traced for 400m along strike.

Abra March 2018 JORC Resource Estimation

Based on Galena's 2017 drilling program a resource estimate was reported for the Abra Project in accordance with the 2012 JORC code (refer to 14 March 2018 ASX announcement).

This is summarised below:

Indicated Resource of 5.3 Mt at 10.6% lead & 28 g/t silver and an Inferred Resource of 5.9 Mt at 9.7% Pb & 29 g/t silver (using a 7.5% Pb cut-off) for a combined

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

within an

Indicated Resource of 13.2 Mt at 7.9% lead & 19g/t silver and an Inferred Resource of 23.5 Mt at 6.9% Pb & 17 g/t silver (using a 5.0% Pb cut-off) for a combined

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

Abra project Location Plan

