



## ASX ANNOUNCEMENT

17 April 2019

ASX: G1A

### KINGFISHER SECOND \$5M TRANCHE SHARE ISSUANCE

**GALENA MINING LTD.** ("**Galena**" or the "**Company**") (**ASX: G1A**) is pleased to announce that, following completion of the transaction with Toho Zinc Co., Ltd. ("**Toho**") to invest \$90 million for a 40% joint-venture investment in Abra Mining Pty Ltd ("**AMPL**") as described in the Company's ASX announcements of 30 January 2019, 1 April 2019 and 12 April 2019 ("**Toho Transaction**"), it has received the second and final payment of \$5M from Kingfisher Capital Pte Ltd ("**Kingfisher Capital**") as part of the strategic investment transaction announced on 22 March 2019.

The Company has today issued Kingfisher Capital Pte Ltd 12,500,000 shares at \$0.40/share together with 2,500,000 million options (1,250,000 with a strike price of \$0.50/share and 1,250,000 with a strike price of \$0.60/share), with an expiry of four years from issuance date.

Galena also reports that closing formalities for the Toho Transaction were completed and AMPL issued new shares to CBH Western Australia Pty Ltd ("**CBHWA**", a wholly-owned subsidiary of Toho) such that AMPL is now owned 8.89% by CBHWA and 91.11% by the Company. The Company has also received a \$5 million intercompany loan repayment from AMPL.

**Galena Mining Ltd.,**

A handwritten signature in blue ink, appearing to read 'Alex Molyneux', is positioned above a horizontal line.

**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

91.11% 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%.<sup>1</sup>

*Note: 1. Information relating to the production target and financial information derived from the production target is extracted from the ASX announcement of 25 September 2018. Galena confirms that all material assumptions underpinning the production target, or forecast financial information derived from a production target, in that announcement continue to apply and have not materially changed.*

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

| Resource classification | Tonnes (Mt) | Lead grade (%) | Silver grade (g/t) |
|-------------------------|-------------|----------------|--------------------|
| 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. Galena confirms that it not aware of any new information or data that materially affects the information included in Galena's ASX announcement of 18 December 2018 and confirms that all material assumptions and technical parameters underpinning the resource estimates continue to apply and have not materially changed. 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. Galena confirms that it not aware of any new information or data that materially affects the information included in Galena's ASX announcement of 18 December 2018 and confirms that all material assumptions and technical parameters underpinning the ore reserve estimates continue to apply and have not materially changed. 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

