



## ASX ANNOUNCEMENT

3 January 2019

ASX: G1A

### ABRA FINAL PERMITTING ON-TRACK

#### HIGHLIGHTS:

- Acceptance of Works Approval applications for all mining, processing and tailings storage by WA Department of Water and Environmental Regulation
- Acceptance of Mining Proposal application by WA Department of Mines, Industry Regulation and Safety
- Several miscellaneous and general purpose leases granted for plant and infrastructure
- Several minor and / or less time critical permits granted for waste water treatment plant, native vegetation clearing, and construction of production water bores
- On-track to be fully permitted within Q2 CY2019

**GALENA MINING LTD.** ("Galena" or the "Company") (ASX: G1A) has now had its application for a Works Approval for construction of the proposed processing plant and tailings storage facilities accepted by the Western Australian Department of Water and Environmental Regulation ("DWER") for its wholly-owned Abra Base Metals Project ("Abra" or the "Project") located in the Gascoyne region of Western Australia. In Galena's opinion, according to estimated application processing times, this latest Works Approval will be the last major approval to be gained for Abra to be fully permitted and its acceptance at this time puts the Project on-track to complete permitting within the second quarter of the 2019 calendar year. As such, we provide this general update on Abra permitting and approvals.

Managing Director, Alex Molyneux commented, ***"We believe this latest DWER Works Approval application will be the final 'gating' permit to having Abra fully permitted. It is very pleasing to have it accepted as it confirms we're on-track to have permitting completed in Q2."***

#### STATUS OF MAJOR PERMITS

Galena has received notification that its application for a Works Approval for construction of the proposed processing plant and tailings storage facilities has been accepted by the Western Australian DWER for Abra. This application is in addition to a DWER Works Approval application for mine construction that was accepted in September 2018. Furthermore, the Mining Proposal, Mine Closure Plan and Environmental Management System applications were lodged and accepted by the

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Western Australian Department of Mines, Industry Regulation and Safety (“DMIRS”) in October 2018.

The latest DWER Works Approval application is the final major approval to be submitted and based on current estimated processing times at the various departments, it is anticipated to be the final approval received to put Abra in a position to be fully permitted.

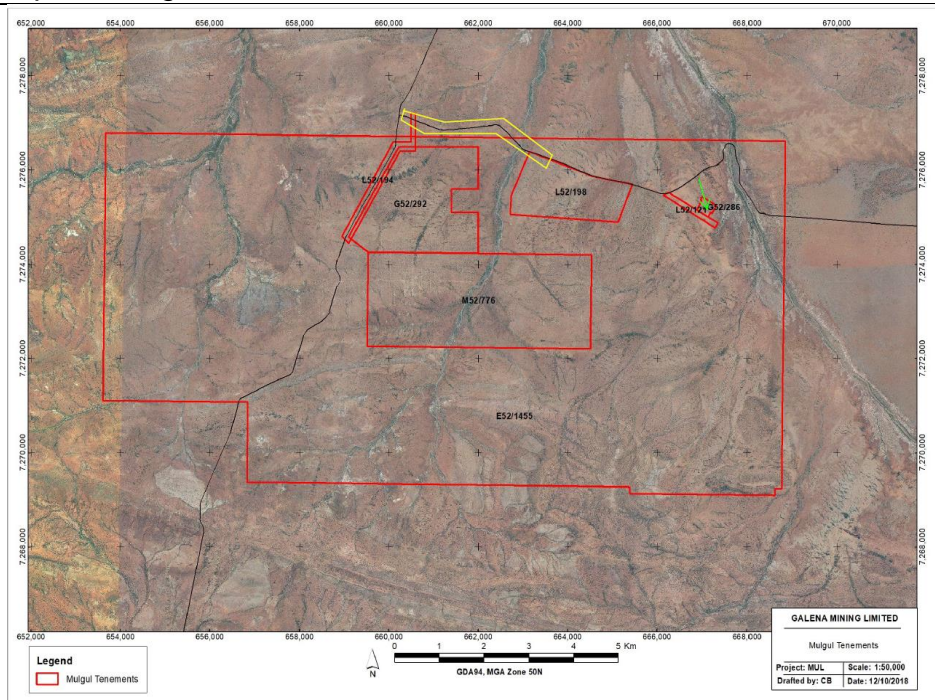
As previously stated, based on previously completed base line environmental studies, Abra does not require EPA approval.

Galena now expects to finalise permitting for the Project within the second quarter of 2019 calendar year.

### TENEMENTS AND LEASES

As previously stated, the Abra deposit sits entirely within a granted Mining Lease (M52/0776) and is surrounded by a contiguous Exploration Licence (E52/1455). In addition, in the last three months the Company has been granted a number of General Purpose and Miscellaneous Leases to support future construction and operation of the Project. General Purpose Lease G52/292 has been granted immediately adjacent to the Mining Lease to its north and includes the sites for the proposed processing plant and tailings storage facilities. Three additional Miscellaneous Leases have been granted for an upgraded airstrip and other ancillary infrastructure.

Figure 1: Map showing current Abra tenements



Source: Galena.

## **MINOR PERMITS**

Construction of Abra requires a number of additional minor permits from DWER, DMIRS, local government, the Western Australian Department of Health and the Civil Aviation Safety Authority (for the airstrip). A number of minor permits have already been granted, including: waste water treatment plant; native vegetation clearing; and construction of production water bores. Other minor approval applications are expected to be lodged within coming weeks such that they will be concluded within the timeframe final major permits are expected to be approved.

Abra does not require additional specific approvals for outbound transport, shipping or export of its high-grade, high-value lead-silver concentrate product.

## **OUTLOOK**

Galena continues to target commencement of construction of Abra in 2019, with initial production in 2021 and the first full-year of steady-state commercial production in 2022.

Upcoming value-adding Abra and corporate milestone workstreams include:

- Completion of an optimisation of the previously announced Abra pre-feasibility study in early-2019 to incorporate the new mine model derived in association with the recently announced updated JORC Mineral Resource estimate and Ore Reserve estimate (see Galena ASX announcement of 18 December 2018), without delaying the definitive / bankable feasibility study (“**DFS**”) works.
- Ongoing discussions with potential customers / offtakers.
- Continuation of discussions and due diligence engagement with project financing parties, including traditional project financing banks and strategic counterparties.
- Completion of the DFS, which remains on-track to be finalised in mid-2019.

**Galena Mining Ltd.,**



**Alex Molyneux**  
Managing Director

### Forward-looking statements

The contents of this announcement reflect various technical and economic conditions at the time of writing. Given the nature of the resources industry, these conditions can change significantly over relatively short periods of time. Consequently, actual results may vary from those in this announcement.

Some statements in this announcement regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward-looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “projected”, “estimated”, “may”, “Scheduled”, “intends”, “anticipates”, “believes”, “potential”, “predict”, “foresee”, “proposed”, “aim”, “target”, “opportunity”, “could”, “nominal”, “conceptual” and similar expressions.

Forward-looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied on as guarantee of future performance. Forward-looking statement may be affected by a range of variables that could cause actual results to differ from estimated results and may cause the Company’s actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward-looking statements. So there can be no assurance that actual outcomes will not materially differ from these forward-looking statements.

#### About Abra Base Metals Project

Wholly-owned by Galena, the Abra Base Metals Project (“**Abra**” or the “**Project**”) is a globally significant lead-silver project located in the Gascoyne region of Western Australia (between the towns of Newman and Meekatharra, approximately 110 kilometres from Sandfire’s DeGrussa Project).

Galena recently completed an outstanding pre-feasibility study (“**PFS**”) (see Galena ASX announcement of 25 September 2018) for development of a mine and processing facility with a 14-year life producing a high-value, high-grade lead-silver concentrate containing approximately 91kt of lead and 760koz of silver per year after ramp-up. Based on a pre-development capital expenditure estimate of A\$154 million, the PFS modelled a pre-tax net present value for Abra (at an 8% discount rate) of A\$528 million and an internal rate of return of 50%.

#### Abra JORC Mineral Resource estimate<sup>1, 2</sup>

<u>Resource classification</u>	<u>Tonnes (Mt)</u>	<u>Lead grade (%)</u>	<u>Silver grade (g/t)</u>
Measured	-	-	-
Indicated	15.0	8.7	22
Inferred	22.4	6.7	15
<b>Total</b>	<b>37.4</b>	<b>7.5</b>	<b>18</b>

*Notes: 1. See Galena ASX announcement of 18 December 2018. 2. Calculated using ordinary kriging method and a 5.0% lead cut-off grade. Tonnages are rounded to the nearest 100,000t, lead grades to one decimal place and silver to the nearest gram. Rounding errors may occur when using the above figures.*

### Abra JORC Ore Reserve statement<sup>1, 2</sup>

Reserve classification	Tonnes (Mt)	Lead grade (%)	Silver grade (g/t)
Proved	-	-	-
Probable	10.3	8.8	24
<b>Total</b>	<b>10.3</b>	<b>8.8</b>	<b>24</b>

Notes: 1. See Galena ASX announcement of 18 December 2018. 2. Tonnages are rounded to the nearest 100,000t, lead grades to one decimal place and silver to the nearest gram. Rounding errors may occur when using the above figures.

### Abra location

