

Quarterly Report for the quarter ended 31 December 2017

Galena Mining Limited**ASX: G1A****Capital Structure (as at 31 Dec 2017)**

- ◆ 55,600,000 shares
- ◆ 2,350,000 unlisted options exercisable \$0.30 on 30 June 2020
- ◆ 3,600,00 unlisted options exercisable \$0.40 on 30 June 2021

Cash \$3.1m (as at 31 Dec 2017)

Board and ManagementEd Turner
C.E.OAdrian Byass
Non-Executive ChairmanJonathan Downes
Non-Executive DirectorOliver Cairns
Non-Executive DirectorTim Morrison
Non-Executive Director**Contact:**www.galenamining.com.auEd Turner – C.E.O.
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29 January 2018

Australian Securities Exchange

HIGHLIGHTS

- **Drilling completed comprising 12 holes for 8,022m**
- **High grade lead (Pb) results in all holes received to date, including:**
 - **31m @ 14.5% Pb, 10ppm AG (within 64.0m @ 10.6% Pb, 7ppm Ag) in AB70;**
 - **18m @ 10.1% Pb, 14ppm Ag in AB70;**
 - **56m @ 7.8% Pb, 20ppm Ag in AB71;**
 - **19m @ 9.9% Pb, 26ppm Ag in AB72;**
 - **14m @ 13.5% Pb, 42ppm Ag in AB73A;**
 - **15m @ 9.2% Pb, 20 ppm Ag in AB74;**
 - **22m @ 9.5% Pb, 20ppm Ag in AB75;**
 - **6m @ 8.9% Pb, 26ppm Ag in AB76;**
 - **32m @ 13.5% Pb, 27ppm Ag (within 53.3m @ 10.9% Pb, 20ppm Ag) in Ab 77**

Galena Mining Limited (ASX: G1A) (“Galena” or “the Company”) is pleased to report on its activities for the period ending 31 December 2017, progressing its world class Abra Base Metal Project (“Abra”) into development.

Galena was admitted to the Official List of ASX Limited on Tuesday 5th September 2017 and commenced trading on Thursday 7th September 2017 in a strongly oversubscribed IPO raising \$6,000,000 before costs.

Resource Drilling Completed

Drilling commenced on 24th September 2017 and was completed in mid-December 2017. Twelve holes (AB70-72, 73A, 74-81) were completed for a total of 8,022m and approximately 4,000 core samples were taken and submitted to SGS Laboratories in Perth for assaying. Assays have been received for 8 of the 12 holes with those for AB78-81 pending. Significant intersections are tabulated in Appendix 2, and Appendix 3 includes the drill hole survey details. To date, results have been received for approximately 60% of the samples taken. Upon receipt of remaining assays the Company intends to produce a JORC Mineral Resource estimate in February 2018.

Galena's Model and Explanation of Results

Galena has a geologically controlled, high-grade model for Abra which is being supported by the results of wide-spread, targeted drilling. Drill results continue to define both large stratabound shallow dipping zones of high grade mineralisation as well as sub vertical vein hosted high grade mineralisation within the feeder zone/core (see Figure 1 for a plan view of the relative positions of the core and apron and Figures 2 and 3 for cross section views). The position of the 660,575E (A' – A) and 660,375E (B' – B) cross sections that include AB76, AB70, AB77, AB73A, AB75 and AB79 are also shown on the plan. In Figure 1 the labelled drill holes represent the pierce point that each drill hole intersected the top of the stratabound zone.

High-grade, sub-vertical 'feeder' veining is not restricted to the core although the core contains the highest concentration of the mineralised veins and those with the greatest widths and this is represented by the inner core in Figures 1 and 2. The veins are located below, and act as feeders to, the stratabound zone. Figure 1 also shows the best high grade core intersections for Galena's drill holes. Previously modelled and widespread lower-grade lead+silver mineralisation has not been targeted by Galena but represents a huge accumulation of metal between the high grade mineralised zones.

Figures 2 and 3 show the best lead intersections within the 660,575E and 660,375E cross sections respectively that include both the high grade core/feeder zone and high grade stratabound/apron zones. Note these diagrams do not include all significant intersections, some have been removed for clarity purposes. All red zones represent >5% Pb assays.

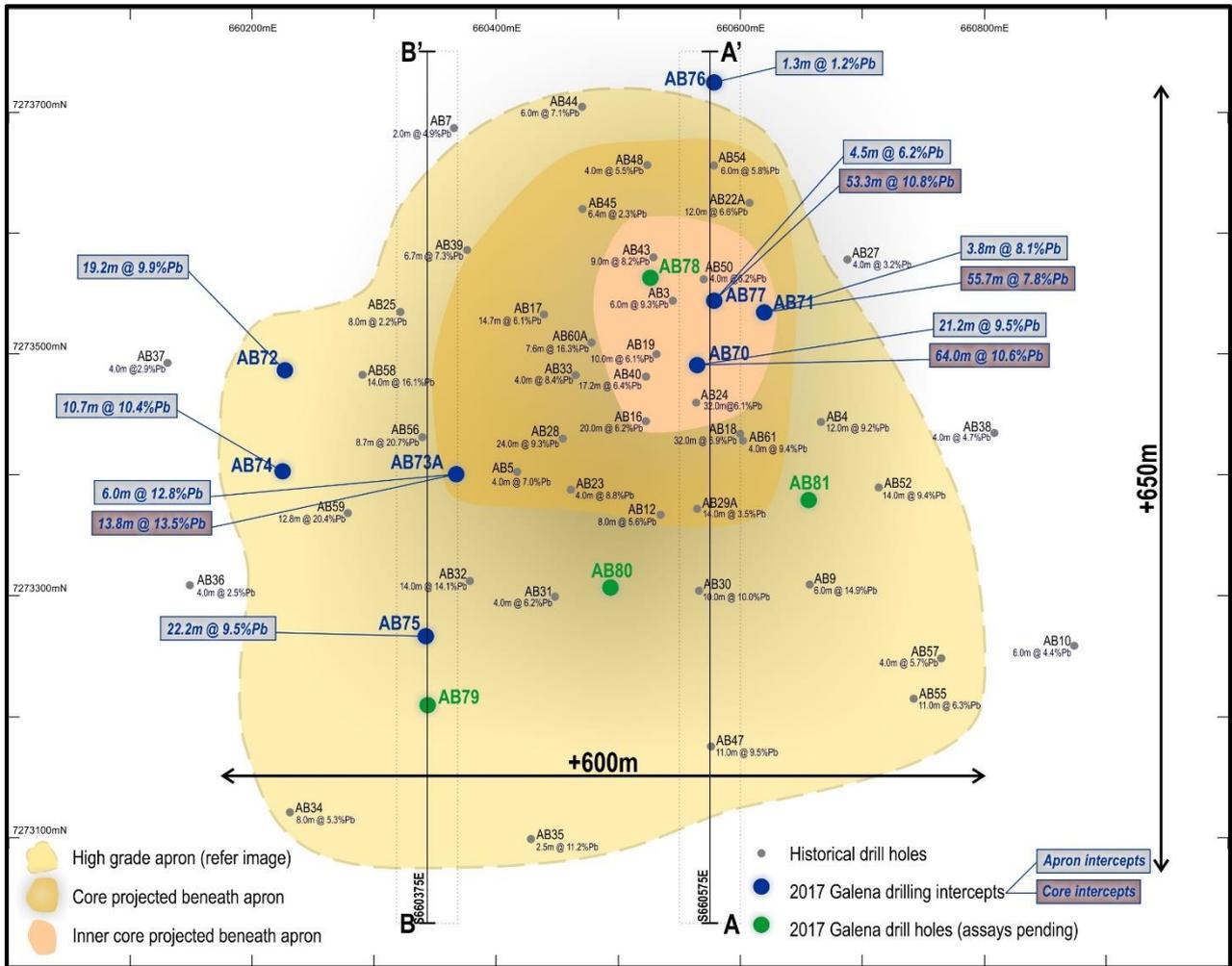


Figure 1: Plan view of the best intersections from both Galena and historic drill holes within high grade stratabound apron, the projected position of the high grade feeder zone/core beneath the apron and the inner core

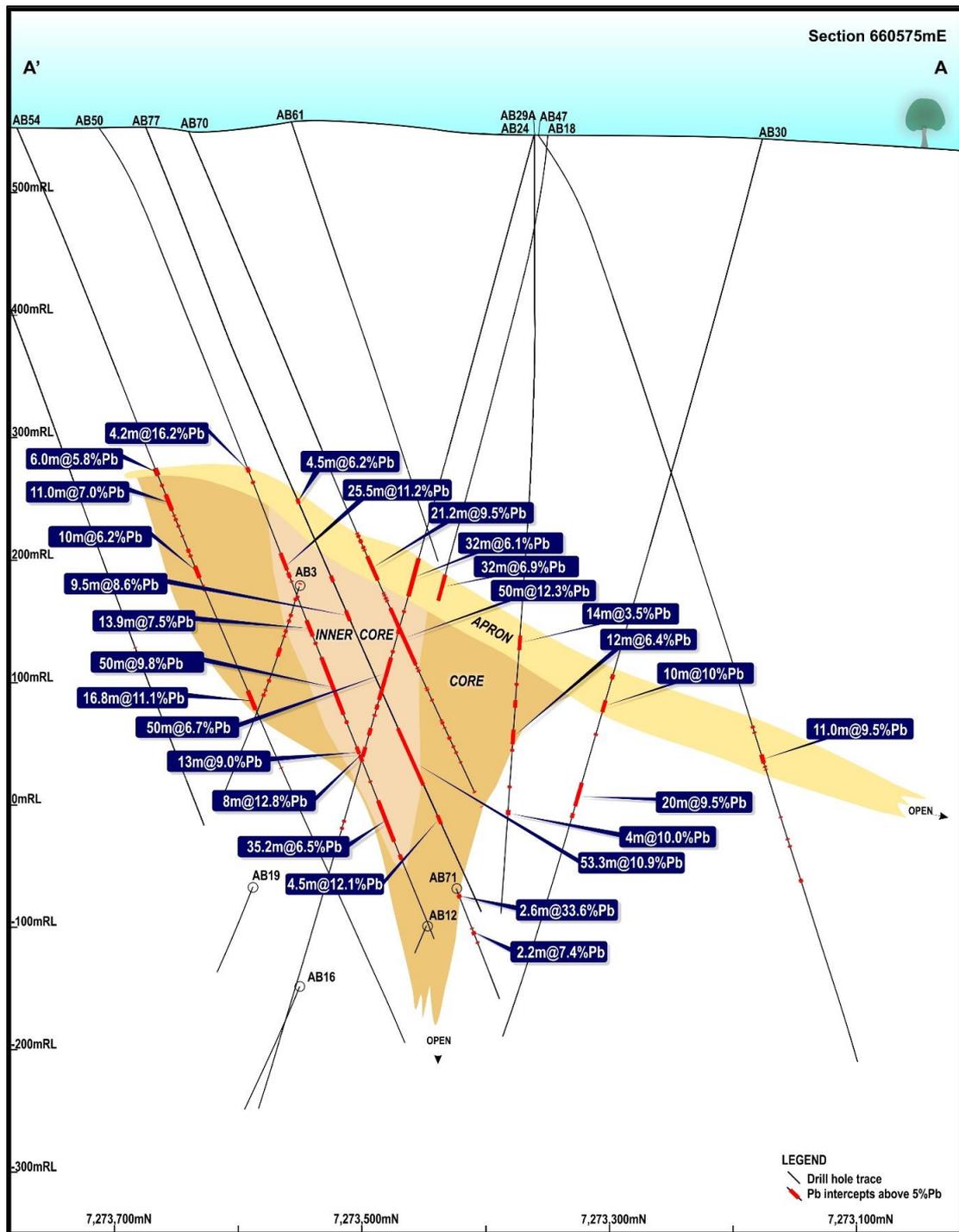


Figure 2: 660,575E (A' – A) cross section that includes AB76, AB70 and AB77. The high grade core/feeder zone sits beneath the high grade stratabound apron zone. The inner core represents the thickest continuous Pb mineralised zone

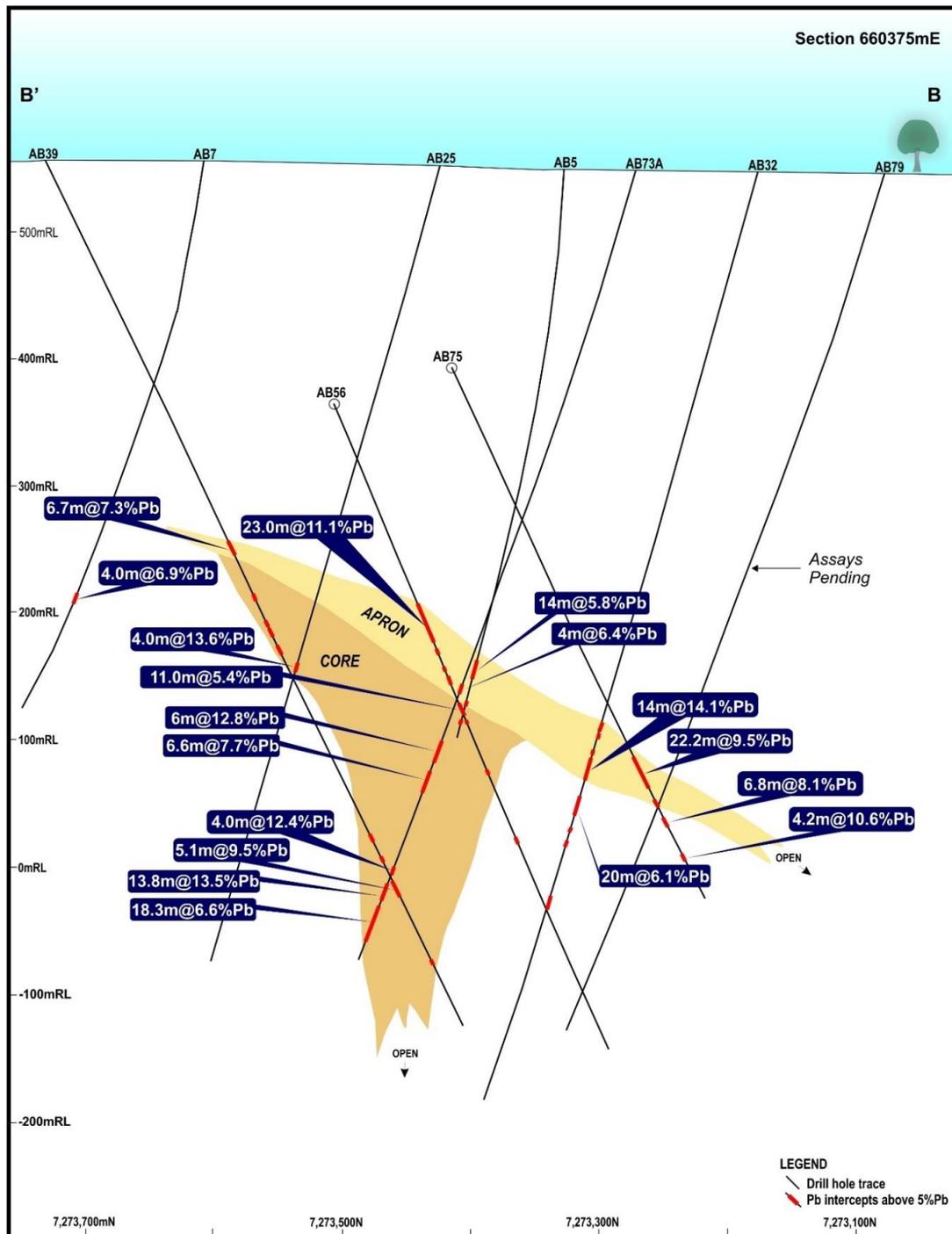


Figure 3: 660,375E (B' – B) cross section that includes AB73A, AB75 and AB79. The high grade core/feeder zone sits beneath the high grade stratabound apron zone.

Galena geologists visually identified multiple zones of disseminated and massive galena (lead sulphide) mineralisation in each of these holes. When all assays have been received an updated resource estimate will be completed and a Pre-Feasibility Study will commence.

Future Abra Deposit Work Programs

Galena has initiated a Resource Estimate study that will be completed in February. Other work programs initiated including hydrogeological, geotechnical, environmental, transport and logistics and metallurgical studies will be ongoing during the next Quarter.

Cash Position

As at the end of December 2017 quarter, the Company approximately had \$3.1 million cash.

For further information contact:

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Appendix 1 – Tenement Information as Required by the Listing Rule 5.3.3

| Country | Location | Project | Tenement | Change in Holding (%) | Current Interest (%) |
|----------------|-----------------|----------------|-----------------|------------------------------|-----------------------------|
| Australia | WA | Mulugul | M52/0776 | 100 | 100 |
| Australia | WA | Jillawarra | E52/1413 | 100 | 100 |
| Australia | WA | Mulugul | E52/1455 | 100 | 100 |
| Australia | WA | Camp | G52/0286 | 100 | 100 |
| Australia | WA | Camp | L52/0121 | 100 | 100 |
| Australia | WA | Jillawarra | EL52/3575 | 100 | 100 |

Competent Person Statement:

The information in this report related to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr E Turner B.App Sc, MAIG, and Mr A Byass, B.Sc Hons (Geol), B.Econ, FSEG, MAIG both an employee and a Director of Galena Mining Limited. Mr Turner and Byass have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves. Mr Turner and Mr Byass consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Appendix 2 – Significant Intersections

| HOLE ID | FROM (m) | TO (m) | INTERVAL (m downhole) | GRADE Pb (%) | GRADE Ag (ppm) | GRADE Zn (%) | GRADE Cu (%) | GRADE Au (ppm) |
|-------------|---------------|---------------|-----------------------|--------------|----------------|--------------|--------------|----------------|
| AB70 | 293.70 | 300.50 | 6.80 | 6.38 | 14.0 | - | - | - |
| AB70 | 355.00 | 397.20 | 42.20 | 7.14 | 9.2 | - | - | - |
| Inc. | 378.80 | 397.20 | 18.40 | 10.09 | 13.6 | - | - | - |
| AB70 | 408.50 | 472.51 | 64.01 | 10.60 | 7.2 | 1.50 | - | - |
| Inc. | 437.0 | 468.39 | 31.39 | 14.53 | 10.3 | 2.68 | - | - |
| AB70 | 522.78 | 527.20 | 4.42 | 6.38 | 13.0 | - | - | - |
| AB70 | 610.98 | 617.17 | 6.19 | 5.32 | 12.5 | - | - | - |
| AB70 | 536.95 | 537.89 | 2.01 | - | - | - | 1.26 | 0.11 |
| AB70 | 629.94 | 634.80 | 4.86 | - | - | - | 0.23 | 2.04 |
| AB71 | 315.80 | 320.10 | 4.30 | 5.46 | 15.1 | - | - | - |
| AB71 | 340.35 | 345.00 | 4.65 | 7.16 | 14.2 | - | - | - |
| AB71 | 396.63 | 452.35 | 55.72 | 7.80 | 20.3 | 1.55 | - | - |
| Inc. | 426.15 | 430.61 | 4.46 | 19.71 | 42.2 | 1.97 | - | - |
| AB71 | 467.31 | 477.30 | 9.99 | 8.75 | 15.4 | - | - | - |
| AB71 | 482.43 | 491.31 | 8.64 | 8.36 | 13.5 | - | - | - |
| AB71 | 528.10 | 532.35 | 4.25 | 10.60 | 10.6 | - | - | - |
| AB71 | 540.00 | 547.74 | 7.74 | 12.73 | 20.9 | - | - | - |
| AB71 | 553.80 | 558.08 | 4.28 | 31.80 | 56.1 | - | - | - |
| AB71 | 564.60 | 568.76 | 4.16 | 27.72 | 56.7 | - | - | - |
| AB71 | 616.51 | 626.65 | 10.14 | 7.77 | 14.7 | - | - | - |
| Inc. | 616.51 | 617.21 | 0.70 | 41.40 | 50.0 | - | - | - |
| And | 626.00 | 626.65 | 0.65 | 38.40 | 34.0 | - | - | - |
| AB71 | 663.75 | 667.96 | 4.21 | 14.85 | 19.5 | - | - | - |
| AB71 | 664.75 | 666.80 | 2.05 | - | - | - | 1.00 | 0.20 |
| AB71 | 668.90 | 671.93 | 3.03 | - | - | - | 0.13 | 1.53 |
| AB71 | 715.03 | 719.00 | 3.97 | - | - | - | 1.71 | 1.42 |
| AB72 | 397.28 | 404.64 | 7.36 | 11.98 | 59.0 | - | - | - |
| Inc. | 397.28 | 402.33 | 5.05 | 14.17 | 64.4 | - | - | - |
| AB72 | 411.76 | 431.00 | 19.34 | 9.87 | 26.4 | - | - | - |
| Inc. | 417.33 | 430.33 | 13.00 | 11.92 | 22.3 | - | - | - |
| AB72 | 439.00 | 443.00 | 4.00 | 6.77 | 20.0 | - | - | - |
| Inc. | 439.79 | 440.56 | 0.77 | 29.50 | 38.0 | - | - | - |
| AB72 | 452.90 | 455.17 | 2.77 | - | - | - | 1.16 | 0.03 |

| | | | | | | | | |
|-------------|---------------|---------------|--------------|--------------|-------------|---|------|------|
| AB74 | 419.53 | 424.37 | 4.84 | 5.30 | 21.1 | - | - | - |
| AB74 | 457.77 | 472.72 | 14.94 | 9.16 | 20.2 | - | - | - |
| Inc. | 457.77 | 462.50 | 4.73 | 13.27 | 22.4 | - | - | - |
| AB74 | 412.83 | 417.00 | 4.17 | - | - | - | 1.51 | 0.10 |
| AB73A | 425.80 | 429.79 | 3.99 | 6.07 | 10.0 | - | - | - |
| AB73A | 449.98 | 456.00 | 6.02 | 12.77 | 20.3 | - | - | - |
| AB73A | 504.60 | 511.24 | 6.64 | 7.70 | 22.4 | - | - | - |
| AB73A | 586.70 | 590.67 | 3.97 | 12.38 | 19.5 | - | - | - |
| AB73A | 596.67 | 610.41 | 13.75 | 13.54 | 41.5 | - | - | - |
| AB73A | 616.00 | 634.26 | 18.28 | 6.58 | 21.2 | - | - | - |
| AB73A | 600.80 | 610.41 | 10.41 | - | - | - | 0.14 | 1.14 |
| AB75 | 516.85 | 539.00 | 22.15 | 9.49 | 19.5 | - | - | - |
| Inc. | 528.57 | 536.00 | 7.43 | 12.50 | 14.7 | - | - | - |
| AB75 | 554.23 | 561.00 | 6.77 | 8.12 | 7.7 | - | - | - |
| AB75 | 601.00 | 605.20 | 4.20 | 10.62 | 24.8 | - | - | - |
| AB76 | 402.25 | 408.45 | 6.21 | 8.87 | 25.9 | - | - | - |
| AB76 | 355.60 | 357.75 | 2.15 | - | - | - | 1.12 | 0.20 |
| AB76 | 498.80 | 501.86 | 3.06 | - | - | - | 2.23 | 0.20 |
| AB76 | 568.00 | 570.30 | 2.30 | - | - | - | 1.38 | 0.25 |
| AB77 | 309.84 | 314.18 | 4.34 | 6.88 | 30.4 | - | - | - |
| AB77 | 332.64 | 337.13 | 4.49 | 6.16 | 35.4 | - | - | - |
| AB77 | 359.56 | 363.83 | 4.27 | 5.12 | 11.9 | - | - | - |
| AB77 | 385.65 | 390.40 | 4.75 | 4.99 | 5.1 | - | - | - |
| AB77 | 398.51 | 406.14 | 7.63 | 10.16 | 9.4 | - | - | - |
| AB77 | 432.77 | 442.33 | 9.56 | 8.62 | 7.8 | - | - | - |
| AB77 | 479.54 | 483.83 | 4.29 | 5.70 | 13.0 | - | - | - |
| AB77 | 499.71 | 507.00 | 7.29 | 7.97 | 11.4 | - | - | - |
| AB77 | 521.12 | 574.44 | 53.32 | 10.80 | 19.7 | - | - | - |
| Inc. | 542.33 | 574.44 | 31.67 | 13.49 | 26.9 | - | - | - |
| AB77 | 606.54 | 611.00 | 4.46 | 12.06 | 12.3 | - | - | - |

Appendix 3 – Drill Holes Survey Data

| Hole ID | E | N | Dip | Azi | Depth |
|---------|---------|--------|-----|-----|---------------|
| AB70 | 7273641 | 660573 | -68 | 180 | 649.28 |
| AB71 | 7273648 | 660623 | -70 | 180 | 757.20 |
| AB72 | 7273356 | 660228 | -70 | 360 | 582.92 |
| AB73A | 7273272 | 660379 | -70 | 360 | 655.85 |
| AB74 | 7273255 | 660223 | -70 | 360 | 577.21 |
| AB75 | 7273492 | 660325 | -66 | 180 | 640.40 |
| AB76 | 7273838 | 660572 | -70 | 180 | 609.17 |
| AB77 | 7273674 | 660575 | -67 | 180 | 732.70 |
| AB78 | 7273668 | 660523 | -70 | 180 | 695.00 |
| AB79 | 7273078 | 660358 | -75 | 360 | 719.45 |
| AB80 | 7273126 | 660494 | -70 | 360 | 706.70 |
| AB81 | 7273226 | 660663 | -70 | 360 | 696.00 |