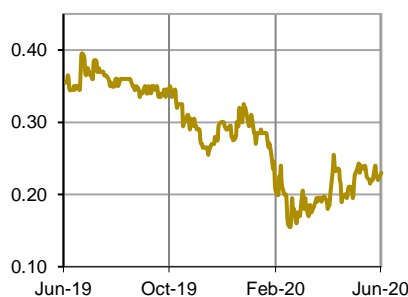


Galena Mining Limited (ASX G1A)

30 June 2020

Stock Data

Share Price:	A\$0.23
Market Cap (M):	A\$92.7
EV (M):	A\$70.97

Price Chart

52 Week Range

A\$0.15	A\$0.23
A\$0.41	

Company Summary

Galena Mining is focusing on bringing its 60% owned Abra lead-silver mine into production in late 2022. Recent exploration has confirmed the copper/gold potential surrounding the Abra property.

MAIN SHAREHOLDERS	HOLDING
Bloomgold Res PL	17.18%
Roberts Timothy Andrew	14.37%
Warburton Por PTY	7.88%
UBS AG	7.72%

Source: Galena Mining

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Galena Mining announces a gold & copper mineralisation/exploration update

The Event

Galena Mining (“Galena”) has announced a series of recent exploration related activities, including geophysical work and geological modelling, with the interpretation work leading to the identification of new gold and base metals drilling targets at the Abra Base Metals Project (“Abra”) (86.16% owned) and within a recently expanded Jillawarra Project area (100% owned).

Highlights

The highlights of the press release are:

- Significant progress on gold-copper mineralisation at Abra – Identification of gold mineralisation trends and associated key structures potentially controlling the ingress of base and precious metals rich fluids into the deposit from depth
- Development of priority drilling targets specifically for gold and copper at Abra
- Acquisition of new strategic exploration tenement comprising highly prospective stratigraphic units and significant historical copper intercepts up to 14m @ 1.2% Cu, located between the Company’s 100% owned Jillawarra Project and the Abra tenements
- Gravity survey completed at Jillawarra, with preliminary data indicating several gravity anomalies coincident with magnetic anomalies near important regional structures

Comment

BHC is surprised that Galena is following up on the copper-gold potential of the area so quickly. We had believed that the lead mine would be brought into production before any serious work on the copper-gold potential commenced. However, it was known that Galena had to meet minimum exploration funding at the Jillawarra leases under the “use it or lose it” principal.

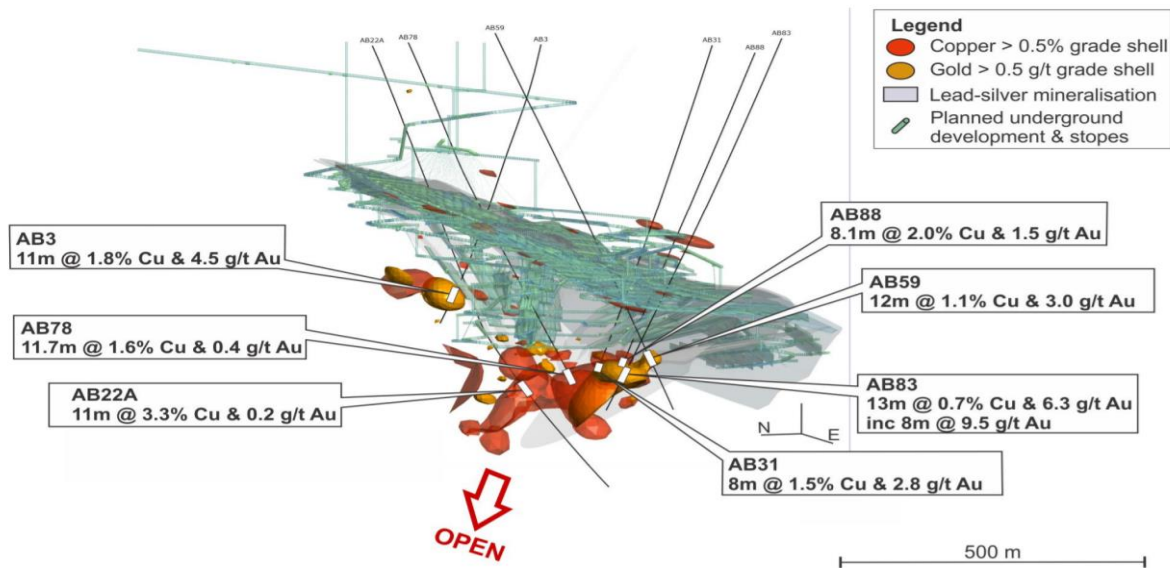
BHC views this exploration update as being extremely positive. With the Abra lead mine now 11% complete, it is anticipated that once in production, it will be able to fund an aggressive exploration programme from cashflows. Potential investors should be regarding Galena as substantially more than the owner of 60% of a profitable lead/silver mine. This exploration update suggests that there is much more to Galena than this. Galena now has 76km of strike on 100% owned tenements to the west of Abra that contain high priority target zones for copper/gold mineralisation.

Previous drilling campaigns has intercepted mineable widths of copper-gold mineralisation in at least 7 drill holes. To date there are no plans to mine the copper ore, but once the underground development is in place, Galena had planned to drill out the copper mineralisation from underground. This mineralisation remains open down dip. Historically, there has been an exploration target calculated for this zone of between 1 and 3.5Mt grading between 0.8% copper and 0.6g/t gold and 1.0% copper and 0.6g/t gold by Snowden in the original Galena prospectus. These figures do not include the most recent drill results and should be considered of historic interest only.

Recent drilling has indicated that the copper and gold grades will be significantly higher.

Following completion of the most recent drilling programs, Galena completed a downhole electromagnetic (“EM”) survey on a number of holes including drill-hole AB102, drilled at the southern side of the Abra deposit and identified several EM conductors. Due to the advanced knowledge acquired with the recent drilling programs, most of the EM conductors can be explained as correlated to the flat lying Apron Zone lead-silver lodes and some correlated to the sub-vertical Core Zone lead-silver mineralisation as shown in Exhibit 1. However, a large and deep conductive, still untested EM conductor has been identified at the southern end of the deposit. This conductive plate has gained significant importance by the recognition of potential structural control on the ingress of base and precious metals mineralisation into the deposit as shown in Exhibit 2.

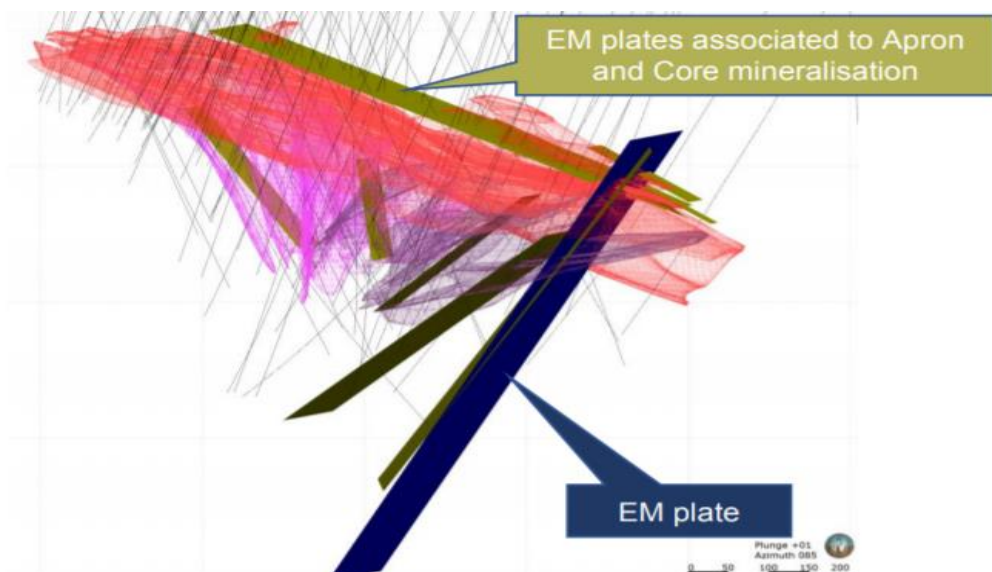
Exhibit 1: An Emerging Copper Story



Source: Galena Mining

Detailed evaluation and structural interpretation continued. As a result, the Company’s geological team has developed a high confidence in the identification of two north northeast to south-southwest structures (NE1, NE2), which appear related to gold distribution at Abra. The coincidence of these structures is also related to the possible source of lead-silver-copper-gold mineralisation at Abra.

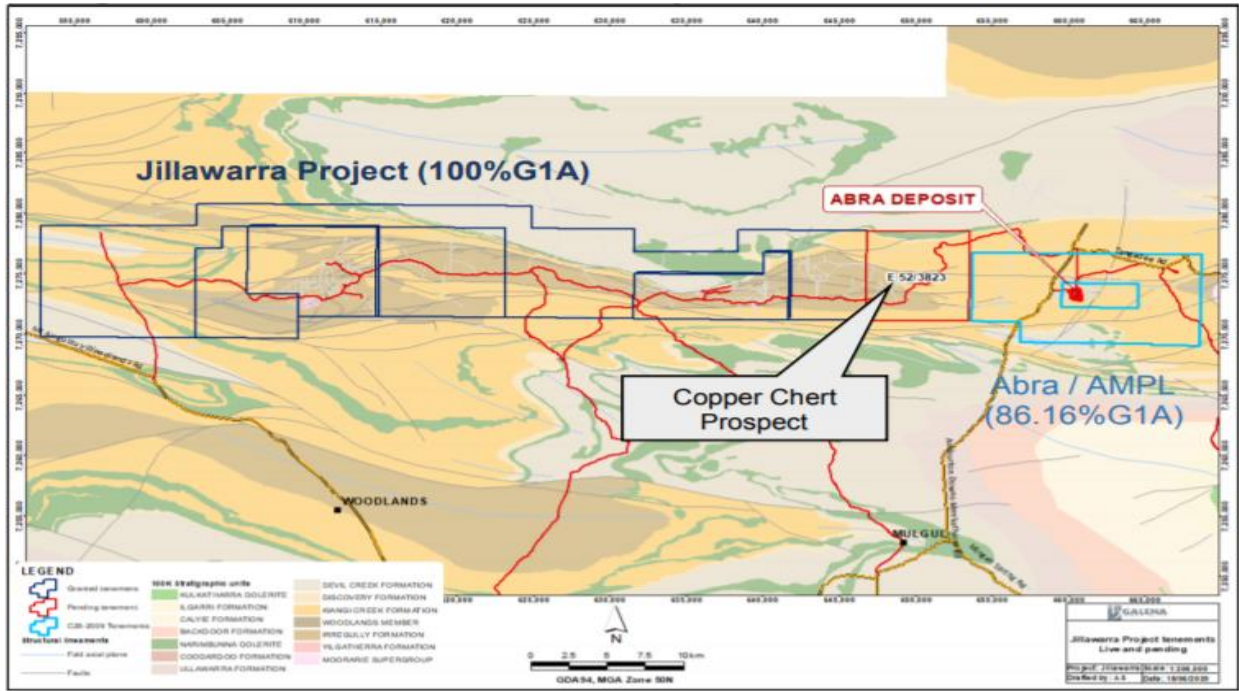
Exhibit 2: Abra mineralisation domains (Apron & Core Zones) and the correlation to the interpreted position of the electromagnetic conductivity plates



Source: Galena Mining

Galena has also recently lodged an Exploration Licence Application (E52/3823) over tenure proximal to Abra, containing a prospect known as Copper Chert Prospect (“Copper Chert Tenement”). The Copper Chert Tenement (Exhibit 3) is approximately 50 km² in size and covers the area between the Company’s existing wholly-owned 461 km² Jillawarra exploration licence package to its west and the licence package of Galena’s 86.16% owned subsidiary AMPL to its east.

Exhibit 3: Galena tenement package, including Jillawarra Project and the newly acquired Copper Chert Tenement, as well as the AMPL licence package



Source: Galena Mining

The Copper Chert Tenement is considered a strategic addition to the Company’s existing tenure in the Edmund Basin of the Gascoyne Province for three key reasons:

- Consolidation of the Galena exploration tenement package comprising the totality of the Jillawarra sub-basin for a total of 76 km in length.
- Presence of the highly prospective stratigraphic units of the Jillawarra sub-basin of the Edmund Basin, known to host the Abra polymetallic deposit, and other base metal prospects such as, 46-40, Woodlands, Hyperion, Genie and Quartzite Well Prospects.
- Near surface historical copper mineralisation with significant intercepts

These intercepts graded up to 2.96% copper and were mostly quite shallow, although the average grade would be about 0.6% copper. Galena believes that the Copper Chert Tenement remains underexplored, with several geophysical anomalies and a large portion of the highly prospective stratigraphic units still to be tested. The application of modern geophysical modelling tools will assist in the definition of the depth to some of the geophysical targets. This combined with the current understanding of the mineralisation controls of Abra will potentialize the success of the drill targets.

Research Disclosures

Peter Rose

Peter has 34 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 13 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

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Research disclosure as of 30 June 2020

<u>Company Name</u>	<u>Disclosure</u>
Galena Mining Ltd (ASX G1A)	2, 7

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