

GALENA MINING LIMITED
ACN 616 317 778

PROSPECTUS

For an offer of 30,000,000 Shares at issue price of \$0.20 per Share to raise \$6,000,000.

Joint Lead Managers to the Offer:

Hartleys Limited
ACN 104 195 057
AFSL 230052



Hartleys

Peloton Capital Pty Ltd
ACN 149 540 018
AFSL 406040



PELOTON
CAPITAL

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Shares offered by this Prospectus should be considered highly speculative.**

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CORPORATE DIRECTORY

Directors

Adrian Byass
Non-Executive Chairman

Jonathan Downes
Non-Executive Director

Oliver Cairns
Non-Executive Director

Chief Executive Officer

Edward Turner

Company Secretary

Stephen Brockhurst

Registered Office

'London House' Level 11
216 St Georges Terrace
Perth WA 6000

Telephone: + 61 8 6461 6350
Facsimile: +61 8 6210 1872

Email: admin@galenamining.com.au
Website: www.galenamining.com.au

Proposed ASX Code

G1A

Share Registry

Security Transfer Australia Pty Ltd
770 Canning Highway
Applecross WA 6153

Telephone (Aus): 1300 992 916
Telephone (Intl): + 61 3 9315 2233

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Auditor

PKF Mack
Level 4
35 Havelock Street
West Perth WA 6005

Joint Lead Managers

Hartleys Limited
Level 6, 141 St Georges Terrace
Perth WA 6000

Peloton Capital Pty Ltd
Level 5, 56 Pitt Street
Sydney NSW 2000

Investigating Accountant

PKF Mack
Level 4
35 Havelock Street
West Perth WA 6005

Independent Geologist

Snowden Mining Industry Consultants Pty
Ltd
Level 6, 130 Stirling Street
Perth WA 6000

IMPORTANT NOTICE

This Prospectus is dated 12 May 2017 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be released or distributed in the United States of America.

Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.galenamining.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus

free of charge by contacting the Company by phone on +61 8 6461 6350 during office hours or by emailing the Company at admin@galenamining.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Website

No document or information included on our website is incorporated by reference into this Prospectus.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this prospectus are illustrative only and may not be drawn to scale.

Definitions

Terms used in this Prospectus are defined in the Glossary in section 14.

CHAIRMAN'S LETTER

Dear Investor

On behalf of the Directors, it gives me great pleasure to invite you to become a Shareholder in Galena Mining Limited (**Galena** or **Company**). Galena is a Perth-based mineral exploration company established with the purpose of acquiring an interest (via the acquisition of all of the shares in Abra Mining Pty Limited (ACN 110 233 577) (**Abra**) and then exploring and developing the Abra base-metal deposit located in the mid-west region of Western Australia.

On 23 February 2017, the Company entered into a share sale agreement to acquire all of the issued share capital of Abra from Abra's sole shareholder Bloomgold Resources Pty Ltd (ACN 612 918 993). Abra is the holder of the Mulgul and Jillawarra Projects located in the Bangemall Basin, Western Australia. Further details on the terms and conditions of the Share Sale Agreement are set out in Section 11.1.

The Mulgul Project contains a very large lead-silver deposit with separate zones of gold-copper rich mineralisation and several associated exploration prospects with significant historic drill intercepts. The lead-silver deposit located within the Mulgul Project (**Abra Deposit**) is well drilled, comprises a coherent zone of medium-grade mineralisation with a defined high-grade lead-silver core. It has been the subject of several studies with historical expenditure estimated at \$20 million.

The Abra Deposit is located on M52/0776 (within the Mulgul Project) and the main exploration prospects outside of the Abra Deposit are located on E52/1455 and E52/1413 (within the Mulgul and Jillawarra Projects).

The purpose of the Offer is to provide funds for the Company to undertake drilling and exploration on the Mulgul and Jillawarra Projects and scoping studies and other economic evaluation on the Abra Deposit, pay the cash component of the Share Sale Agreement as well as for general administration and working capital purposes.

This Prospectus is seeking to raise \$6,000,000 by the issue of 30,000,000 Shares at an issue price of \$0.20 per Share.

Galena has assembled an experienced management and exploration team which is well qualified to exploit the potential of the Company's mineral assets. The Board has extensive corporate history in the exploration, development, financing and production of precious and base-metals deposits.

The Board is pleased to present this investment opportunity to you and sharing in what we believe will be exciting and prospective times ahead for the Company. Before you make your investment decision, I urge you to read this Prospectus in its entirety and recommend that you seek professional investment advice.

Yours sincerely



Adrian Byass
Non-Executive Chairman
GALENA MINING LIMITED

KEY OFFER INFORMATION

KEY DATES - Indicative timetable*

Lodgement of Prospectus with the ASIC	12 May 2017
Opening Date	22 May 2017
Closing Date	12 June 2017
Despatch of holding statements	26 June 2017
Expected date for quotation on ASX	10 July 2017

** The above dates are indicative only and may change without notice. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to Applicants.*

KEY OFFER DETAILS

Offer Price per Share	\$0.20
Shares to be issued under Offer	30,000,000
Total number of Shares on issue following the Offer	49,600,000
Gross Proceeds of the Offer	\$6,000,000

1. INVESTMENT OVERVIEW

Item	Summary	Further information
A. Company		
Who is the issuer of this Prospectus?	Galena Mining Limited (ACN 616 317 778) (Company or Galena).	Section 3.1
Who is the Company?	<p>The Company was incorporated as an unlisted public company limited by shares on 7 December 2016.</p> <p>The Company has entered into a Share Sale Agreement pursuant to which it will acquire all of the issued share capital of Abra, from Abra's sole shareholder Bloomgold, on certain terms and conditions.</p> <p>Abra is the holder of the Mulgul Project and Jillawarra Project located in the Bangemall Basin, Western Australia.</p> <p>The Company's focus, following Completion of the Share Sale Agreement, will be the exploration and development of the Project.</p>	Sections 3.1, 3.2, 3.3 and 11.1
What is the Company interest in the Mulgul Project?	<p>Upon settlement of the Share Sale Agreement, the Company will hold a 100% interest in the Mulgul Project through its wholly-owned subsidiary, Abra.</p> <p>The Mulgul Project consists of the following mining lease and exploration licences:</p> <ul style="list-style-type: none"> • M52/0776; • E52/1455; and • E52/2185 	Sections 3.1, 3.3 and 11.1
What is the Company's interest in the Jillawarra Project?	<p>Upon settlement of the Share Sale Agreement, the Company will hold a 100% interest in the Jillawarra Project through its wholly-owned subsidiary, Abra.</p> <p>The Jillawarra Project consists of the following exploration licences:</p> <ul style="list-style-type: none"> • E52/1413; and • E52/1971. 	Sections 3.1, 3.2 and 5
What are the Company's other interests?	Upon settlement of the Share Sale Agreement, the Company will hold a 100% interest in G52/286 (a licence set aside for a camp) and L52/121 (a miscellaneous licence for an airstrip) through its wholly-owned subsidiary, Abra.	Sections 3.1, 3.2 and 5
What is the Company's business model?	<p>The Company's business model will focus on systematic exploration and work programmes planned for the Mulgul and Jillawarra Projects.</p> <p>A detailed explanation of the Company's business model is provided at Sections 3.3 and 5.</p>	Sections 3.3 and 5

Item	Summary	Further information
B. Business Model		
What are the key business objectives of the Company?	<p>The Company's management strategy and the purpose of this Offer is to provide Galena with funding to:</p> <ul style="list-style-type: none"> (a) systematically explore the Company's key projects, being the Mulgul and Jillawarra Projects, by conducting drilling and assaying, resource modelling and metallurgical testing; (b) conduct scoping studies and other economic evaluation and studies on the Abra lead-silver deposit located within the Mulgul Project; and (c) provide working capital for the Company. 	Section 3.3
C. Key Advantages and Key Risks		
What are the key advantages of an investment in the Company?	<p>The Directors are of the view that an investment in the Company provides the following non-exclusive list of advantages:</p> <ul style="list-style-type: none"> (a) the principal asset is highly advanced, well drilled and, upon completion of the Share Sale Agreement, will be 100% owned by the Company; and (b) the Company has a highly credible and experienced team to progress exploration and accelerate potential development of the Project. 	Section 3
What are the key risks of an investment in the Company?	<p>The business, assets and operations of the Company, including following admission to the official list of the ASX, have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Shares of the Company.</p> <p>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.</p> <p>Based on the information available, a non-exhaustive list of the key risk factors affecting the Company are as follows:</p> <ul style="list-style-type: none"> (a) Limited History: The Company was only recently incorporated (7 December 2016) and has no operating history and limited historical financial performance. No assurance can be given that the Company will achieve commercial viability through the successful exploration of the Projects. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses (b) Exploration and Development: Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. 	Section 4

Item	Summary	Further information
	<p>Success in this process involves, among other things discovery and proving-up, or acquiring, an economically recoverable resource or reserve and access to adequate capital throughout the acquisition/discovery and project development phases.</p> <p>(c) Conditions to Tenements: Interests in tenements in Western Australia are governed by legislation and are evidenced by the granting of leases and licences by the State. The Company is subject to the <i>Mining Act 1978</i> (WA) (and the Company has an obligation to meet conditions that apply to the Tenements, including the payment of rent and prescribed annual expenditure commitments. The Tenements in which the Company will acquire an interest (subject to settlement of the Share Sale Agreement) are subject to annual review and periodic renewal.</p> <p>In particular E52/1455 has an extension of term pending. Due to this, the tenement is rated as fair standing. Snowden Mining Industry Consultants Pty Ltd believe that there is a risk of refusal, which would result in the loss of tenure. It is noted that the Abra Deposit is not located on any tenements identified as pending renewal.</p> <p>While it is the Company's intention to satisfy the conditions that apply to the Tenements, there can be no guarantees made that, in the future, the Tenements that are subject to renewal will be renewed or that minimum expenditure and other conditions that apply to the Tenements will be satisfied.</p> <p>(d) Native title and Aboriginal heritage: A native title determination has been made over the area which includes the Tenements. The ability of the Company to gain access to the Tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected.</p> <p>(e) Results of Studies: Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in respect to the Projects. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies. Even if a study confirms the economic viability of the Projects, there can be no guarantee that the project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (e.g. operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on</p>	

Item	Summary	Further information
	<p>the Company's ability to raise further funds to complete the study if required.</p> <p>(f) Reliance on key management: The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>Further information regarding these key risks and other risks associated with the Company are disclosed at Section 4.</p>	
D. Directors and Key Management Personnel		
Directors	<p>The current Board is not anticipated to change upon listing, and shall be comprised of:</p> <p>(a) Mr Adrian Byass;</p> <p>(b) Mr Jonathan Downes; and</p> <p>(c) Mr Oliver Cairns.</p>	Section 9.1
Other Key Management Personnel	<p>The Company's Chief Executive Officer is Mr Edward Turner.</p> <p>Other than the Directors listed above and Mr Turner, the Company does not have any other Key Management Personnel.</p>	Section 9.1
What are the Director's interests in the Company?	Each Director's interest in the Company is set out at Section 9.2.	Section 9.2 and 12.5
E. Financial Information		
How has the Company performed over the past 12 months?	<p>The Company was only recently incorporated (7 December 2016) and has no operating history and limited historical financial performance. The Company is yet to conduct its own exploration activities on the Project and will not commence these activities until the Company has been admitted to the Official List.</p> <p>As a result, the Company is not in a position to disclose any key financial ratios other than its statement of profit and loss, statement of cash flows and pro-forma balance sheet which is set out in Section 7.</p> <p>The historical financial statements for Abra which are referred to in Section 6 were lodged with ASIC on 12 May 2017 and are incorporated by reference into this Prospectus by operation of section 712 of the Corporations Act. The Company will give a copy of these statements to any person who requests a copy during the offer period, free of charge.</p>	Sections 6 and 7

Item	Summary	Further information
What is the financial outlook for the Company?	<p>Given the current status of the Projects which the Company will acquire an interest in subject to settlement of the Share Sale Agreement and the speculative nature of mineral exploration, the Directors do not consider it appropriate to forecast future earnings.</p> <p>Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.</p>	Sections 6 and 7
F. Offer		
What is being offered?	<p>The Offer is an offer of 30,000,000 Shares at an issue price of \$0.20 per Share to raise \$6,000,000 (before costs). The Offer is not underwritten.</p> <p>The purpose of the Offer is to facilitate an application by the Company for admission of the Company to the official list of the ASX and to position the Company to seek to achieve the objectives stated at section B above.</p> <p>The Board believes that on completion of the Offer, the Company will have sufficient working capital to achieve its objectives.</p>	Section 2
What will the Company's capital structure look like after completion of the Offer?	The Company's capital structure on a post-Offer basis is set out in Section 3.8.	Section 3.8
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer is set out in Section 12.2.	Section 12.2
Will any of the Shares issued under the Offer be subject to escrow?	No, none of the Shares issued under the Offer will be subject to escrow.	Section 2.6
Will the Shares issued under the Offer be quoted?	The Company will make an application to ASX for quotation of all Shares to be issued under the Offer.	Section 2.6
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in the Key Offer Information Section.	Key Offer Information Section

Item	Summary	Further information
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).	Section 2.5
Are there any conditions to the Offer?	No, other than the Minimum Subscription, the offer is unconditional.	Section 2.2
G. Use of proceeds		
How will the proceeds of the Offer be used?	<p>The Offer proceeds and the Company's existing cash reserves will be used for:</p> <ul style="list-style-type: none"> (a) drilling and exploration on the Mulgul and Jillawarra Projects; (b) scoping studies on the Abra Deposit; (c) payment of the cash component of the consideration under the Share Sale Agreement; and (d) general working capital. 	Section 2.3
H. Additional information		
Is there any brokerage, commission or stamp duty payable by applicants?	<p>No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offer.</p> <p>However the Company will pay a fee to the Joint Lead Managers of 6% (ex GST) of the total amount raised under the Prospectus.</p>	Sections 2.4 and 2.11
What are the tax implications of investing in Shares?	<p>Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares issued under this Prospectus.</p> <p>The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	Section 2.4

Item	Summary	Further information
What are the corporate governance principles and policies of the Company?	<p>To the extent applicable, in light of the Company's size and nature, the Company has adopted <i>The Corporate Governance Principles and Recommendations (3rd Edition)</i> as published by ASX Corporate Governance Council (Recommendations).</p> <p>The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 10.</p> <p>In addition, the Company's full Corporate Governance Plan is available from the Company's website (www.galenamining.com.au).</p> <p>Prior to listing on the ASX, the Company will announce its main corporate governance policies and practices and the Company's compliance and departures from the Recommendations.</p>	Section 10
Where can I find more information?	<p>(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser.</p> <p>(b) By contacting the Company Secretary on +61 8 6461 6350.</p> <p>(c) By contacting the Share Registry on +61 3 9628 2200.</p>	

This section is a summary only and not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

2. DETAILS OF THE OFFER

2.1 The Offer

Pursuant to this Prospectus, the Company invites applications for 30,000,000 Shares at an issue price of \$0.20 per Share to raise \$6,000,000. The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

2.2 Minimum subscription

The minimum amount which must be raised under this Prospectus is \$6,000,000 (**Minimum Subscription**). If the Minimum Subscription has not been raised within 4 months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

2.3 Use of Funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves, over the first two years following admission of the Company to the official list of ASX as follows:

Funds available	\$6,000,000 Subscription (\$)	Percentage of Funds (%)
Existing cash reserves ¹	415,792	6.48
Funds raised from the Offer	6,000,000	93.52
Total	6,415,792	100
Allocation of funds		
Cash payment to Bloomgold pursuant to Share Sale Agreement ²	1,200,000	18.70
Exploration/Drilling/Development ³	2,500,000	38.97
Administration costs	1,608,000	25.06
Working capital	546,442	8.52
Costs of the Offer ⁴	561,350	8.75
Total	6,415,792	100

Notes:

1. Refer to the financial information set out in Section 6 for further details.
2. Refer to the summary of the Share Sale Agreement in Section 11.1.
3. Refer to Sections 3.3 and 5 for further details.
4. Refer to Section 12.8 for further details.

It should be noted that the Company's budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration and evaluation work carried out. This will involve an ongoing assessment of the Company's mineral interests. The results obtained from exploration and evaluation programs may lead to increased or decreased levels of expenditure on certain projects reflecting a change in emphasis.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 4.

2.4 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offer.

2.5 Applications

Applications for Shares under the Offer must be made using the Application Form.

By completing an Application Form, each Applicant under the Offer will be taken to have declared that all details and statements made by you are complete and accurate and that you have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to **"Galena Mining Limited Share Issue Account"** and crossed **"Not Negotiable"**, must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (WST) on the Closing Date, which is scheduled to occur on 12 June 2017.

The Company reserves the right to close the Offer early.

If you require assistance in completing an Application Form, please contact the Share Registry on +61 3 9628 2200.

2.6 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application

monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

Subject to the Company being admitted to the Official List, certain Shares and Options on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. The Board does not expect that any Shares issued under the Offer will be subject to escrow under the ASX Listing Rules.

The Company will announce to the ASX full details (quantity and duration) of the Shares and Options required to be held in escrow prior to the Shares commencing trading on ASX.

2.7 Issue

Subject to the Minimum Subscription to the Offer being reached and ASX granting conditional approval for the Company to be admitted to the Official List, issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of the issued Shares in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

2.8 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

2.9 Not underwritten

The Offer is not underwritten.

2.10 Joint Lead Managers

Hartleys Limited (ABN 33 104 195 057) (AFSL: 230052) and Peloton Capital Pty Ltd (ABN 22 149 540 018) (AFSL: 406040) have been appointed as joint lead managers to the Offer.

The terms of the Joint Lead Manager mandates with Peloton Capital and Hartleys Limited are summarised in Section 11.2.

2.11 Commissions payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee. The Joint Lead Managers will be responsible for paying all commissions that the Joint Lead Managers and the Company agree with any other licensed securities dealers or Australian financial services licensee out of the fees paid by the Company to the Joint Lead Managers under the Joint Lead Manager mandates.

3. COMPANY AND PROJECTS OVERVIEW

3.1 Background

The Company was incorporated as an unlisted public company limited by shares on 7 December 2016, for the purpose of acquiring Abra and then proceeding to explore and develop the Projects.

On 23 February 2017, the Company entered into the Share Sale Agreement with Bloomgold and Abra pursuant to which, subject to satisfaction (or waiver) of certain terms and conditions, the Company will acquire the Abra Shares. Abra is the sole holder of the Tenements. A summary of the Share Sale Agreement is set out in Section 11.1.

As further set out in the Solicitor's Report on Tenements (Section 8) and the Independent Competent Persons Geological Report (Section 5), upon settlement of the Share Sale Agreement, the projects which the Company will have an interest in, by virtue of its 100% shareholding in Abra, will consist of the following tenements:

- (a) Mulgul Project: M52/0776, E52/1455 and E52/2185;
- (b) Jillawarra Project: E52/1413 and E52/1971;
- (c) Camp: G52/286; and
- (d) Airstrip: L52/121,

(together the **Tenements**).

3.2 Overview of Projects

3.2.1 Mulgul Project

The Mulgul Project is a group of mineral tenements that host the large scale Abra lead and silver deposit as well as other prospects. The focus of the Company will be centred on the key Abra Deposit which is discussed in detail in the Independent Competent Persons Geological Report in Section 5.

3.2.2 Jillawarra Project

The Jillawarra Project is a group of mineral tenements that host several prospects. While the Board is encouraged by the historic exploration results from the Jillawarra Project area, the focus of the Company will be on the advanced Abra Deposit located on the Mulgul Project. The Jillawarra Project is discussed in detail in the Independent Competent Persons Geological Report in Section 5.

3.2.3 Camp and Airstrip

G52/286 is a miscellaneous licence covering the camp location. L52/121 is a miscellaneous licence covering an airstrip.

Refer to the Independent Competent Persons Geological Report for further information in respect of these licences.

3.3 Business Model

3.3.1 Proposed Exploration Program and Expenditure

The primary objective of the Company will be to focus on mineral exploration of resource opportunities that have the potential to deliver growth for Shareholders.

Work programmes have been budgeted and include, but are not limited to, drilling and assaying, resource modelling, metallurgical testing and potential mine scoping studies as well heritage and tenement administration, general administration and geological services in relation to the Mulgul and Jillawarra Projects. The work programmes for the first two years across both the Mulgul and Jillawarra Projects have been budgeted at \$2,500,000.

Further details of the Company's intended exploration program are contained in the Independent Competent Persons Geological Report in Section 5.

The exploration programs and budgeted expenditure outlined in the Independent Competent Persons Geological Report are subject to modification on an ongoing basis and is contingent on circumstances, results and other opportunities. Expenditure may be reallocated as a consequence of such changes or new opportunities arising and will always be prioritised in accordance with due regard to geological merit and other business decisions related to the Company's activities. Ongoing assessment of the Company's Projects may lead to increased or decreased levels of expenditure reflecting a change of emphasis.

3.3.2 Competent Person's Statement

The information in this Prospectus that relates to Exploration Results of the Company has been reviewed by Mr. Ed Turner, who is an employee of Galena Mining Limited and is a member of the Australasian Institute of Geoscientists and is bound by and follows the Institute's codes and recommended practices. Mr Ed Turner has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the VALMIN Code and in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Turner consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

The information in this Prospectus that relates to Exploration Targets of the Company has been reviewed by Mr. Jeremy Peters, who is engaged as the independent geologist by the Company and is a full time employee of Snowden Mining Industry Consultants Pty Ltd. Mr Jeremy Peters is a Fellow of the Australasian Institute of Mining and Metallurgy and is a Chartered professional (geology, Mining) of that organisation and is bound by and follows the Institute's codes and recommended practices. Mr Jeremy Peters has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Jeremy Peters consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

3.3.3 Strategy Post Listing

The primary objective of the Company will be to focus on mineral exploration of resource opportunities that have the potential to deliver growth for Shareholders. In order to achieve this objective following Official Quotation the Company proposes to undertake the exploration programs highlighted above and further explained in the Independent Competent Persons Geological Report in Section 5. The results of the exploration programs will determine the economic viability and possible timing for the commencement of further work including pre-feasibility studies and possible commencement of mining operations on the Projects.

In summary, the Company's management strategy and purpose of this Offer is to provide the Company with funding to:

- (a) explore the other prospects on the Mulgul Project area to seek to outline potential economic mineralisation;
- (b) explore the other prospects on the Jillawara Project area to seek to outline potential economic mineralisation;
- (c) further test and evaluate the Abra Deposit to determine the potential for mining operations;
- (d) pay the cash component of the consideration under the Share Sale Agreement; and
- (e) provide working capital for the Company.

The Company has sufficient working capital to carry out its stated objectives for the two years following admission to the official list of ASX. Further information regarding the Company's planned activities is set out in Independent Competent Persons Geological Report in Section 5.

3.4 Directors and key personnel

Adrian Byass BSc Geol Hons, B. Econ, FSEG and MAIG

Non-Executive Chairman

Mr Byass has over 20 years' experience in the mining and minerals industry. This experience has principally been gained through evaluation and development of mining projects for a range of base, precious and specialty metals and bulk commodities.

Due to his experience in resource estimation and professional association membership, Mr Byass is a competent person for reporting to the ASX for certain minerals. Mr Byass has also gained experience in corporate finance, capital raising, permitting and delivery of production-ready mining projects.

Mr Byass is the Executive Chairman of Plymouth Minerals Limited and is a non-executive director of Corazon Mining Limited and Fertoz Limited.

The Directors do not consider that Mr Byass' other directorships will affect his ability to act as Non-Executive Chairman of the Company.

Jonathan Downes BSc Geol, MAIG

Non-Executive Director

Mr Downes has over 20 years' experience in the minerals industry and has worked in various geological and corporate capacities. Experienced with nickel, gold and base metals, he has also been intimately involved with numerous private and public capital raisings.

Mr Downes is on the board of several ASX-listed companies; he is a founding director of Moly Mines Limited, Siberia Mining Corporation Limited, Wolf Minerals Limited and Ironbark Zinc Limited and he is currently the managing director of Ironbark Zinc Limited and is a non-executive director of Corazon Mining Limited.

The Directors do not consider that Mr Downes' other directorships will affect his ability to act as a Non-Executive Director of the Company.

Oliver Cairns MSI

Non-Executive Director

Mr Cairns has over 17 years' experience in the small to mid-cap corporate and capital markets space. A corporate financier, he was a Nominated Advisor for AIM companies in London for over eight years before relocating to Perth in 2007 where he established Pursuit Capital, a corporate and strategic advisory firm. His wide experience covers international capital raisings, M&A, IPOs, regulatory advice, investor relations and corporate governance.

Mr Cairns is a non-executive director of Vmoto Limited and is a member of the Securities Institute (UK).

The Directors do not consider that Mr Cairns' other directorship will affect his ability to act as a Non-Executive Director of the Company.

Other Management

Edward Turner B App Sc (Geol), MAIG

Chief Executive Officer

Mr Turner has 30 years' experience as a Geologist in Europe, South America, Africa and Australia. His roles have covered exploration and development of base, precious and specialty metals for leading mining companies. Mr Turner has extensive experience in the economic studies of base-metal deposits in open-pit and underground scenarios and related mining experience.

He is the former Exploration Manager for Abra from 2008-2011. The Directors consider that Mr Turner brings a wealth of experience in relation to the Abra Deposit, its exploration history and the ability to efficiently advance the Project.

Stephen Brockhurst BComm

Company Secretary

Mr Brockhurst has 15 years' experience in the finance and corporate advisory industry and has been responsible for the preparation of the due diligence process and prospectuses on a number of initial public offers. His experience includes corporate and capital structuring, corporate advisory and company secretarial services, capital raising, ASX and ASIC compliance requirements.

Mr Brockhurst has served on the board and acted as Company Secretary for numerous ASX listed companies. He is currently a Director of Estrella Resources Limited, Roto-Gro International Limited and International Goldfields Limited and Company Secretary of Jacka Resources Limited, Lindian Resources Limited, Volt Resources Limited, Cabral Resources Limited, Raptor Resources Limited and Estrella Resources Limited.

The Company is aware of the need to have sufficient management to properly supervise the exploration and (if successful) for the development of the projects in which the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company. As the Company's projects require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management.

3.5 Additional Information

Prospective investors are referred to and encouraged to read in its entirety both the:

- (a) the Independent Competent Persons Geological Report in Section 5 for further details about the geology, location and mineral potential of the projects in which the Company will, subject to settlement of the Share Sale Agreement, have an interest; and
- (b) the Solicitor's Report on Tenements in Section 8 for further details in respect to Abra's interests in the Tenements.

3.6 Dividend Policy

The Board anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the first two year periods following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

3.7 Financial Information

The Company was incorporated on 7 December 2016 and has no operating history and limited historical financial performance and has not generated any revenue or incurred any expenses.

As a result, the Company is not in a position to disclose any key financial ratios other than its statement of profit and loss, statement of cash flows and pro-forma balance sheet which is included in the Independent Limited Assurance Report set out in Section 7.

The historical financial statements for Abra which are referred to in Section 6 were lodged with ASIC on 12 May 2017 and are incorporated by reference into this Prospectus by operation of section 712 of the Corporations Act. The Company will

give a copy of these statements to any person who requests a copy during the offer period, free of charge.

3.8 Capital Structure

The capital structure of the Company following completion of the Offer is summarised below¹:

Shares²

	Number
Shares currently on issue ³	8,100,000
Shares to be issued pursuant to the Share Sale Agreement ⁴	11,500,000
Shares to be issued pursuant to the Offer	30,000,000
Total Shares on completion of the Offer	49,600,000

Options

	Number
Options currently on issue ⁵	5,700,000
Options to be issued pursuant to the Offer	Nil
Options to be issued to CEO prior to Official Quotation ⁶	250,000
Total Options on completion of the Offer	5,950,000

Notes:

1. Refer to the Independent Limited Assurance Report set out in Section 7 for further details.
2. The rights attaching to the Shares are summarised in Section 12.2.
3. The Shares currently on issue comprise 3,600,000 Shares issued at incorporation to entities controlled by Directors or related parties of the Company, and 4,500,000 Shares issued under a seed capital raising. The Shares issued under the seed capital raising were issued on 5 January 2017 and 14 February 2017 at an issue price of \$0.10 each to seed capital investors to fund \$450,000, to be applied towards listing costs and initial working capital requirements of the Company. These Shares were issued at a discount to the issue price of the Shares offered pursuant to the Offer to reflect the increased risk associated with an investment in the Company at the time of issue of the seed capital.
4. These Shares will be issued to Bloomgold at settlement of the Share Sale Agreement as part of the consideration for the Company's acquisition of the Abra Shares. Director Oliver Cairns will be issued with 690,000 of the 11,500,000 Shares to be issued as consideration for the Acquisition pursuant to a separate agreement between Mr Cairns' controlled entity, Pursuit Capital Pty Ltd and Bloomgold.
5. Two tranches of Options have been issued with the first tranche of 2,350,000 Options exercisable at \$0.30 on or before 30 June 2020 (2,100,000 if these Options are Director Options and 250,000 of these Options are Executive Options) and the second tranche of 3,350,000 Director Options exercisable at \$0.40 on or before 30 June 2021. Terms and conditions of the Director Options are outlined in Section 12.3 and terms and conditions of the Executive Options are outlined in Section 12.4.
6. On the date on which the Company is reasonably satisfied that it is in a position to satisfy the conditions imposed by ASX for admission to the Official List, and subject to obtaining all necessary approvals in accordance with the Listing Rules and the Corporations Act, the Company will issue Edward Turner, its CEO with 250,000 Executive Options exercisable at \$0.40 each on or before 30 June 2021 and otherwise on the terms and conditions set out in Section 12.4.

3.9 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer (assuming full subscription) are set out in the respective tables below.

As at the date of the Prospectus

Shareholder	Shares	Options	% (undiluted)	% (fully diluted)
Valiant Equity Management Pty Ltd ¹	1,400,000	1,500,000	17.28	21.01
Kiandra Nominees Pty Ltd ²	1,500,000	1,500,000	18.52	21.74
Silverlight Holdings Pty Ltd ³	600,000	1,500,000	7.41	15.22

1. Entity controlled by Megan Byass, spouse of Adrian Byass.
2. Entity controlled by Jonathan Downes.
3. Entity controlled by Oliver Cairns.

On completion of the Offer (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)

Shareholder	Shares	Options	% (undiluted)	% (fully diluted)
Bloomgold Resources Pty Ltd	10,810,000	NIL	21.79	19.55
Valiant Equity Management Pty Ltd ¹	1,400,000	1,500,000	2.82	5.22
Kiandra Nominees Pty Ltd ²	1,500,000	1,500,000	3.02	5.40
Silverlight Holdings Pty Ltd ³	1,290,000	1,500,000	2.60	5.02

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on ASX.

4. RISK FACTORS

4.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in our Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to our business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

4.2 Company specific

(a) Limited history

The Company was only recently incorporated (7 December 2016) and has no operating history and limited historical financial performance. No assurance can be given that the Company will achieve commercial viability through the successful exploration of the Projects. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(b) Exploration and development

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:

- (i) discovery and proving-up, or acquiring, an economically recoverable resource or reserve;
- (ii) access to adequate capital throughout the acquisition/discovery and project development phases;
- (iii) securing and maintaining title to mineral exploration projects;
- (iv) obtaining required development consents and approvals necessary for the acquisition, mineral exploration, development and production phases; and
- (v) accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

As the Company is an early stage exploration company, there can be no assurance that exploration on the Projects, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable mineral

resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

(c) **Conditions to Tenements**

Interests in tenements in Western Australia are governed by legislation and are evidenced by the granting of leases and licences by the State. The Company is subject to the *Mining Act 1978* (WA) (**Mining Act**) and the Company has an obligation to meet conditions that apply to the Tenements, including the payment of rent and prescribed annual expenditure commitments.

The Tenements in which the Company will acquire an interest (subject to settlement of the Share Sale Agreement) are subject to annual review and periodic renewal. While it is the Company's intention to satisfy the conditions that apply to the Tenements, there can be no guarantees made that, in the future, the Tenements that are subject to renewal will be renewed or that minimum expenditure and other conditions that apply to the Tenements will be satisfied. In particular, E52/1455 has an extension of term pending. Due to this, the tenement is rated as fair standing. Snowden Mining Industry Consultants Pty Ltd believe that there is a risk of refusal, which would result in the loss of tenure. It is noted that the Abra Deposit is not located on any tenements identified as pending renewal. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Projects. There is also a risk that the Tenement Applications will not be granted to the Company. These events could have a materially adverse effect on the Company's prospects and the value of its assets.

If a tenement holder fails to comply with the terms and conditions of a tenement, the Warden or Minister (as applicable) may impose a fine or order that the tenement be forfeited. In most cases an order for forfeiture can only be made where the breach is of sufficient gravity to justify forfeiture of the tenement. In certain cases, a third party can institute administrative proceedings under the Mining Act before the Warden seeks forfeiture of the tenement.

(d) **Native title and Aboriginal heritage**

A native title determination has been made over the area which includes the Tenements. The ability of the Company to gain access to the Tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected. The Company values its relationships with key stakeholders. To this end, landowner engagement remains an ongoing and committed corporate objective of the Company.

Please refer to the Solicitor's Report on Tenements in Section 8 for further details.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(e) **Grant of Future Authorisations to Explore and Mine**

If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

(f) **Results of Studies**

Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in respect to the Projects. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the Projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Even if a study confirms the economic viability of the Projects, there can be no guarantee that the project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (e.g. operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

(g) **Future Funding**

The funds raised under the Offer are considered sufficient to meet the immediate objectives of the Company. Further funding may be required by the Company in the event costs exceed estimates or revenues do not meet estimates, to support its ongoing operations and implement its strategies. For example, funding may be needed undertake further exploration activities, or acquire complementary assets.

Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer price or may involve restrictive covenants that limit the Company's operations be business strategy.

There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.

(h) **Reliance on key management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(i) **Acquisitions**

The Company may make acquisitions of, or significant investments in, companies or assets that are complementary to its business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving mineral exploration success and retaining key staff.

(j) **Operational Risks**

The operations of the Company may be affected by various factors, including:

- (i) failure to locate or identify mineral deposits;
- (ii) failure to achieve predicted grades in exploration and mining;
- (iii) operational and technical difficulties encountered in mining;
- (iv) insufficient or unreliable infrastructure, such as power, water and transport;
- (v) difficulties in commissioning and operating plant and equipment;
- (vi) mechanical failure or plant breakdown;
- (vii) unanticipated metallurgical problems which may affect extraction costs; and
- (viii) adverse weather conditions.

In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected.

(k) **Restricted securities reducing liquidity**

Subject to the Company being admitted to the Official List, certain Shares and Options on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The Company will announce to the ASX full details (quantity and duration) of the Shares and Options required to be held in escrow prior to the Shares commencing trading on ASX.

4.3 Industry specific

(a) Contamination Risks

The mineral exploration sector operates under Australian State and Federal environmental laws. The Company's operations may use hazardous materials and produce hazardous waste which may have an adverse impact on the environment or cause exposure to hazardous materials. Despite efforts to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, the Company may be subject to claims for toxic torts, natural resources damages and other damages. In addition, the Company may be subject to the investigation and clean-up of contaminated soil, surface water and groundwater. This may delay the timetable of the Projects and may subject the Company to substantial penalties including fines, damages, clean-up costs or other penalties. The Company is also subject to environmental protection legislation, which may affect the Company's access to certain areas of its properties and could result in unforeseen expenses and areas of moratorium.

(b) Metallurgy Risk

When compared with many industrial and commercial operations, mining exploration projects are high risk. Each ore body is unique and the nature of the mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining can never be wholly predicted. Estimations of a mineral deposit are not precise calculations, but are based on interpretation and on samples from drilling which represent a very small sample of the entire ore body. Reconciliation of past production and reserves, where available, can confirm the reasonableness of past estimates, but cannot categorically confirm accuracy of future projections.

The applications of metallurgical test work results and conclusions to the process design, recoveries and throughput depend on the accuracy of the test work and assumption that the sample tests are representative of the ore body as a whole. There is a risk associated with the scale-up of laboratory and pilot plant results to a commercial scale and with the subsequent design and construction of any plant.

(c) Resource and Reserve Estimates

Whilst the Company intends to undertake exploration activities with the aim of defining a resource, no assurances can be given that the exploration will result in the determination of a resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted.

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretation which may prove to be inaccurate.

(d) **Land Access**

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both Native Title and land owners/occupiers are generally required before the Company can access land for exploration or mining activities. Inability to access, or delays experienced in accessing, the land may impact on the Company's activities.

(e) **Environmental Risks**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

In this regard, the Department of Minerals and Petroleum of Western Australia from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

(f) **Environmental Impact Constraints**

The Company's exploration programs will, in general, be subject to approval by governmental authorities. Development of any of the Company's properties will be dependent on the relevant project meeting environmental guidelines and, where required, being approved by governmental authorities.

(g) **Rehabilitation of Tenements**

In relation to the Company's proposed operations, issues could arise from time to time with respect to abandonment costs, consequential clean-up costs, environmental concerns and other liabilities. In these instances, the Company could become subject to liability if, for example, there is environmental pollution or damage from the Company's exploration activities and there are consequential clean-up costs at a later point in time.

4.4 **General risks**

(a) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- General economic outlook.
- Introduction of tax reform or other new legislation.
- Interest rates and inflation rates.

- Changes in investor sentiment toward particular market sectors.
- The demand for, and supply of, capital.
- Terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.

(b) **Litigation**

The Company may in the ordinary course of business become involved in litigation and disputes, for example with agents, contractors or third parties in respect of land access to its Tenements. Any such litigation or dispute could involve significant economic costs and damage to relationships with agents, contractors other stakeholders. Such outcomes may have an adverse impact on the Company's business, reputation and financial performance.

(c) **Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

4.5 **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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Galena Mining Limited
Abra Project Competent Persons Report
Project Number AU9854
May 2017

OFFICE LOCATIONS

Perth

Level 6, 130 Stirling Street
Perth WA 6000
AUSTRALIA

Tel: +61 8 9213 9213
ABN: 99 085 319 562
perth@snowdengroup.com

Brisbane

104 Melbourne Street
South Brisbane QLD 4101
AUSTRALIA

Tel: +61 7 3026 6666
Fax: +61 7 3026 6060
ABN: 99 085 319 562
brisbane@snowdengroup.com

Johannesburg

Technology House, Greenacres
Office Park, Cnr. Victory and
Rustenburg Roads, Victory Park
Johannesburg 2195
SOUTH AFRICA

PO Box 2613, Parklands 2121
SOUTH AFRICA

Tel: +27 11 782 2379
Fax: +27 11 782 2396
Reg. No. 1998/023556/07
johannesburg@snowdengroup.com

Website

www.snowdengroup.com

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Prepared by:

Jeremy Peters
BSc, BEng, FAusIMM CP (Min, Geo)
Principal Consultant



Reviewed by:

John Elkington
MEcon, MAusIMM
General Manager - Mining Corporate
Services



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1 EXECUTIVE SUMMARY

Snowden Mining Industry Consultants (Snowden) was requested by Galena Mining Limited (GML or Galena) to prepare a Competent Person's Report (CPR) on the Abra base metals project, located in the Gascoyne Region of Western Australia (Figure 1.1).

Previous explorers of the Abra deposit have contemplated a large scale bulk mining operation. GML has identified broad intersections of structurally constrained mineralisation within the larger deposit that may support a small to medium-sized underground mining operation premised on a higher head grade to that previously contemplated. Snowden concurs with this view.

Figure 1.1 Abra project schematic location



Source: GML

Snowden understands that this CPR is to be included in a prospectus to be issued by Galena Mining Limited for an initial public offer of shares to raise \$6.0 million to facilitate a listing on the Australian Securities Exchange (ASX).

This report has an Effective Date of 12 May 2017, this being the most recent date on which Galena made material in its possession available to Snowden and Snowden is unaware of any material change since this date.

The GML Mineral Assets being described are all located within Western Australia (Table 1.1) and comprise Exploration Licences, Mining Leases and General Purpose Leases under Western Australian Mining Legislation.

This document is prepared in accordance with the 2012 guidelines of the Australian Joint Ore Reserves Committee (the JORC Code) and the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the "VALMIN Code").

Table 1.1 GML exploration assets

Tenement identification	Area	Unit	Grant Date	Expiry Date
G52/0286	10	Ha	19-Apr-10	18-Apr-31
L52/0121	15		27-May-10	26-May-31
E52/1413	31	Sub-blocks	13-Dec-01	12-Dec-18
E52/1971	43		10-Oct-06	09-Oct-18
E52/1455	34		20-Apr-00	19-Apr-17
E52/2185	4		04-Jun-08	03-Jun-18
M52/0776	1000	Ha	22-Dec-00	21-Dec-21

1.1 Summary of Mineral Resources and Ore Reserves

The Mineral Assets do not contain any current Mineral Resource or Ore Reserve estimates.

1.2 Summary of Exploration Targets and Exploration Results

Snowden is reporting the results of exploration (Exploration Results¹) historically performed by parties other than GML at each project area and has referenced the publicly available sources of descriptions undertaken by previous explorers. These explorers identified a large, low-grade base metals deposit at a depth of around 300m from surface and subsequent economic analyses contemplated a commensurate bulk mining operation.

GML has examined the results of previous exploration and has recognised numerous broad intersections of structurally constrained high-grade mineralisation within the larger deposit (Table 1.2). GML contends that these may support a medium-sized underground mining operation premised on a higher head grade to that previously contemplated.

Snowden concurs with this view.

1.2.1 Exploration results

Snowden reports the results of diamond drilling and sampling undertaken by other parties and expresses these Exploration Results as a Table of Significant Intersections (Appendix E).

¹ As defined by Clause 18 of the JORC Code

Table 1.2 Significant high grade intercepts, Abra Deposit

	Hole ID	From (m)	To (m)	Width (m)	Pb %	Ag (ppm)	Comments
High Grade Zone	AB12	660.00	666.00	6.00	20.33	45.8	including 4m @ 23.25 % Pb from 662m
	AB16	497.00	541.00	44.00	25.32	42.9	including 4m @ 20.75% Pb from 499m, 8m @ 26.75% Pb from 505m, 4m @ 52.1% Pb from 515m, 10m @ 46.04% Pb from 523m and 2m @ 16.1% Pb from 537m
	AB19	524.00	530.00	6.00	34.27	80.7	
	AB33	510.00	518.00	8.00	19.02	21.8	including 6m @ 23.13% Pb from 510m
	AB48	511.70	515.70	4.00	19.02	28.2	
	AB58	406.00	420.00	14.00	16.12	37.7	including 2.5m @ 28.62% Pb from 409m and 2.7m @ 26.1% Pb from 413m
	AB59	431.00	443.80	12.80	20.40	182.6	including 5.1m @ 30.85% Pb from 433m and 0.9m @ 41.5% Pb from 441.8m
	AB60A	412.45	419.00	6.55	18.35	20.5	including 0.45m @ 21.54% Pb from 412.45m and 4.85m @ 22.4% Pb from 414.15m
Broad Low Grade Zone	AB43	510.00	535.00	25.00	9.74	16.1	including 2m @ 32.18% Pb from 530m and 0.6m @ 54.43% Pb from 534.4m
	AB48	266.00	297.00	31.00	7.48	55.6	including 3m @ 21.81% Pb from 282.5m
	AB50	378.00	403.50	25.50	11.20	21.1	including 2m @ 19.1% Pb from 380.4m, 2m @ 30.1% Pb from 384.3m, 1.7m @ 16.3% Pb from 387.3m, 2m @ 16.3% Pb from 391m and 1m @ 19.9% Pb from 402.5m
	AB50	469.50	527.50	58.00	9.13	10.6	including 1m @ 23.9% Pb from 470.5m, 2.5m @ 18.88% Pb from 475m and 6m @ 24.13% Pb from 483m
	AB56	386.80	410.00	23.20	11.08	59.4	including 5.3m @ 26.3% Pb from 404.7m
	AB24	442.00	492.00	50.00	6.75	15.0	including 2m @ 15.04% Pb from 490m
	AB28	404.00	458.00	54.00	7.31	11.3	including 2m @ 16.35% Pb from 416m and 2m @ 18.34% Pb from 434m
	AB43	326.00	375.50	49.50	5.13	12.5	
Copper/Gold Zones	Hole ID	From (m)	To (m)	Width (m)	Cu (%)	Au (ppm)	Comments
	AB3	450	454	4.00	3.60	1.98	including 1m @ 6.62% Cu from 450m
	AB22A	716	720	4.00	6.33	0.22	including 1m @ 10.49% Cu from 716m
	AB47	396	400	4.00	3.44	0.02	including 1.6m @ 6.81% Cu from 398.4m
	Hole ID	From (m)	To (m)	Width (m)	Au (ppm)	Cu (%)	Comments
	AB3	513	514	8.00	5.84	1.05	including 1m @ 15.03ppm Au from 509m
	AB16	713	723	10.00	3.45	0.23	
	AB50	641	655	14.00	3.43	0.77	

The information in this report that relates to Exploration Results is based on information compiled by Mr. Ed Turner, a Competent Person and employee of GML, who is a Member of The Australian Institute of Geoscientists, who has had a considerable history with and knowledge of the Abra project.

The Table of Significant Intersections is presented with consideration of the guidelines of the JORC Code and a Competent Person's Statement (refer Appendix D) and Table 1 of the JORC Code in relation to Exploration Results (refer Appendix C) are also presented.

1.2.2 Exploration targets

Snowden reports Exploration Targets² of the "Global Lead-Silver", "High-Grade Lead-Silver" and "Copper-Gold" Zones in this CPR, premised on technical work undertaken by previous explorers. The Competent Person for these Exploration Targets is Mr. Jeremy Peters, Competent Person for the CPR. The Exploration Targets are presented with consideration of the guidelines of the JORC Code and a Competent Person's Statement (refer Appendix D) and Table 1 of the JORC Code in relation to Exploration Targets (refer Appendix C) are also presented.

Snowden has conjecturally derived Exploration Targets for each project area, based on the relevant geology and the proximity and tenor of nearby known mineralisation (Table 1.3). Snowden cautions that these Exploration Targets are conjectural and speculative only and serve to indicate the scale of potential mineralisation within the project areas, based on current geological understanding. These Exploration Targets do not imply economic viability³.

Table 1.3 Summary of Exploration Targets

Component	Tonnage (Mt)		Grade		Commodity
	From	To	From	To	
Abra Global	80	110	3% Pb	5% Pb	Pb
Abra high-grade	7	14	6% Pb	8% Pb	Pb
Abra Copper Gold	1.0	3.5	0.8% Cu; 0.6g/t Au	1.0% Cu; 0.6g/t Au	Cu-Au

1.3 Summary of geology and mineralisation

The Abra Project is located within the Mesoproterozoic Edmund Basin, part of the Bangemall Supergroup, which is dated between approximately 1.64 billion years (Ga) and 1.0Ga. The Edmund Basin unconformably overlies the Capricorn Orogen, a metamorphic terrane that represents the amalgamation of the Yilgarn and Pilbara Cratons during the Paleoproterozoic, which has been dated at ~1.6Ga.

The oldest unit exposed within the Abra Project is the Irregularly Formation, to the east in a small area overlying the Coobarra Dome and to the west in the core of the Coolina Anticline. Outcrop is predominantly clastic sediments of the Kiangi Creek Formation, exposed within a saddle anticline between the Coolina Anticline and the Coobarra Dome. The Jilawarra Formation, which is exposed within the southern portion of the project area, may be locally in faulted contact with the Kiangi Creek Formation.

² As defined by Clause 17 of the JORC Code. Exploration Targets are conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource

³ The information in this report that relates to Exploration Targets is based on information compiled by Mr. Jeremy Peters, a Competent Person and employee of Snowden, who is a Fellow of The Australasian Institute of Mining and Metallurgy and Chartered Professional Mining Engineer and Geologist of that organisation.

Diamond drilling from the early 1980's to the present has been completed to depths of up to 955m over approximately 1,000m of the 1.5km long Abra magnetic anomaly, which was first identified in 1981. Drillholes intersected Kiangi Creek Formation from surface before penetrating sediment correlated with the Irregularly Formation, which is the host to mineralisation. The Irregularly Formation comprises a lower succession of laminated grey sandstone overlain by approximately 300m of dolomitic siltstone, dolomite and iron, manganese and barite-rich silt and chert.

Mineralisation at Abra comprises lead-barite-manganese-silver associated with the zone of laminated hematite-barite siltstone at the top of the Irregularly Formation. This is underlain by a zone of altered and extensively veined siltstone and sandstone containing lead-silver, lead-copper and copper-gold mineralisation. Previous explorers divided the lead-rich mineralisation into two domains; an upper stratabound domain comprising an oxidised 'Red Zone' overlying a 'Black Zone', and an underlying domain of stockwork mineralisation characterised by alteration, veining and brecciation of sediment.

Diamond drilling is concentrated on the Abra magnetic anomaly, but other drilling has examined subsidiary proximal anomalies including Hyperion approximately 2km west of Abra and Genie, approximately 3.5km east of Abra. More distant magnetic anomalies have also been drilled, most notably Woodlands, 50km to the west. Drillholes at Hyperion and Genie successfully intersected the contact between the Kiangi Creek and Irregularly Formations and associated significant lead mineralisation.

1.3.1 Mineralisation

Mineral Resource estimates have been publicly released for the Abra deposit by previous explorers, however these estimates are prepared under previous editions of the JORC Code, are no longer current and are not contemplated here. GML intends to examine and reclassify these estimates as part of its exploration programme.

The results of diamond drilling by previous explorers indicate that the previously identified large mineralised body contains discrete, structurally constrained mineralisation of significantly higher grade. The length of these intersections and their distribution implies the presence of a core to the mineralisation that may be amenable to underground mining using conventional selective mining techniques at a scale that may support a medium sized operation.

The control on these structures and higher grade mineralisation is not yet fully understood and presents GML's initial exploration focus.

1.4 Summary of exploration strategy

Snowden considers the Abra project to represent an advanced greenfield project that enjoys relative ease of access and the regional presence of significant infrastructure, when compared to other Australian greenfield projects.

Work by previous explorers has examined a large, low grade, bulk mining proposition and GML has focussed on the previously identified, smaller, high grade mineralisation zones that may support a high margin selective mining operation. GML's exploration programme is directed toward this concept.

GML proposes to:

- Drill the mineralisation from surface to confirm the location and geometry of high-grade mineralisation
- Collect samples for metallurgical test-work
- Perform preliminary geotechnical investigations on the country rock

- Commence preparation for completion of a Mineral Resource estimate and a scoping study to examine mining options
- Commence planning of construction of an access decline that will allow establishment of an underground drill drive to facilitate detailed drilling.

A decision on construction of the access decline will be dependent on the results of the proposed confirmatory drilling.

Snowden has been advised that GML has budgeted approximately A\$2.5 million on direct exploration out of available funds of A\$4.5 million post expenses to issue (Table 1.4) for exploration expenditure of the project over two years and considers this to be appropriate to support the strategy described. GML advises that a minimum of 60% of the capital raised is to be spent on exploration activities.

Table 1.4 Summary of proposed exploration expenditure, minimum subscription case

Project area	Activity	Year 1 (A\$M)	Year 2 (A\$M)	Total (A\$M)
Abra	Diamond Drilling	610,000	300,000	910,000
	Assays	50,000	30,000	80,000
	Resource Modelling	50,000		50,000
	Metallurgical testing		50,000	50,000
	Mine scoping study		100,000	100,000
	Groundwater testing		50,000	50,000
District Exploration	Geophysical review	25,000		25,000
	RC drilling	150,000		150,000
	Diamond drilling		100,000	100,000
	Assays	40,000	25,000	65,000
	Rehabilitation	5,000	5,000	10,000
Service costs	Heritage & Tenement Administration	40,000	20,000	60,000
	Geological services & field labour	380,000	120,000	500,000
	Administration	250,000	100,000	350,000
Total		1,600,000	900,000	2,500,000

Snowden considers that GML Directors and staff are suitably qualified and experienced to successfully implement the proposed program.

1.5 Conclusions and recommendations

Snowden considers that GML holds tenure over a base metal project in the Gascoyne Region of Western Australia that has demonstrated potential to yield economic mineralisation and recommends that it proceed to implement its exploration strategy on listing of GML.

1.5.1 Conclusions

Snowden concludes the Abra Project is at an advanced stage of exploration and could conceivably result in estimation of Ore Reserves within the two-year budget timeframe presently contemplated.

GML will benefit from a long period of well executed exploration performed by previous explorers that has resulted in the identification of zones of high-grade mineralisation.

Previous explorers have examined extensive low-grade mineralisation. Using this data, GML has identified zones of high-grade mineralisation that may be amenable to the establishment of a high-margin selective mining underground operation.

Snowden has examined the proposed exploration budget of A\$2.5 million, and the proposed work program for the first two years after GML's listing (refer Section 8 below). Snowden concludes that these are reasonable and achievable.

1.5.2 Recommendations

Snowden recommends that any exploration activities undertaken by GML be carried out in accordance with the guidelines of the JORC Code.

Snowden recommends that geotechnical work should commence in parallel with the proposed confirmatory drilling, in anticipation of construction of an access decline and underground drill drive. Preliminary design of such a drive should commence at an early stage, as should high-level examination of the economics of an underground operation.

2 INTRODUCTION

Snowden was requested by GML to prepare a CPR on the Abra project, located in the Gascoyne Region of Western Australia. Snowden understands that this CPR is to be included in a supplementary prospectus to be issued by GML to be read with GML's prospectus dated 12 May 2017 for an initial public offer of shares to raise \$6,000,000 to facilitate a listing on the Australian Securities Exchange (ASX).

Snowden understands that the Mineral Assets are owned by Abra Mining Pty Ltd (AML) and that GML has entered into a share sale agreement, pursuant to which, it will acquire all of the issued share capital of AML, from AML's sole shareholder, Bloomgold Resources Pty Ltd, on certain terms and conditions (Share Sale Agreement). Upon settlement of the Share Sale Agreement, GML will hold a 100% interest in the Mineral Assets through its wholly-owned subsidiary, AML. The Mineral Assets will be referred to as being the assets of GML in this report.

Snowden has sighted evidence, in the form of a letter from a professional tenement manager⁴ indicating ownership of the tenements by AML.

This document is prepared in accordance with the 2012 guidelines of the Australian Joint Ore Reserves Committee (the "JORC Code") and the 2015 Australasian Code for Public Reporting of technical assessments and valuations of mineral assets (the "VALMIN Code").

2.1 Competent Person, Effective Date and no material change

The Competent Person for preparation of the report is Mr Jeremy Peters, FAusIMM CP (Mining, Geology). Mr Peters has extensive professional experience with the geology of and has worked extensively in Western Australia and is familiar with the geology of the Bangemall Basin.

The effective date of this report is 12 May 2017 this being the date at which no further information was supplied to the author by GML, and the author is not aware of any material change in the status of the projects in the period between receipt of data and completion of the report.

Unless otherwise stated, information and data contained in this report or used in its preparation has been provided by GML or has been gathered from public sources.

2.2 Mineral Assets

The Mineral Assets that are the subject of this CPR are granted tenements under Western Australian mining legislation⁵. The Abra project is divided, for statutory reporting purposes into two sub-projects, Jillawarra and Mulgul (Table 2.1).

All the tenements are owned by AML, which upon settlement of the Share Sale Agreement will become a wholly owned subsidiary of GML. Pursuant to the Share Sale Agreement, it was agreed that management of Abra in the interim was transferred to GML on 8 December 2016. GML is the manager and is funding tenement maintenance costs and warranting the good standing of tenements in this period.

⁴ McMahon Mining Title Services Pty Ltd, *Tenement Standing*, letter addressed to the Board of Directors, Galena Mining Ltd, dated 21 February 2017

⁵ For a more comprehensive explanation of the Western Australian Mining Act, refer to <http://www.dmp.wa.gov.au/Minerals/Legislation-and-compliance-6224.aspx>

Snowden has sighted evidence, in the form a letter addressed to the Board of Directors of Galena Mining Ltd from a suitably qualified professional tenement manager⁴, that the tenements are in good standing and ownership is vested in AML.

Table 2.1 GML tenements

Project	Tenement	Status	Area	Unit	Grant date	Expiry date	Annual Expenditure Commitment (A\$)	Annual Rent (A\$)
Jillawarra	E52/1413	Granted	31	Sub-blocks	13-Dec-01	12-Dec-17	132,000	36,232
	E52/1971		3		10-Oct-06	9-Oct-18	129,000	22,257
Mulgul	E52/1455	Granted	34	Sub-blocks	20-Apr-00	19-Apr-17	102,000	17,598
	E52/2185		4		04-Jun-08	03-Jun-18	50,000	2,070
	M52/0776		1000		22-Dec-00	21-Dec-21	100,000	17,050
	G52/0286		10	Ha	19-Apr-10	18-Apr-31	N/A	151
	L52/0121		15		27-May-10	26-May-31	N/A	227

Source: GML

2.3 Sources of information and site visit

Abra is a “blind” deposit and there is no surface expression of its presence and its geology and exploration history have been extensively and publicly reported on. Mr Peters has worked on the rocks of the Bangemall Basin at various points in his career and has traversed the Abra locality in the course of that work. He has examined the extensive database of Abra literature, drill logs and drill core photographs to satisfy himself of the veracity of the deposit.

Mr Peters consequently considers that there is no material value in physically examining the exploration site and accepts representations made by GML and bases his inferences on his own experience and observations.

In preparing this report, Mr Peters has extensively relied on information collated by other parties, as described in Section 2.8 below. Mr Peters has critically examined this information, made his own enquiries and applied his general geological competence to conclude that the information presented in this CPR complies with the definitions and guidelines of the JORC Code.

The responsibility of the author is provided in Table 2.2.

Table 2.2 Responsibilities of the author

Author	Responsible for sections
Jeremy Peters, FAusIMM CP (Min, Geo)	1, 2, 3,4, 5, 6, 7, 8, 9, 10

Unless otherwise stated, all currencies are expressed in Australian dollars (A\$) and units of measurement are metric. Historic units have been converted to metric units.

Snowden is responsible for this report as part of GML’s listing documentation and declares that it has taken all reasonable care to ensure that the information contained in this report is, to the best of its knowledge, in accordance with the facts and contains no material omissions.

2.4 Mineral Resources and Ore Reserves

The projects do not contain any Ore Reserves or Mineral Resources, as defined by the JORC Code.

2.5 Limitations

GML has agreed to indemnify Snowden for any liability arising as a result of or in connection with the information provided by or on behalf of GML being incomplete, incorrect or misleading in any material respect. GML has confirmed in writing to Snowden that, to its knowledge, the information provided by it (when provided) was complete and not incorrect or misleading in any material respect. Snowden has no reason to believe that any material facts have been withheld and GML has confirmed in writing to Snowden that it believes it has provided all material information available to it.

2.6 Reliance on information

Snowden believes that its opinion must be considered as a whole and that selection of portions of the analysis or factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the opinions presented in this CPR. The preparation of a CPR is a complex process and does not lend itself to partial analysis or summary.

2.7 Declaration

Snowden will receive a fee of \$20,000 for the preparation of this report in accordance with normal professional consulting practice. This fee is not contingent on the outcome of the CPR and Snowden will receive no other benefit for the preparation of this report. Snowden does not have any pecuniary or other interests that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the assets and the projections and assumptions included in the various technical studies completed by GML, opined upon by Snowden and reported herein.

Neither Snowden, the Competent Person, Mr Peters, who is responsible for authoring this CPR, nor any Directors of Snowden have at the date of this report, nor have had within the previous two years, any shareholding in GML or any of its advisors or related parties. Consequently, Snowden, Mr Peters and the Directors of Snowden consider themselves to be independent of GML and its related parties.

2.7.1 Copyright

Copyright of all text and other matter in this document, including the manner of presentation, is the exclusive property of Snowden.

It is an offence to publish this document or any part of the document under a different cover, or to reproduce and/or use, without written consent, any proprietary technical procedure and/or technique contained in this document. The intellectual property reflected in the contents resides with Snowden and shall not be used for any activity that does not involve Snowden, without the written consent of Snowden.

2.8 Reliance on other experts

In preparing this report, Snowden has been reliant on information provided by GML and publicly available information regarding geology and operations in the relevant project area.

The principal source of information regarding GML's assets is private and statutory reports that have been prepared by various parties and submitted to the Department of Mines and Petroleum (DMP) of the Western Australian Government.

These reports have been collated by Mr. Ed Turner, of GML, who is an appropriately qualified and experienced geologist with an extensive history with previous explorers at Abra.

3 PROJECT DESCRIPTION

GML's Abra project is located within Western Australia and is directed toward the identification of economic deposits of base metals. These metals are internationally traded and backed by international exchanges.

This CPR does not provide a Valuation⁶ of GML's projects for the purposes of listing.

Snowden considers GML's Abra project to be at an advanced greenfield exploration stage. Previous explorers have identified a large, low grade lead, silver and copper (gold) deposit and have performed preliminary investigations on the economics of extracting this deposit. GML has identified and focussed on zones of high-grade mineralisation within the deposit that may present targets for selective underground mining at a higher grade than that contemplated by previous developers.

Snowden advises that this concept is based on the findings of previous exploration and Snowden has referenced the publicly available sources of this information, as appropriate.

3.1 Statutory reporting

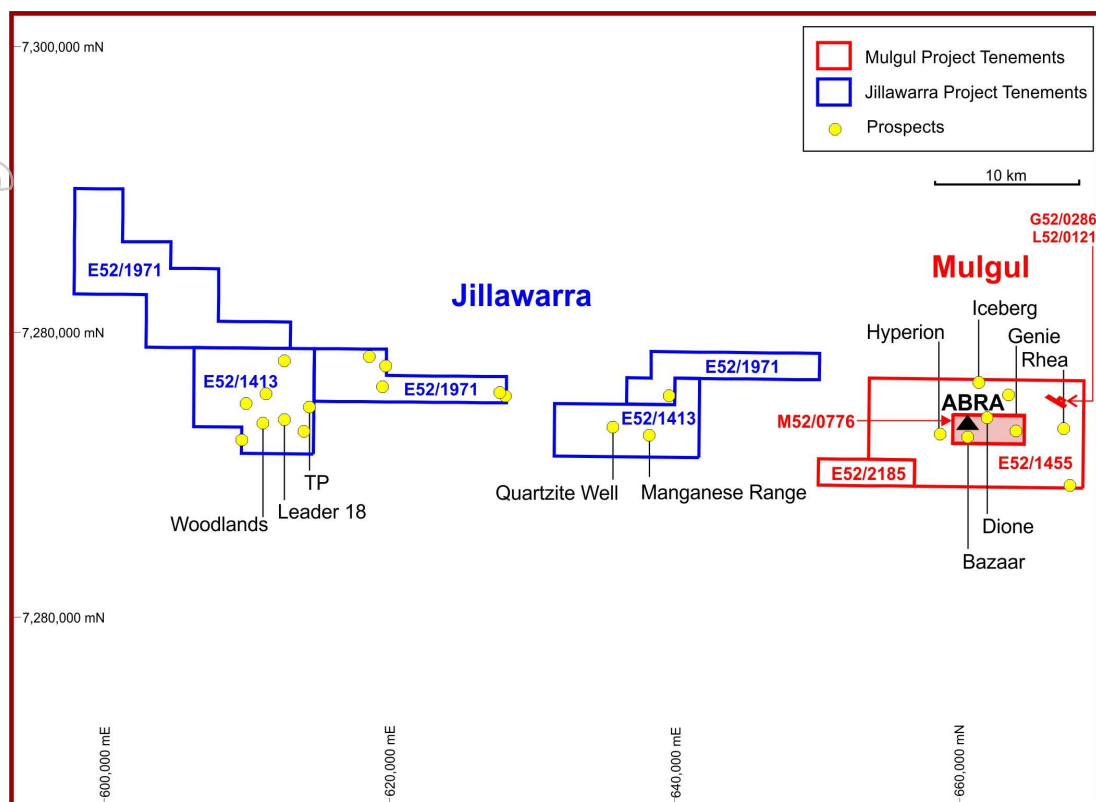
The Department of Minerals and Petroleum (DME) in Western Australia requires annual reporting of exploration activity as a condition of tenure and allows grouping of related tenements as "Projects" for convenience⁷. GML's Abra project has been divided by previous explorers into two such Projects for reporting purposes: "Mulgul" and "Jillawarra" (Figure 3.1). Statutory reports for Mulgul are referenced by the DME as C28-2009 and those for Jillawarra as C186-2006.

Snowden collectively refers to these as Abra.

⁶ As defined by the VALMIN Code

⁷ The DMP in Western Australia allows grouping of tenements for statutory annual reporting purposes. The tenements controlled by GML are divided into the Jillawarra and Mulgul projects for statutory reporting.

Figure 3.1 Statutory project groupings and prospect names



Source: GML

3.2 Location and access

The Abra deposit is located 220km north of Meekatharra and is reported for statutory purposes as being part of the Mulgul Project. Access to the project area is gained by travelling approximately 220km north from Meekatharra to Mulgul Station via the Meekatharra-Fortnum-Ashburton Road.

The project area consists of open river flood plains separated by a series of low ranges. The native vegetation is characterised by mulga scrub and Spinifex, with eucalypt trees concentrated along major watercourses. The terrain within the project area is gently undulating with a seasonal wet season (November to May) that can restrict access to the project.

The site includes an unsealed airstrip, well established local grid and a core farm. The project is also located approximately 100km west from the Goldfields Gas Transmission Pipeline.

3.2.1 Mulgul Tenements

The Mulgul project comprises two granted Exploration Licences, a Mining Lease (Table 3.1 and Figure 3.1) two granted Miscellaneous Licences (Table 3.2 and Figure 3.1) and is owned and operated by AML which, upon settlement of the Share Sale Agreement, will become a wholly owned subsidiary of GML.

Table 3.1 Mulgul project tenements

Title	Title holder	Area (sub-blocks)	Area (ha)	Status	Expiry date
E52/1455	GML – 100%	34	1000	Granted	19-Apr-17
E52/2185		4		Granted	03-Jun-18
M52/0776				Granted	21-Dec-21

Source: GML

ML52/0776 is a Mining Lease that provides security of tenure over the Abra mineralisation proper.

GML's tenement manager makes the following comments in relation to standing⁴:

"E52/1455 has an extension of term pending. Due to this we rate the tenement as fair standing. We believe that there is a risk of refusal, which would result in the loss of tenure. The Abra deposit is not located on any tenements identified as pending renewal".

Snowden is not qualified to comment further.

Two miscellaneous licences, G52/0286 and L52/0121 are located within E45/1455 over the camp, core yard and airstrip (Table 3.2).

Table 3.2 Mulgul miscellaneous licences

Title	Title holder	Area (ha)	Status	Expiry date
G52/0286	GML – 100%	10	Granted	18-Apr-31
L52/0121		15	Granted	26-May-31

3.2.2 Jillawarra Tenements

The Jillawarra project comprises two granted Exploration Licences (Table 3.3 and Figure 3.1) and is owned and operated by GML, having been transferred on Condition Precedent from Bloom Gold Pty Ltd on December 8th 2016.

Table 3.3 Jillawarra project tenements

Title	Title holder	Area (sub-blocks)	Status	Expiry date
E52/1413	GML – 100%	31	Granted	12-Dec-18
E52/1971		43	Granted	09-Oct-18

4 GEOLOGY AND MINERALISATION

The Abra mineralisation is a base metal replacement-style deposit hosted by sediments. Although the mineralisation has been known of for some time, its depth below surface and the low-grade economic optimisation modelling by previous explorers has primarily precluded development to date.

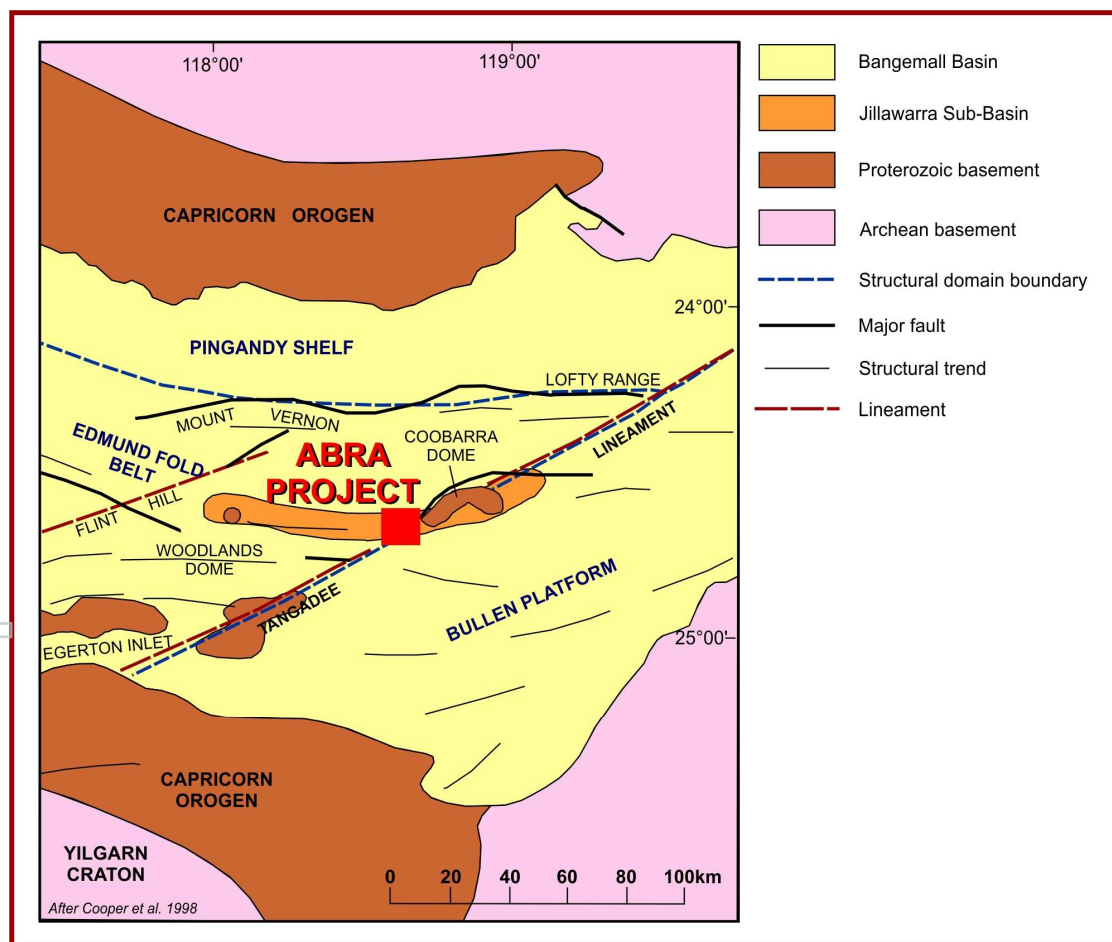
Snowden's view is that previous explorers have been focussed on a very large system supporting a low grade bulk mining concept. Snowden observes that a smaller, high grade underground mining concept has not been examined and is worthy of investigation.

Snowden also observes the presence of numerous exploration targets that may yield shallower or higher grade mineralisation.

4.1 Regional Setting

The Abra Project is located within the Mesoproterozoic Edmund Basin, which forms part of the Bangemall Supergroup (formerly called the Bangemall Basin). The Edmund Basin is constrained in age between approximately 1.64 billion years (1.64Ga) and 1.0Ga. The Edmund Basin unconformably overlies the Capricorn Orogen, a metamorphic terrane that represents amalgamation of the Yilgarn and Pilbara Cratons during the Paleoproterozoic (Figure 4.1).

Figure 4.1 Regional geology and structure



Source: GML

Basin development is believed to have begun with deposition of stromatolitic dolomite and clastic sediments within isolated rift basins, interpreted by researchers as representing deposition in a lagoonal to shallow marine setting. These basins were superseded by a basin-wide sheet wash sandstone, represented by the Kiangi Creek Formation. Continued sedimentation resulted in deposition of sequences of mudstone, siltstone intercalated with limestone, sandstone, conglomerate and chert. Numerous dolerite sills intrude the middle to upper stratigraphic levels of the Edmund Basin.

The structural development of the Edmund Basin is believed to have been controlled by major lineaments or fault systems that are inferred to reflect pre-existing, underlying basement structures. The Flint Hill and Tangadee lineaments are northeast trending structures, which merge with an arcuate, east trending fault that forms the southern margin of the Pingandy Shelf. East to southeast trending faults between the Flint Hill and Tangadee lineaments formed horst and graben structures during the early development of the basin and controlled the development of early-formed basins such as the Jillawarra Sub-basin.

The Jillawarra Sub-basin is a 65km long and 10km wide belt and is regarded as an isolated early-formed rift basin. Basement is exposed as schist and granitoid in the cores of the Woodlands and Coobarra Domes and dating of zircons from granite forming the Coobarra Dome, to the east of the project area, gives an age of 1.79Ga.

Snowden utilises the nomenclature as defined in the Australian Stratigraphic Units Database⁸.

From bottom to top, the sequence comprises (Figure 4.2 and Figure 4.3):

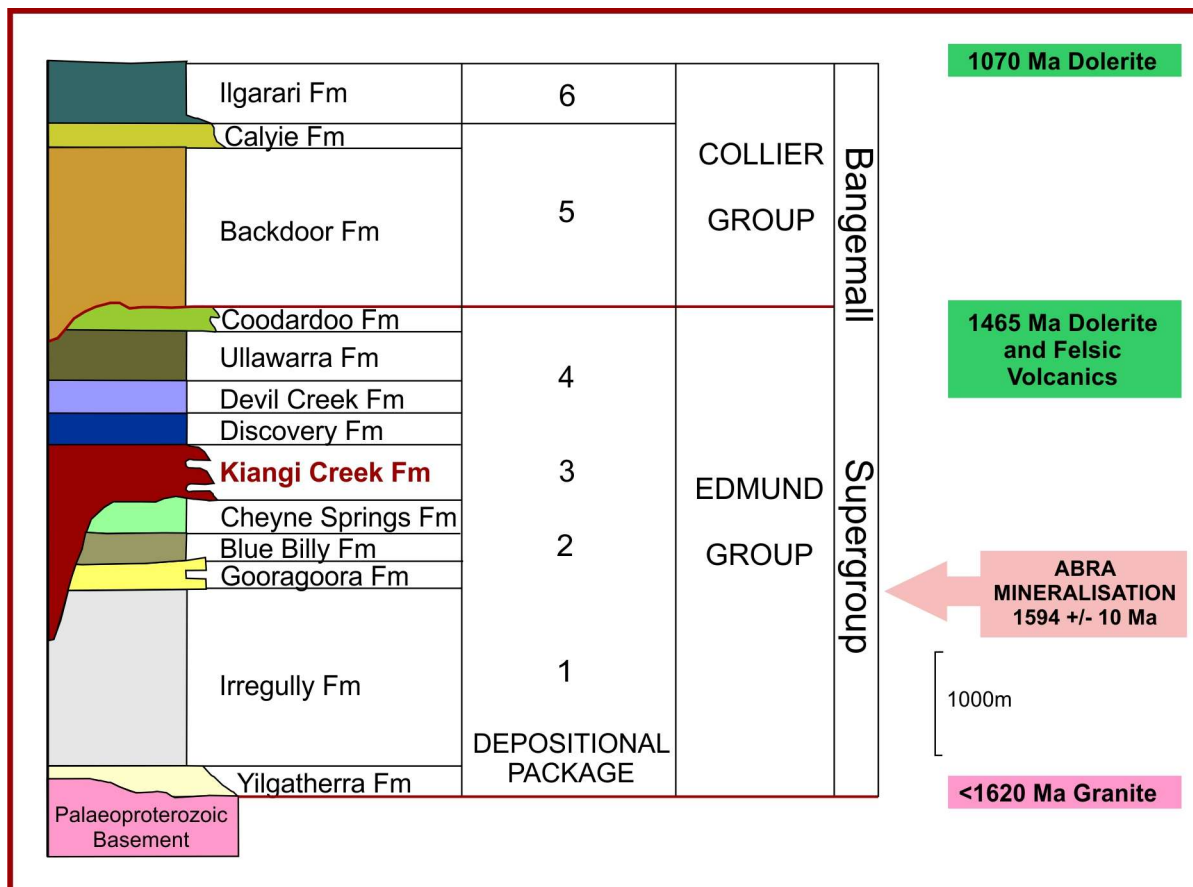
- A poorly exposed, thin package of felsic volcanics and coarse sediment which are exposed to the east of Abra, overlying the Coobarra Granite. These rocks were historically regarded as equivalent to the lower Kiangi Creek Formation but are now referred to the Tringadee Formation of uncertain correlation, but perhaps a basal sequence to the Edmund Basin. The sequence includes the Tangadee Rhyolite, for which isotopic dating suggests a maximum age of 1,638 million years (1,638Ma, U-Pb zircon).
- The Irregularly Formation (also referred to as the Gap Well Formation) occupies the core of the Coolina Anticline and is characterised by dolomitic siltstone with minor fine to coarse dolomitic quartz sandstone and massive dolomite that displays algal mat banding and textures characteristic of stromatolite mounds. The environment of deposition is interpreted by researchers to have been shallow marine to lagoonal. Coarser sandstone units are interpreted by researchers to represent fluvial channel or barrier island deposits. A maximum thickness of the formation is estimated at 2,500m.
- The Kiangi Creek (also West Creek) Formation conformably overlies, and may be transitional with, the Gap Well Formation. The sequence includes fine to coarse-grained quartz sandstone with interbedded siltstone, quartzite, conglomerate and dolomite. Deposition is interpreted by researchers to be within a marine environment incorporating barrier islands, a delta fan and a turbidite trough. The maximum thickness of the Kiangi Creek Formation is estimated to be 1,300m.
- The Jillawarra Formation conformably overlies the West Creek Formation and is composed of laminated siliceous shale with minor siltstone, fine grained sandstone, dolomitic siltstone and narrow chert bands near the top of the formation. The depositional environment is consistent with a transition to a deeper water, marine platform. The thickness of the Jillawarra Formation has been difficult to estimate due to the effects of folding, however it is measured to range from 60m to more than 1,000m.
- The Discovery Chert is a distinctive marker horizon, composed of grey, black or cream massive and laminated chert and shale. Pyrite and gypsum-bearing layers are abundant. The unit displays

⁸ <http://www.ga.gov.au/data-pubs/data-standards/reference-databases/stratigraphic-units>

a gradational relationship with the underlying Jillawarra Formation and is interpreted by researchers as chemical sediment with an evaporite component. The unit has localised the intrusion of dolerite sills, however the thickness of the sedimentary components is measured as between 100m and 200m.

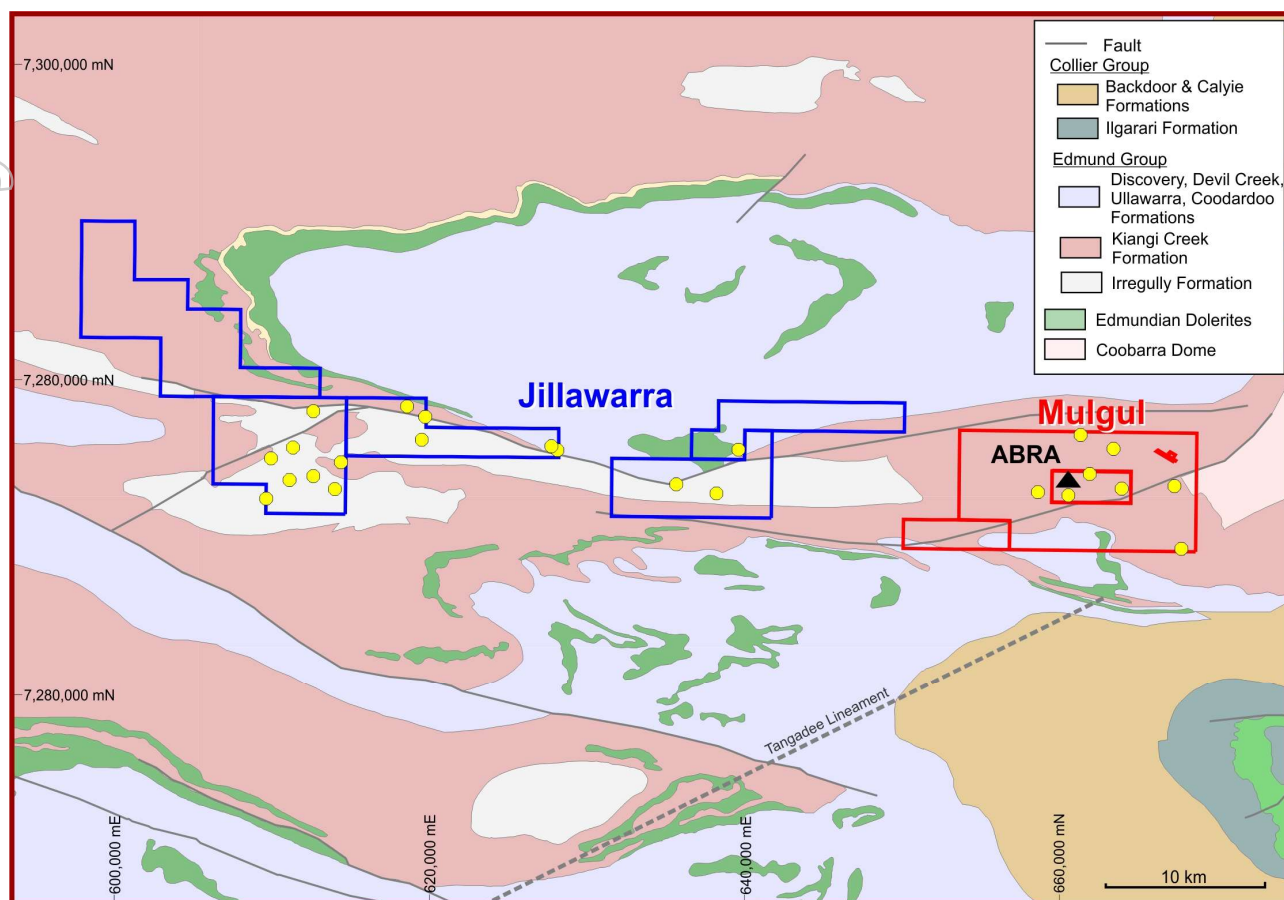
- The Devil Creek Formation conformably overlies the Discovery Chert and is composed of laminated dolomitic shale and dolomite, consistent with an open marine shelf environment. The formation attains a thickness between 30m and 800m.

Figure 4.2 Abra project stratigraphy



Source: GML

Figure 4.3 Abra project tenements, stratigraphy and structure

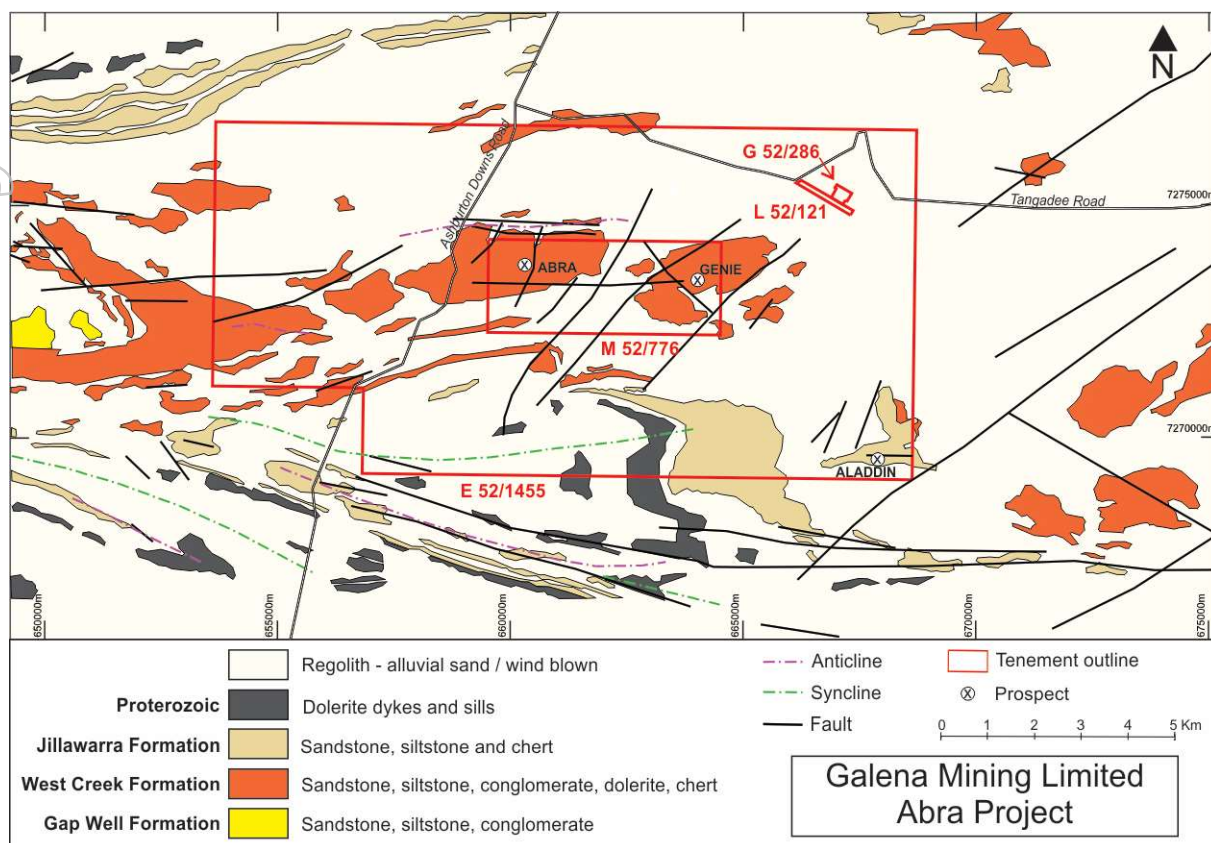


The northeast trending Flint Hill and Tangadee lineaments are regarded as important in the localisation of the Jillawarra Sub-basin. Within the sub-basin, faulting is dominated by the east trending Quartzite Well Fault, to the north, and by the Jillawarra Fault to the south. The east-west trending Coolina Anticline forms the central part of the Jillawarra Sub-basin. Researchers interpret normal faults formed during the initial development of the basin as being reactivated as reverse faults during thrusting from the south-southwest and a displacement of approximately 3,000m of reverse movement is interpreted across the Quartzite Well Fault.

4.2 Project Geology

The oldest unit exposed within the Abra Project is the Irregully Formation, which is mapped to the east in a small area overlying the Coobarra Dome and to the west in the core of the Coolina Anticline. Exposures are predominantly clastic sediment of the Kiangi Creek Formation, exposed within a saddle anticline between the Coolina Anticline and the Coobarra Dome (Figure 4.4). The Jillawarra Formation, which is exposed within the southern portion of the project area, may locally be in faulted contact with the Kiangi Creek Formation.

Figure 4.4 Abra local geology



Source: GML

Diamond drilling has been completed over approximately 1,000m of the 1.5km long Abra magnetic anomaly, to depths up to 955m. Drillholes intersected Kiangi Creek Formation from surface before penetrating sediment correlated with the Irregularly Formation, which is the host to mineralisation. The latter sequence comprises a lower succession of laminated grey sandstone overlain by approximately 300m of dolomitic siltstone, dolomite and iron, manganese and barite-rich silt and chert. This latter succession has locally been referred to as the Abra Beds in exploration reports.

The uppermost red units of the Irregularly Formation include conglomerate, which locally has a strongly altered or ferruginous matrix. This upper conglomerate unit is overlain by barren, grey quartz sandstone and siltstone of the West Creek Formation.

Diamond drilling shows that the contact between the Irregularly Formation and overlying Kiangi Creek Formation dips broadly to the south at the Abra deposit, consistent with its location on the southern limb of the Coolina Anticline.

A number of faults have been interpreted based on physiographic lineaments and magnetic data. The regional east-west Quartzite Well Fault may separate into a series of splays to the north of the project. The Tangadee Lineament may be represented by northeast trending faults interpreted to the east of the deposit.

Immediately east of the Abra deposit, a north-northeast trending linear magnetic anomaly is referred to as the Six Mile Creek Fault. The Six Mile Creek Fault is truncated against Jillawarra Formation rocks at its southern termination, suggesting that the contact between the West Creek Formation and Jillawarra Formation is at least locally faulted and consistent with observations of intense silicification associated with this contact. At its northern extent, the Six Mile Creek Fault feathers into a series of east-west splays that are poorly resolved in magnetic data. Detailed geological mapping and the magnetic character of the Six Mile Creek Fault both are consistent with the structure acting as a conduit for fluids during formation of the Abra deposit.

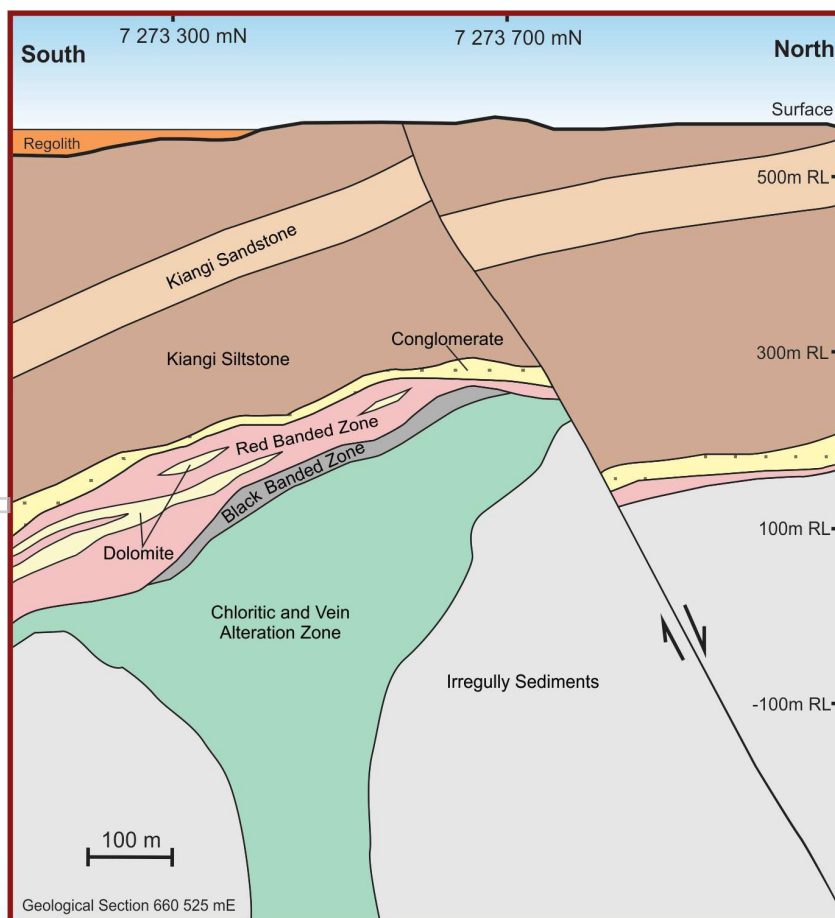
An east-west fault has been interpreted immediately to the south of the Abra deposit based on a weak lineament in magnetic data. A similar trend is also expressed in gravity data, which shows a linear east-west residual gravity low to the south of the Abra deposit indicating an increase in thickness of low density, possibly sedimentary, rocks. The gravity trends may reflect structures developed during the early rift development of the Jillawarra Sub-basin.

4.3 Project stratigraphy and mineralisation

The generalised stratigraphy of the Abra deposit is, from top down (Figure 4.5):

- Red banded zone/conglomerate
- Black banded zone (+/- dolomite banded zone)
- Chlorite alteration and vein alteration zone
- Unaltered laminated lithic sandstone.

Figure 4.5 Abra mineralisation stratigraphy



Source: GML

4.3.1 Red Banded Zone

The upper portions of the Abra deposit are identified by conglomerate and laminated to banded hematite-barite-jaspillite, which has generally been taken to represent the upper contact of the Irregularly Formation. The conglomerate and banded jaspillite interval contains significant barite, typically 1-3% Pb as galena, up to 0.2% Cu as chalcopyrite and trace zinc as sphalerite. Colloidal and cryptocrystalline red hematitic quartz jaspillite appears to form a generally flat, tabular body of highly irregular jaspillite veining or replacement, and inter-fingers the conglomerate interval.

The bulk of the Red Banded Zone is fine grained and finely banded to laminated hematite/jaspillite in which banding ranges in orientation from parallel to stratigraphy to highly irregular. It is sometimes possible to reconstruct the section of conglomerate in certain areas by removing the jaspillitic material. This implies that the red zone is 'injected' or remobilised into the conglomerate or the conglomerate was thickened or inflated by the addition of a stacked vein stockwork.

The morphology of the Red Banded Zone shows a dome or mound shape over the central area of drilling, including above the well mineralised volume defined by AB16, AB19 and AB24. The conglomerate thickens toward the south and southwest and shows an increase in metal of contained Pb, Cu and Zn mineralisation. The Red Banded Zone as a single unit thickens to the south-west.

4.3.2 Black Banded and Dolomite Banded Zones

The Red Banded Zone is underlain by a Black Banded Zone which is dominated by laminated black hematite, barite, quartz and at times magnetite and dolomite. Laminations in the Black Banded Zone vary from sub-parallel to the overall bedding attitude of the sequence to highly disturbed. The zone is rich in barite, but is generally lower in abundance relative to the Red Banded Zone. The Black Banded Zone is generally higher in lead relative to the Red Banded Zone and may contain sections of lithic arenite, sandstone and siltstone.

In the upper portion of the Black Banded Zone, moderately dolomite-alteration is sometimes present and has been subdivided as the Dolomite Banded Zone. This zone is composed of hematite-magnetite-barite-silica, similar to the Black Banded Zone, but contains pale yellow-brown dolomite within the banding and as veins.

The Black Banded Zone has a generally planar, regularly dipping lower contact with the underlying sediment and alteration. In contrast with the Red Banded Zone, the Black Banded Zone does not thicken to the south but shows northeast thickness trend that may correspond to high-tenor barium, silver and lead mineralisation.

4.3.3 Chlorite Alteration and Vein Alteration Zone

The Black Banded Zone is underlain by a zone of chlorite alteration overprinted by strong to intense silica-barite-iron oxide-carbonate veining.

Chlorite Alteration Zone

The host to veining is a brecciated chlorite alteration zone that is interpreted by researchers as overprinting earlier sedimentary units. The breccia is variably intersected as relicts in zones of intense veining or as broader units as vein intensity decreases.

Texturally, the breccia comprises clasts varying from massive to showing weak preservation of primary sedimentary lamination in a pale, altered matrix of chlorite, silica or carbonate. Individual breccia clasts can be strongly chlorite altered and in some cases are internally brecciated, indicating evidence for episodic alteration and brecciation.

No evidence for transport processes is observed and clear occasional evidence for in-situ fracturing and for hydraulic fracturing suggests that the breccia was formed by alteration processes.

As vein alteration decreases in intensity into the footwall, breccia is typically interlayered with chlorite altered laminated sandstone and decreases in abundance downhole.

The footwall contact of sediment breccia with laminated sandstone is irregular and appears to be thicker under the zone of most intense zone of alteration and mineralisation as presently known.

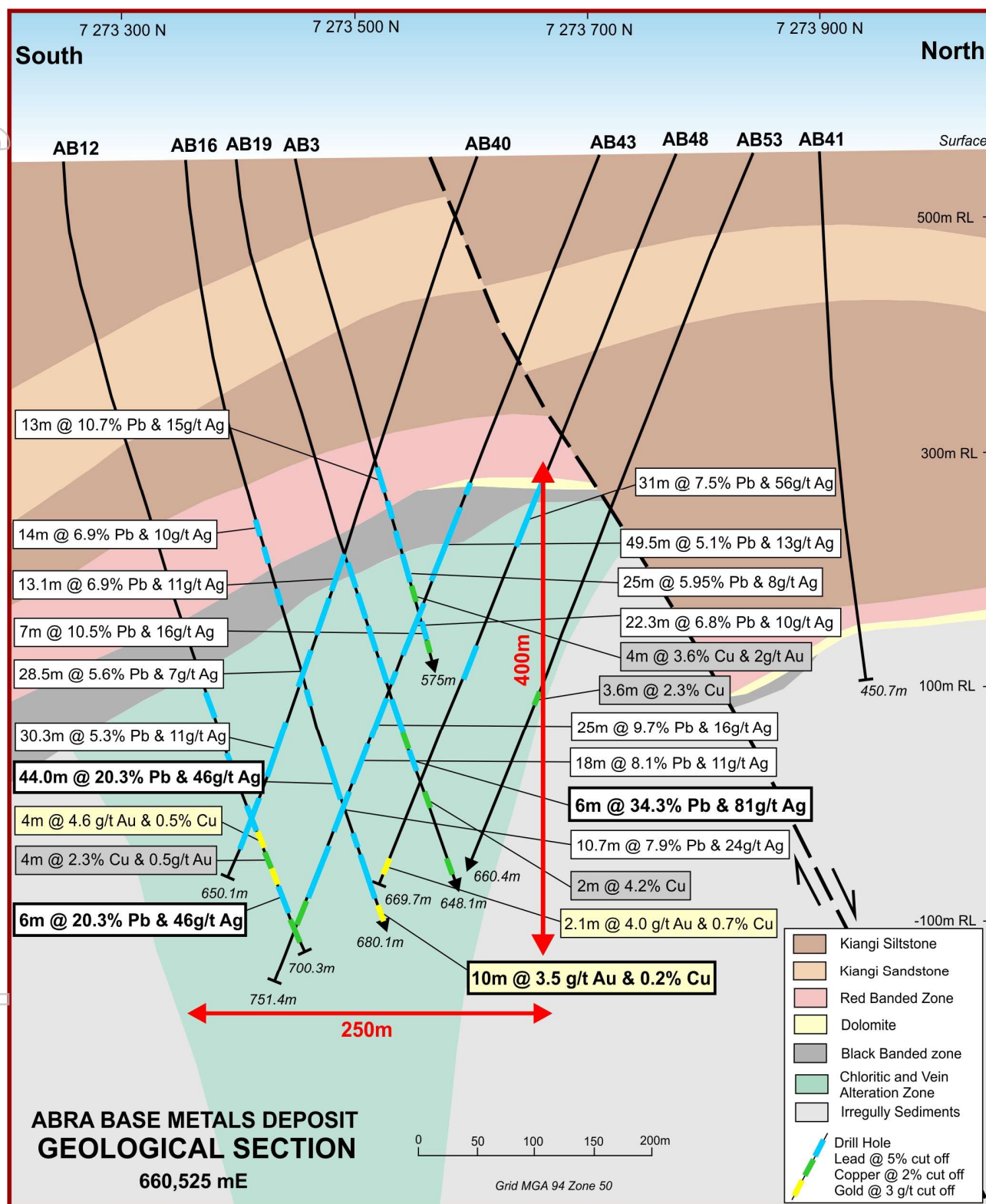
Vein Alteration Zone

Zones of intense laminated silica-barite-iron oxide-dolomite veining are termed vein alteration zone. Veins typically show laminated to banded colloform textures defined by quartz-galena-hematite-magnetite veins with minor dolomite cores. The colloform to cockade textures are characteristic of open-space filling. Commonly these zones include overprinting veins with laminations of hematite, sulphide, quartz and magnetite, dolomite, bright green chlorite and rare infill minerals.

Structural measurements indicate that the orientations of sandstone in this unit are indistinguishable from those in the overlying Kiangi Creek Formation sandstone.

The Vein Alteration Zone is host to the most intense galena mineralisation and in lower intervals, overlaps a zone of copper-gold mineralisation (Figure 4.6).

Figure 4.6 Abra geological cross section 660 525m E



Source: GML

4.3.4 Footwall sediment

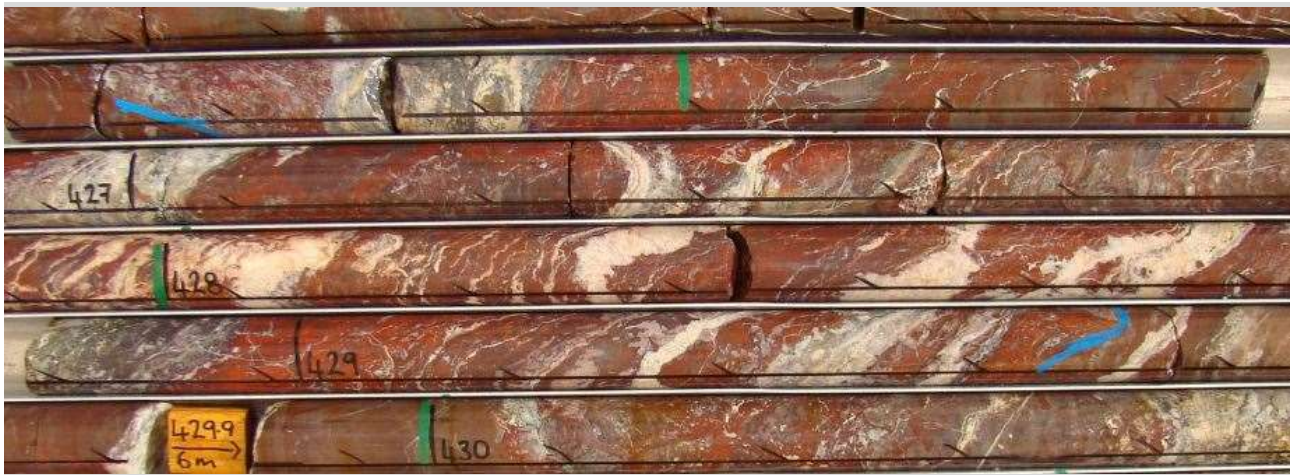
The majority of the intact sediment observed is laminated fine grained sandstone or siltstone. The intensity of chlorite alteration decreases downhole with the lowest intersections grey laminated sandstone.

4.4 Mineralisation

Mineralisation at Abra comprises lead-barite-manganese-silver mineralisation associated with the zone of laminated hematite-barite siltstone at the top of the Irregularly Formation, underlain by a zone of altered and extensively veined siltstone and sandstone containing variable development of lead, lead-copper and copper-gold mineralisation (Figure 4.6).

Previous exploration workers divided the mineralisation into two domains; an upper stratabound domain incorporating the oxidised Red Banded Zone (refer Section 4.3.1 above and Figure 4.7), overlying a Black Banded Zone (refer Section 4.3.2 above and Figure 4.8) and an underlying domain of stockwork mineralisation characterised by alteration, veining and brecciation (refer Section 4.3.3 above and Figure 4.9).

Figure 4.7 Example of Red Banded Zone mineralisation



Source: GML, core from diamond drill hole AB56, approximately 425m to 430.5m downhole

Figure 4.8 Example of Black Banded Zone mineralisation



Source: GML, core from diamond drill hole AB43, approximately 351m to 356m downhole, intersections reportedly averages 8.88% Pb

4.4.1 Stratabound Domain

The stratabound domain comprises laminated to banded hematite-barite-quartz-dolomite rocks of the Red Banded Zone and Black Banded Zone. Textures range from remnant sedimentary textures to development of algal banding, colloform banding and breccia in areas of intense alteration.

Previous explorers have identified mineralisation characterised by galena ranging up to 4.5% and 10% Pb and 10ppm to 15ppm Ag, with higher values characteristic of the Black Banded Zone. Drill intercepts averaging greater than 10% Pb within this domain are not abundant. Mineralisation averaging greater than 3% Pb is generally localised near the base of this domain, broadly consistent with intervals logged as Black Banded Zone.

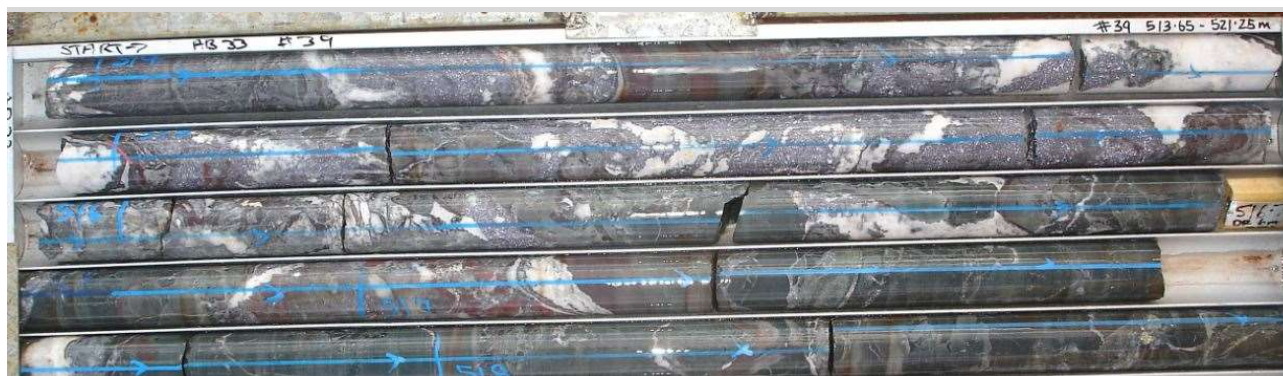
4.4.2 Stockwork Domain

The stockwork domain is characterised by strong to intense vein alteration overprinting chlorite breccia. The intensity of veining is highly variable and ranges from as little as 30% to 100% over intervals of 100m.

Previous explorers suggest that the stockwork domain is funnel-shaped (Figure 4.5) and refer to it as the Stringer Zone. Analysis of drill sections indicates that while highly variable in intensity, the vein alteration typically has a lower contact that is transitional to the underlying copper-gold sheeted vein zone.

Mineralisation comprises laminated veins of quartz-hematite-magnetite-sulphide±dolomite. Sulphide is dominated by galena with variable pyrite, chalcopyrite and pale sphalerite. Higher grade lead mineralisation is located at varying depths. However, low grade mineralisation is developed over up to 300m down hole on most mineralised sections (Figure 4.9)

Figure 4.9 Example of Stockwork Domain mineralisation



Source: GML, core from diamond drill hole AB43, approximately 513m to 521m downhole, intersections reportedly includes 6m@23.13% Pb from 510m

Copper is anomalous throughout the stockwork, typically averaging between 0.1% and 0.3% copper. The underlying copper-gold zone locally overlaps the base of the lead mineralisation.

4.4.3 Copper-Gold Mineralisation

Within the footwall zone, copper-gold mineralisation is hosted within moderate to steep north-dipping, east-west to east-northeast striking sheeted quartz-hematite-magnetite-sulphide veins.

Structural measurements indicate that veins display a preferred east-west strike with steep north dip and a minor north-northeast strike with moderate to steep west dip.

A drill hole that intersected this mineralisation further to the south showed similar vein development, vein thickness and copper-gold grades to other drill holes in the identified main zone of mineralisation, suggesting that the vein set is pervasively developed within this zone. The overall confidence in the distribution of these veins is low, however, due to the few drill holes that penetrated through this domain.

Copper mineralisation within the upper portions of the deposit typically occur in bucky veins showing the same orientation as the veins at lower levels within the deposit, consistent with the Cu-Au mineralisation overprinting the galena mineralisation.

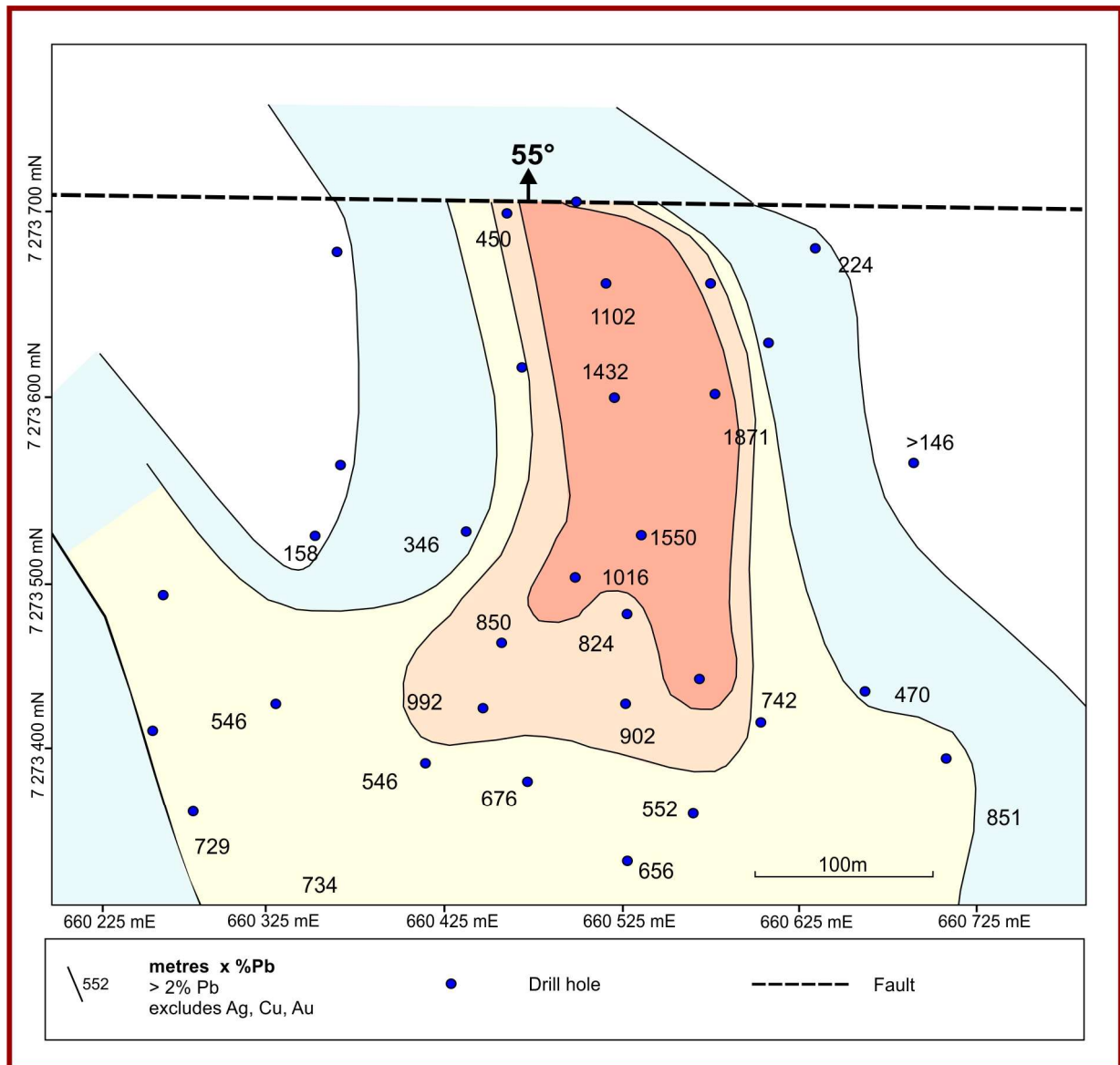
4.4.4 “high-grade core” concept

Previous explorers have identified lead and silver mineralisation over an area greater than 700 m north-south and 700 m east-west, which is yet to be closed off by drilling. Within this mineralisation, GML has defined a “high-grade” core by contouring the grade of the lead mineralisation (metre % Pb) from drill intersections (Figure 4.10).

Length-grade weighting is calculated by multiplying the downhole drill intersection width of >1% cut-off Pb mineralisation by weighted average Pb grade for the intersection and expressed as “m%”.

The identified high grade core is interpreted by GML to be centred on Section 660 525E (Figure 4.6) and will be the focus of GML’s exploration efforts, which will be aimed at demonstrating its Exploration Target (Refer Section 7 below), with the intent of estimating a Mineral Resource. Snowden cautions that Exploration Targets are conceptual in nature and that there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource

Figure 4.10 Abra “high grade core” plan projection



Source: GML The red contour represents >1000 m% Pb and the orange contour represents >800 m% Pb

Significant intersections calculated using a minimum of 4m at 5% Pb and a maximum internal dilution of 8m are presented by Snowden (Appendix E) and intersections that are observed by Snowden to be significant are summarised (Table 4.1).

Table 4.1 Significant high grade intercepts, Abra Deposit

	Hole ID	From (m)	To (m)	Width (m)	Pb %	Ag (ppm)	Comments
High Grade Zone	AB12	660.00	666.00	6.00	20.33	45.8	including 4m @ 23.25% Pb from 662m
	AB16	497.00	541.00	44.00	25.32	42.9	including 4m @ 20.75% Pb from 499m, 8m @ 26.75% Pb from 505m, 4m @ 52.1% Pb from 515m, 10m @ 46.04% Pb from 523m and 2m @ 16.1% Pb from 537m
	AB19	524.00	530.00	6.00	34.27	80.7	
	AB33	510.00	518.00	8.00	19.02	21.8	including 6m @ 23.13% Pb from 510m
	AB48	511.70	515.70	4.00	19.02	28.2	
	AB58	406.00	420.00	14.00	16.12	37.7	including 2.5m @ 28.62% Pb from 409m and 2.7m @ 26.1% Pb from 413m
	AB59	431.00	443.80	12.80	20.40	182.6	including 5.1m @ 30.85% Pb from 433m and 0.9m @ 41.5% Pb from 441.8m
Broad Low Grade Zone	AB60A	412.45	419.00	6.55	18.35	20.5	including 0.45m @ 21.54% Pb from 412.45m and 4.85m @ 22.4% Pb from 414.15m
	AB43	510.00	535.00	25.00	9.74	16.1	including 2m @ 32.18% Pb from 530m and 0.6m @ 54.43% Pb from 534.4m
	AB48	266.00	297.00	31.00	7.48	55.6	including 3m @ 21.81% Pb from 282.5m
	AB50	378.00	403.50	25.50	11.20	21.1	including 2m @ 19.1% Pb from 380.4m, 2m @ 30.1% Pb from 384.3m, 1.7m @ 16.3% Pb from 387.3m, 2m @ 16.3% Pb from 391m and 1m @ 19.9% Pb from 402.5m
	AB50	469.50	527.50	58.00	9.13	10.6	including 1m @ 23.9% Pb from 470.5m, 2.5m @ 18.88% Pb from 475m and 6m @ 24.13% Pb from 483m
	AB56	386.80	410.00	23.20	11.08	59.4	including 5.3m @ 26.3% Pb from 404.7m
	AB24	442.00	492.00	50.00	6.75	15.0	including 2m @ 15.04% Pb from 490m
	AB28	404.00	458.00	54.00	7.31	11.3	including 2m @ 16.35% Pb from 416m and 2m @ 18.34% Pb from 434m
Copper/Gold Zones	AB43	326.00	375.50	49.50	5.13	12.5	
	Hole ID	From (m)	To (m)	Width (m)	Cu (%)	Au (ppm)	Comments
	AB3	450	454	4.00	3.60	1.98	including 1m @ 6.62% Cu from 450m
	AB22A	716	720	4.00	6.33	0.22	including 1m @ 10.49% Cu from 716m
	AB47	396	400	4.00	3.44	0.02	including 1.6m @ 6.81% Cu from 398.4m
	Hole ID	From (m)	To (m)	Width (m)	Au (ppm)	Cu (%)	Comments
	AB3	513	514	8.00	5.84	1.05	including 1m @ 15.03ppm Au from 509m
	AB16	713	723	10.00	3.45	0.23	
	AB50	641	655	14.00	3.43	0.77	

Source: GML

Table 1 of the JORC Code is presented for these drill intersections (Appendix C below).

Snowden considers that these intersections support GML's high-grade core concept and justify its proposed exploration expenditure and strategy.

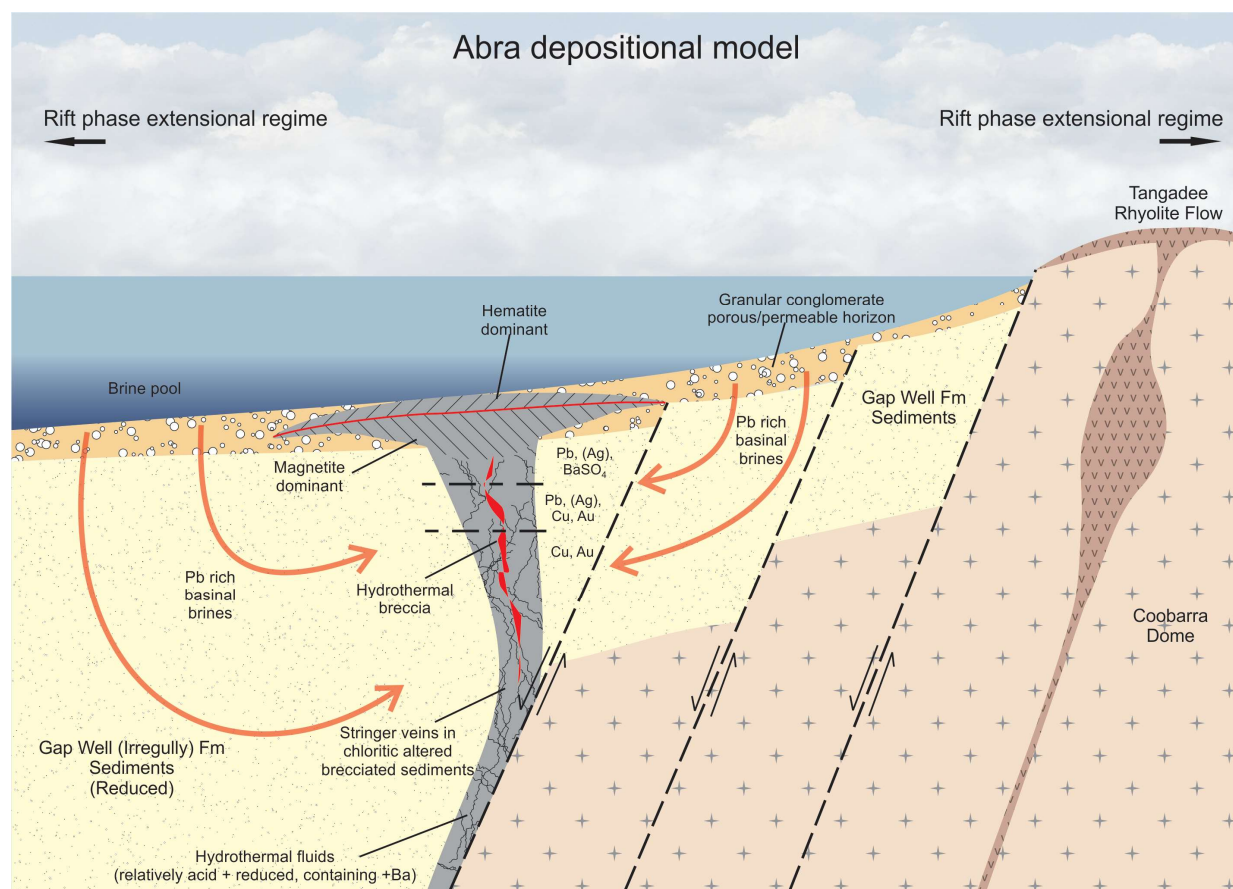
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5 HISTORICAL EXPLORATION

The Abra magnetic anomaly has been the focus of significant exploration throughout the Jillawarra Sub-basin since 1981 and exploration concepts have been based on sedimentary exhalative (Sedex) depositional models. The Abra deposit is an atypical Sedex model, although it has many characteristics common to the standard model. AML has developed a depositional model (Figure 5.1).

Australian deposits of this are typically Proterozoic and developed within sedimentary basins. The Australian basins which host major deposits of this style, including the Mt Isa, McArthur River and Century deposits, display similarities with the Jillawarra Sub-basin, including early rift faulting and predominantly fine grained sediments, showing evidence of evaporitic conditions and algal formations.

Figure 5.1 Abra depositional model



Base metal exploration within the Jillawarra Sub-basin was initiated during 1976 by Amoco Minerals Australia Company (Amoco), predominantly in areas of exposed prospective host units. The Abra Prospect was not tested until 1981, when Geopeko Limited, in joint venture with Amoco, drilled a single diamond drill hole into a discrete magnetic anomaly within the eastern, buried portion of the basin.

This hole, AB3, penetrated approximately 270 m of barren cover sediments and intersected a sequence of stratabound chlorite-hematite-magnetite-barite altered rocks. Mineralisation included 27 m averaging 6.1% Pb⁹ from 268 m; 194 m averaging 3.1% Pb from 318 m; and 19 metres averaging 3.68g/t Au and 1.1% Cu from 503 m. Between 1981 and 1989, 13 drill holes were completed at Abra, all intersecting a similar sequence of altered and mineralised rocks.

Geopeko undertook preliminary metallurgical testing that indicated that the mineralisation responded well to conventional flotation concentration.

A single drill hole (GD1) at the Genie Prospect, approximately 3.5 kilometres east of Abra (refer to Figure 3.1 for prospect locations) intersected 28 m at 2.4% Pb and 3.6ppm Ag from 240 m downhole depth with similar but less intense alteration to that at Abra. Drilling intersected approximately 27m of barium-rich ferruginous siltstone and limestone overlying approximately 100m of vein altered stockwork chortite breccia. The upper portion of the stockwork zone included galena and chalcopyrite mineralisation.

Following Geopeko's takeover by North Limited (North), RGC Exploration Limited (RGC) entered into joint venture with North in 1997, reportedly focussed on exploration for iron-oxide copper-gold (IOCG) styles of mineralisation. Whilst exploration was completed at Abra, a substantial component of RGC's focus was on prospects to the west of the Abra deposit and the Mulgul Project area.

RGC completed a ground based gravity survey and an airborne magnetic survey at Abra, limited re-logging of core and a diamond drillhole with a wedged daughter drillhole. Re-assaying of Geopeko sample pulps showed poor correlation of results and suggested that the Geopeko results reported less than the RGC assays for results in the range 1% to 13% Pb. Diamond drilling at Abra confirmed the presence of discontinuous copper-gold mineralisation associated with the footwall stockwork domain and RGC did not complete additional work.

Oldcity Nominees Pty Ltd (ONPL) acquired the project in 2000 and set about compiling the data from previous exploration. An in-fill gravity survey was undertaken, and magnetic data was re-processed to enhance resolution over the Abra prospect.

5.1 Exploration Activities from 2000 to 2004

Oldcity Nominees Pty Ltd acquired the project in 2000 after the tenement was relinquished by North Limited. Oldcity acquired much of the existing data and completed in-fill gravity surveying to better define the recognised association of Abra with a gravity anomaly. In 2004, the project was acquired by AML¹⁰.

5.2 Recent exploration, 2004 to 2016

AML listed in 2005 with the intent of developing the Abra deposit as a low-grade bulk-tonnage mine. ABL was subsequently taken over in 2011 by Chinese company Hunan Nonferrous Metals' Australian subsidiary, HNC Resources Pty Ltd (HNC), following a lengthy acquisition process. HNC divested the project in 2016.

⁹ Unless otherwise indicated, all intercepts are for 1% lead cutoff, allowing 10 metres of internal dilution. All intercepts are downhole depths and correspond to approximate true widths.

¹⁰ ACN 110 233 577

5.2.1 Mulgul

2004

In 2004, AML undertook a regional gravity survey at 200m by 400m spacing with a 50 m grid over the Abra deposit and the Genie prospect (refer to Figure 3.1 for prospect locations). This was followed by ten diamond drill holes into the Abra deposit¹¹ and two diamond drill holes into an east-west trending gravity anomaly, named Bazaar, approximately 750m south of Abra. The drilling at Bazaar was unable to explain the source of the gravity anomaly and did not intersect any mineralisation. Each drill hole at Abra intersected thick zones of mineralisation, consistent with those encountered in historic drilling and typically 170 m to 260 m thick.

2006

AML drilled a further five diamond drill holes¹² at Abra in 2006, designed to define the extent of the mineralisation by stepping out 170m to 230m from the known mineralisation. An 800m-line-spaced induced polarity (IP) survey was conducted over 7km of strike across the project. The IP survey identified chargeability anomalies at prospects named Hyperion (which has a coincident weak magnetic anomaly), Rhea and Genie.

The first drill hole at Hyperion, HY1, was drilled two kilometres west of the Abra deposit to test the Hyperion IP anomaly at its furthest distance from Abra. This drill hole intersected 21.15 metres of stratabound mineralisation that averaged 4.54% Pb and 23ppm Ag from 546.8 m down hole, including 6.05 metres at 9.86% Pb and 42ppm Ag from 548.2 m down hole.

A follow-up hole, HY2 was later completed around 1,800m west of Abra and this intersected 14.48m at 3.14% Pb and 5.96 g/t Ag from 560.4m down hole; including 2.45m at 9.2% Pb and 16.57 g/t Ag from 572.43m down hole.

2007

A single RC hole was drilled at the Rhea prospect that intersected weak mineralisation at the Kiangi Creek-Irregularly Formation contact. The IP anomaly at the Genie prospect, named Tethys, is south of where GD1 had been drilled in 1986. Additional IP was conducted over Hyperion and Rhea in 2007, with pole-dipole surveys conducted to close off the anomalies. Downhole IP on Hyperion drilling was interpreted by previous explorers to indicate that the anomaly relates to higher chargeability within the top 150m rather than to the mineralisation itself, with the mineralisation being responsible for the magnetic and gravity anomalies.

A further 16 diamond drill holes were drilled at Abra¹³, defining the deposit to the north and south while also completing infill drilling over the centre of the deposit.

2008

At the start of 2008, a mineralisation model for the Abra deposit was updated with the 2007 drilling and an additional 5 diamond drill holes were drilled at Abra to further delineate the mineralisation model¹⁴.

¹¹ Holes numbers AB23 to AB25 and AB27 to AB33

¹² Holes numbers AB34 to AB38

¹³ Holes numbers AB39 to AB54

¹⁴ Holes numbers AB55 to AB59

A surface exploration program was conducted, with 1:5,000 scale geological mapping completed over most of the project area, with 1:1,000 scale mapping over targeted areas. As part of the mapping, 3,159 in-situ portable X-Ray Fluorescence (pXRF) surface analyses were conducted and 420 vein and rock chip samples were collected.

2009

Mapping at 1:2,500 scale was conducted during 2009, with 848 rock chip and vein samples being collected and 65 pXRF surface analyses conducted. Earlier geophysical surveys were remodelled and a major desktop review undertaken of the project to identify new targets.

2010

In 2010, a further 44 surface samples were collected and 11 pXRF surface analyses conducted. Collaborative research was undertaken with the Geological Survey of Western Australia (GSWA) on drill core from the Abra deposit.

2011

The Hyperion prospect was examined in 2011 with a single diamond drill hole that was co-funded by the Department of Mines and Petroleum Exploration Incentive Scheme (EIS). This hole intersected additional low-grade Abra-style mineralisation. 953 pXRF surface analyses were collected.

2012

In 2012, a helicopter-borne time-domain electromagnetic (XTEM) survey was conducted at a 200 m flight-line spacing over most of the project. Downhole EM was conducted on 8 historic holes to help refine drill targets to target high-grade zones of the Abra deposit and two diamond drill holes were drilled to confirm these. Additional diamond drilling involved the extension of a hole at Bazaar and an EIS co-funded drill hole at the Dione prospect, approximately 1700m north east from the Abra deposit.

A trial Versatile Time Domain Electromagnetic (VTEM) helicopter survey was conducted at 200m flight-line spacing over Abra, Genie and Iceberg prospects. Extension of a diamond hole at Bazaar was unable to explain the gravity anomaly and a drill hole at Dione did not intersect any mineralisation.

Two diamond holes drilled into the Abra deposit returned results consistent with their planned location, but they did not intersect any zones of high-grade mineralisation. 33 soil samples were collected over Iceberg for pXRF analysis and coincident geochemical, electromagnetic and magnetic anomalies were identified at Iceberg.

2013

Drill testing of the Iceberg anomaly was conducted in 2013, with 10 RC holes drilled completed. The drilling was unsuccessful in intersecting mineralisation, although weak alteration signals consistent with Abra-style mineralisation were detected during analysis of the multi-element assay data. Geophysical modelling suggested that the drilling was conducted too far to the south. Additional rock chip samples were collected over Iceberg to better understand the alteration signature of the outcropping hydrothermal breccias.

2014

A VTEMmax survey was flown over Abra and Iceberg during 2014 to compare the responses with the trial VTEMplus survey flown in 2012. A combined magnetotelluric (MT) and audio-frequency magnetotelluric (AMT) survey was conducted over the Abra deposit to better understand the architecture of the basin hosting the deposit; this was only marginally successful, with no conclusive signal from the expected crystalline basement.

5.2.2 Jillawarra

The Jillawarra Project area covers the western part of the Jillawarra Sub-basin. The ground adjoins the Mulgul Project and is considered by Snowden to be prospective for Abra style mineralisation, containing numerous targets identified by previous explorers (Table 5.1).

During the 2014 reporting period, dual Hong Kong-Australian major, MMG Ltd (MMG), entered an Option and Joint Venture Agreement over the Jillawarra Project.

Sub-economic base metal mineralisation has been encountered at surface at almost every named target (refer to Figure 3.1 for prospect locations). Two of these, Manganese Range and Woodlands, have apparent supergene caps of manganese oxide. Drilling has intersected mineralisation at depth at a number of targets, although none of the intersections to date have been indicative of economic mineralisation.

Drill intersections with at least one metre greater than 1% Pb have been returned from the 46-40, Quartzite Well, TP, Manganese Range and Woodlands prospects.

Drill intersections with one metre greater than 1% Cu have been returned from the 46-40, Leader 18, Manganese Range and TC prospects.

Drill intersections with one metre greater than 1% Zn have been returned from the Quartzite Well and TP prospects. Drilling at both Manganese Range and Woodlands have isolated intervals greater than six metres of 20% Mn.

GML considers that the work completed to date at Jillawarra has suffered from limited budget being expended over a large number of targets and that this has resulted in each target having been inadequately tested by drilling. Consequently, Jillawarra remains prospective.

Snowden concurs with this assessment.

Table 5.1 Jillawarra recent exploration

Period	Details
2006 to 2007	A regional compilation of historical exploration activities and target evaluation of the historical exploration activities
	Sampling of historical diamond core for litho-geochemical analysis to assist in identifying possible mineral systems
	Geophysical modelling and re processing IP, gravity and magnetic datasets
	Validation of historical soil samples using a hand held XRF (NITON)
	Heritage survey
2007 to 2008	Detailed digital aerial photography of the central portions of the project
	RC drilling at the 46-40 prospect
2008 to 2010	Compilation of historic data and preparation of sections from existing data
	Diamond drilling (2 holes for 996.6 m) at the 46-40 prospect
	pXRF surveys and re-interpretation of soil geochemistry data
	Desktop studies, including review of historic data
	Remote Sensing - Apex commissioned an interpretation of Advanced Spaceborne Thermal Emission and Reflectance Radiometer (ASTER) imagery data obtained from the Terra Satellite Ltd used in mapping, geological interpretations, surface geochemical studies, drill hole validation and targeting studies
	Aerial photography was acquired over the Jillawarra Project area and been used in mapping, geological interpretations, surface geochemical studies, drill hole validation and targeting studies
	Surface geochemistry including soil samples; rock and grab samples and surface pXRF measurements.
	A targeting exercise was completed over the Jillawarra tenements and covered that part of the Jillawarra Sub-basin located between 5 and 61 kilometres to the west of the Abra Deposit
	Mineralisation styles targeted included Abra-style Pb-Ag-Cu Au mineralisation, stratiform SEDEX mineralisation, fault-related replacement mineralisation and Cu replacement within favourable units
	Field geology mapping at map scales: 1:2.5K, 1:5K, 1:10K, and 1:20K over the entire E52/1413 tenure
2010 to 2011	Drilling of 15 holes including two diamond holes (800 metres of core); revaluation of 138 historic holes for over 27,500 metres including 47 diamond holes (15,050 metres), including re-logging and magnetic susceptibility testing leading to discovery of manganese
	Data incorporated into an extensive geological and geochemical database which has undergone detailed validation
	Down-hole pXRF to complement multi-element geochemical analyses, including base metals (Cu, Pb, Zn), manganese, gold and rare earth analysis
	Desktop studies, including a targeting review over selected prospective areas within the tenement package and cross-section modelling of the 46/40 prospect
2011 to 2012	Infill surface sampling using pXRF, comprising 4,372 recordings over approximately 202.5 line km
	RC Drilling at the Woodlands prospect
2012 to 2013	Heritage survey
	100m line-spaced helicopter magnetic and radiometric survey over Woodlands
	Processing and interpretation of geophysical data
2013 to 2014	Rock chip sampling at Manganese Range and Woodlands (Weber, 2012)
	Processing and Interpretation of historical geophysical data, merging with data acquired in 2011-2012
	Geophysical target generation
	AML: 393 line kilometres of VTEMmax airborne EM over Woodlands and Quartzite Well
2014 to 2015	AML: 72 MT/AMT stations on 4 north-south lines spaced roughly 10km apart
	MMG: 651 soil samples
2014 to 2015	MMG: 3D modelling of geological and structural data
	MMG: 53 soil samples
	MMG: 16 rock chip samples
	MMG: 4 lines of IP
2014 to 2015	MMG: 1 diamond drill hole

Source: GML

5.3 Metallurgical test-work

Preliminary metallurgical test work was conducted in 2008 by AML on three core samples from two holes to support a 2008 conceptual study of the project.

This work indicated that a float recovery of 95% is achievable for lead in the lead domain and 90% for copper in the copper domain with an expected concentrate grade of approximately 55% to 65% Pb for the lead domain and 23% Cu for the copper domain. The recovery of secondary metals is apparently problematic, with limited testwork. GML assumes that 50% of the copper in the lead domain will be recovered; however this requires further testing to validate

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6 EXPLORATION PROSPECTS

Snowden observes that, despite a history of exploration that dates to the mid 1970's, the Jillawarra Sub-Basin in the Abra vicinity remains underexplored. Previous explorers have identified numerous prospects, some of which have apparently returned anomalous rock-chip samples from surface. While the Abra deposit is GML's main priority, Snowden understands that it intends to develop these other prospects.

6.1 Mulgul

Previous explorers have identified numerous prospects at Mulgul. Anomalies that have been described in historic material include Hyperion, Genie, Rhea, Bazaar, Rhea, Iceberg and Anth¹⁵ (refer to Figure 3.1 for prospect locations). Several of these, most notably Hyperion and Genie, have been drill tested and are interpreted by GML to have intersected Abra style mineralisation.

GML proposes to review all exploration results over the Mulgul Project area and determine an appropriate exploration campaign.

6.1.1 Hyperion

Drill intercepts at Hyperion include 21.15 metres averaging 4.54% Pb and 23ppm Ag from 546.8 m down hole, including 6.05 metres at 9.86% Pb and 42ppm Ag from 548.2 metres down hole in diamond drill hole HY1 and 14.48m at 3.14% Pb and 5.96 g/t Ag from 560.4m down hole (including 2.45m at 9.2% Pb and 16.57 g/t Ag from 572.43 m down hole) in diamond drill hole HY2.

6.1.2 Genie

At Genie, diamond hole GD1 intersected 28 metres @ 2.4% Pb and 3.6ppm Ag from 240m. However, there has been limited follow up work to try and defined the limits of these systems.

6.2 Jillawarra

The Jillawarra combined tenure lies to the west of and along strike and up-plunge of the sediments that host Abra.

Previous explorers have utilised a combination of geophysics, geochemistry and performed limited drill testing at Jillawarra. The principal prospects identified and described in public releases¹⁶ to date include Woodlands, Quartzite Well and Manganese Range (Figure 6.1 and refer to Figure 3.1 for prospect locations). Snowden observes that the magnetic geophysics that has been used by previous explorers to identify these prospects indicates the presence of very strong magnetic anomalies in comparison to Abra.

The strong magnetic signatures have been interpreted by previous explorers to be related to hydrothermal alteration and the introduction of magnetite mineralisation. The results of drilling at Abra indicate that this event is associated with copper mineralisation and/or lead and zinc mineralisation.

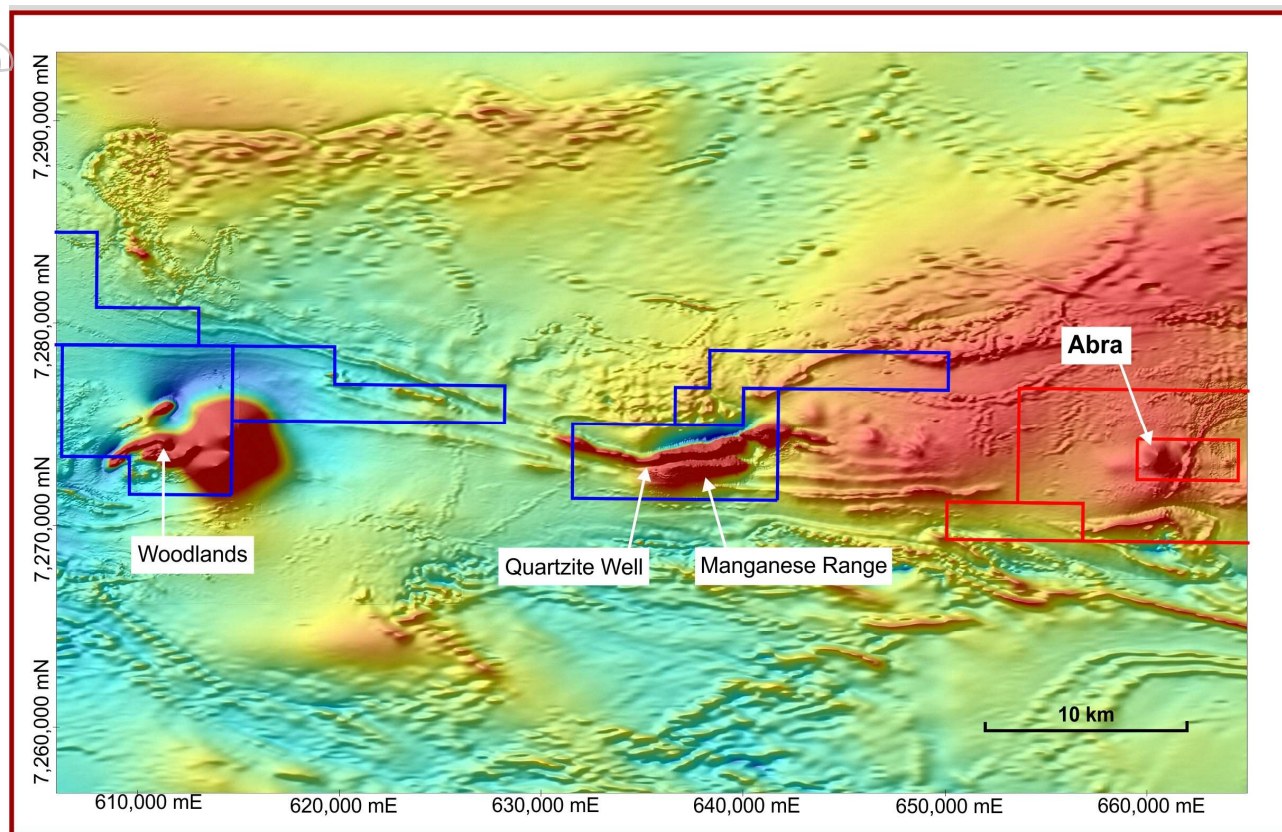
Manganese mineralisation is also found at surface and within drillholes at Manganese Range and Woodlands.

¹⁵ For example: <http://www.asx.com.au/asxpdf/20070928/pdf/314tjbhlw6cx8g.pdf>

¹⁶ <http://www.asx.com.au/asxpdf/20081113/pdf/31dksdkyd4f5sx.pdf>

Snowden considers that these prospects remain poorly tested by drilling. Surface geochemical soil sample programs have identified Pb, Zn and Cu anomalies within and between these prospects that remain to be drill tested.

Figure 6.1 Jillawarra prospects and magnetic image



Source: GML

6.2.1 Woodlands

At Woodlands, previous explorers identify a strong electromagnetic (EM) anomaly that is coincident with copper mineralisation identified in scout drill holes. Previous explorers have modelled this anomaly as a steeply dipping conductive plate that cuts across stratiform copper mineralisation of low grade, identified in drilling. Previous explorers interpret this to represent a potential massive sulphide feeder structure which has not been drill tested.

Snowden observes that the limited drilling at Woodlands to date is vertical and therefore possibly subparallel to the interpreted conductor. GML advises that this structure and concept is the highest priority drill target at Jillawarra.

GML advises that it intends to review and rank the other Jillawarra prospects before determining secondary drilling priorities.

6.3 Aboriginal heritage, Native Title and environment

The Abra project is subject to an Indigenous Land Use Agreement (ILUA) with the Jidi Jidi Aboriginal Corporation, the relevant native title claimant group.

The Nharnuwangga Wajarri and Ngarla group have been granted Native Title over the region including the project area. AML concluded a heritage agreement in September 2005 with the Jidi Jidi Aboriginal Corporation as traditional owner representatives for the Nharnuwangga Wajarri Ngarlawangga (NWN) Native Title Claim (Native Title reference number WAD0072_98). The agreement provides for exploration across all of Abra's tenements within the area of the NWN Native Title Claim. Following heritage surveys and by negotiation, AML has been granted access to the project area.

6.4 Snowden opinion

Snowden considers the Abra project to hold demonstrable potential for an orebody that could be exploited by underground selective mining. Previous explorers have focused efforts toward low grade bulk mining, the thinking being that this may result in an internationally significant project.

Snowden observes that the Abra project covers about half of the terrestrial expression of the eastern half of the Edmund Basin. The basin has been demonstrated to host base metals mineralisation, predominantly in the Gap Well Formation sediments.

The Abra project is accompanied by a substantial amount of geophysical and geochemical data that indicates the presence of numerous anomalies that have yet to be drill tested. GML intends to prioritise these and drill test the highest priority targets, such as Woodlands, within the first year and rank the remaining targets for subsequent drill testing.

7 EXPLORATION TARGET

The JORC Code defines an Exploration Target as being a statement of the exploration potential of a mineral deposit in a defined geological setting, quoted as a range of tonnes and a range of grade for which there has been insufficient exploration to estimate a Mineral Resource. Such a target does not in any way constitute a Resource Estimate, as defined by the JORC Code and is entirely conceptual in nature. Snowden cautions that Exploration Targets are conceptual in nature and that there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Snowden presents its Exploration Target for GML's Abra Project (Table 7.1) along with commentary on activities and timeframes to realise this potential (refer to Section 8 below).

The Exploration Target is derived from exploration results and technical reports by previous explorers.

Snowden has observed the head grades of a number of operating Australian and international lead mines and considers that, in the case of the Abra deposit, a cut-off of between 4% and 5% Pb corresponds to a head grade that may satisfy requirements for Mineral Resource estimation¹⁷. This is augmented by deeper, copper-lead mineralisation (refer Section 4.4 above), where a cut-off of between 3% Pb and 4% Pb is considered to be appropriate.

The copper mineralisation is interpreted by Snowden to represent the geological "root zone" of the deposit and a cut-off of between 0.8% Cu and 1.0% Cu has been applied to define this material.

Table 7.1 Abra exploration target

Component	Tonnage (Mt)		Grade		Commodity
	From	To	From	To	
Abra Global	80	110	3% Pb	5% Pb	Pb
Abra high-grade	7	14	6% Pb	8% Pb	Pb
Abra Copper Gold	1.0	3.5	0.8% Cu; 0.6g/t Au	1.0% Cu; 0.6g/t Au	Cu-Au

Snowden observes that previous explorers identified a large tonnage of material at a low cut-off grade. The grade of this material is relatively low when compared to the head grade of operating lead mines and Snowden infers that this supported the historically examined bulk mining concept. Snowden considers that the work of previous explorers supports the existence of a higher-grade population that may be amenable to selective mining.

This is the concept that GML proposes to examine and Snowden considers this to be a prudent strategy.

¹⁷ As defined by Clause 20 of the JORC Code

8 EXPLORATION STRATEGY

GML believes that the cumulative results of exploration carried out by AML over the previous five to ten years provide a platform on which it can progress future exploration of the Abra project. Snowden concurs with this view.

Snowden has assessed the exploration work which has already been undertaken on the projects and their relative geological prospectivity and considers that there is a reasonable basis for belief that exploration will result in the discovery of economic mineralisation and the establishment of a profitable mining operation. GML's strategy is to develop its understanding of the controls and location of Abra high grade mineralisation and explore those prospects identified in similar stratigraphic and structural positions. Snowden concurs with this strategy.

GML has described to Snowden its proposed exploration budget and exploration activities (Table 8.1). Based on its experience, Snowden considers that GML's strategy is adequately budgeted, considering the level of development of the projects and geological location.

Snowden advises that mineral exploration is a process of discovery and any budget and strategy will be constantly revised as the results of exploration campaigns are assessed.

Table 8.1 GML proposed exploration activities

Project area	Activity	Year 1 (A\$M)	Year 2 (A\$M)	Total (A\$M)
Abra	Diamond Drilling	0.61	0.30	0.91
	Assays	0.05	0.03	0.08
	Resource Modelling	0.05		0.05
	Metallurgical testing		0.05	0.05
	Mine scoping study		0.10	0.10
	Groundwater testing		0.05	0.05
District Exploration	Geophysical review	0.02		0.02
	RC drilling	0.15		0.15
	Diamond drilling		0.10	0.10
	Assays	0.04	0.25	0.65
	Rehabilitation	0.05	0.05	0.10
Service costs	Heritage & Tenement Administration	0.04	0.02	0.06
	Geological services & field labour	0.38	0.12	0.50
	Administration	0.25	0.10	0.35
Total		1.60	0.90	2.50

Source: GML

Subject to a successful Initial Public Offering, GML has an exploration budget of around A\$2,500,000, for its first two financial years, which includes exploration expenditure, tenement rents and rates, office and administration costs and salaries.

GML is aware that exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied and has explained to Snowden that it reserves the right to alter the way funds are applied.

Snowden has interviewed GML directors and worked with them on a number of assignments over a period of some years and considers these personnel to be capable and suitably qualified to implement the proposed exploration strategy in a professional and productive manner.

Snowden comments that the most valuable asset for any mining or exploration company is its knowledge of its Mineral Assets. Snowden considers that GML staff are dedicated to acquiring and preserving this knowledge.

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10 ABBREVIATIONS AND UNITS

Table 10.1 Abbreviations and units

Abbreviation/unit	Definition
%	percent
°	degree
°C	degree Celsius
AML	Abra Mining Limited
A\$	Australian dollars
Ag	Silver
Au	Gold
Ba	Barium
EM	Electromagnetic
ASX	Australian Securities Exchange
cm	centimetre
CPR	Competent Person's Report
Cu	Copper
DME	Department of Minerals and Energy
EL	Exploration Licence
GSWA	Geological Survey of Western Australia
g/t	Grams per tonne
GML	Galena Mining Limited
Geopeko	The geological subsidiary of Peko Limited
HNC	Hunan Nonferrous Metals
ha	hectares
hr(s)	hour(s)
IP	induced polarisation
ITR	Independent Technical Review
JORC	(Australasian) Joint Ore Reserves Committee
kg	kilogram
kℓ	kilolitre
km	kilometre
km ²	square kilometres
ℓ/hour	litres per hour
ℓ/s	litres per second
M	million
m	metre
m/min	metres per minute
m ²	square metre
m ³ /s	metres cubed per second
mE	metres East

Abbreviation/unit	Definition
Mn	manganese
North	North Limited, a mining company subsequently taken over by Rio Tinto
Mt	million tonnes
Mt/a	million tonnes per annum
mW	metres West
Pb	Lead
Peko	Peko Limited, a mining company subsequently taken over by North
pXRF	portable x-ray fluorescence
RC	reverse circulation
RD	relative density
RGC	RGC Exploration Pty Ltd
S	Sulphur
ROM	run of mine
Snowden	Snowden Mining Industry Consultants Pty Ltd
VALMIN Code	2015 Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets
XRF	x-ray fluorescence

Appendix A Snowden Abra Exploration Target

Abra Exploration Target as at March 2017

Component	Tonnage (Mt)		Grade		Commodity
	From	To	From	To	
Abra Global	80	110	3% Pb	5% Pb	Pb
Abra high-grade	7	14	6% Pb	8% Pb	Pb
Abra Copper Gold	1.0	3.5	0.8% Cu; 0.6g/t Au	1.0% Cu; 0.6g/t Au	Cu-Au

Small discrepancies may occur due to rounding

Competent Persons Statement

The information in this report that relates to the Abra Exploration Target estimate is based on information compiled by Jeremy Peters who is a Chartered Professional (Geology) and Chartered Professional (Mining) and a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a competent person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Jeremy Peters is a full-time employee of Snowden Mining Industry Consultants Pty Ltd and consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Appendix B Abra exploration drill collar locations

Hole_ID	Hole_Type	Max_Depth	Orig_Grid_ID	Orig_East	Orig_North	Orig_RL	Collar_Dip	Collar_Az	Surv_meth	Parent_Hole_ID	Precollar_Depth	Company
AB03	DDH	575.00	MGA94_50	660524.01	7273450.57	550.41	-80	357	DGPS		131.5	GEOPEKO
AB04	DDH	536.00	MGA94_50	660642.81	7273349.94	546.48	-80	34	DGPS		142	GEOPEKO
AB05	DDH	759.50	MGA94_50	660365.61	7273327.67	548.43	-85	39	DGPS		210	GEOPEKO
AB06	DDH	400.00	MGA94_50	660616.01	7273634.87	552.42	-80	39	DGPS		203	GEOPEKO
AB07	DDH	459.00	MGA94_50	660335.14	7273607.93	555.89	-80	39	DGPS		152	GEOPEKO
AB09	DDH	945.30	MGA94_50	660671.55	7273108.04	540.48	-80	360	DGPS		198	GEOPEKO
AB10	DDH	899.00	MGA94_50	660869.89	7273021.58	537.65	-85	360	DGPS		156	GEOPEKO
AB11	DDH	855.00	MGA94_50	661018.36	7272894.98	536.92	-87	355	DGPS		204	GEOPEKO
AB12	DDH	700.30	MGA94_50	660522.55	7273251.01	545.11	-85	347	DGPS		184.4	GEOPEKO
AB13	DDH	318.60	AMG84_50	662390.00	7273973.60	550.00	NR	NR	NR			GEOPEKO
AB14	DDH	202.00	MGA94_50	661880.39	7273888.41	536.42	NR	NR	NR		202	GEOPEKO
AB14A	DDH	400.00	MGA94_50	661891.56	7273891.24	535.63	-85	15	NR		59.5	GEOPEKO
AB15	DDH	318.70	MGA94_50	662521.03	7273626.32	534.85	-88	330	DGPS		70	GEOPEKO
AB16	DDH	836.00	MGA94_50	660519.92	7273355.00	546.77	-89	329	DGPS		249.9	GEOPEKO
AB17	DDH	570.10	MGA94_50	660424.15	7273451.52	551.64	-85	360	DGPS		250.4	GEOPEKO
AB18	DDH	842.25	MGA94_50	660572.90	7273349.60	547.17	-85	6	DGPS		201	GEOPEKO
AB19	DDH	721.55	MGA94_50	660523.78	7273399.49	548.39	-84	358	DGPS		195.4	GEOPEKO
AB20	RC	217.50	AMG84_50	660384.27	7273450.02	552.33	NR	NR	NR		201	GEOPEKO
AB21	DDH	217.90	MGA94_50	660408.20	7273450.98	552.37	-75	90	NR		15	GEOPEKO
AB21W	DDH	195.80	MGA94_50	660408.20	7273450.98	552.60	-78	82	NR	AB21	143.85	GEOPEKO
AB22A	DDH	955.00	MGA94_50	660602.17	7273724.57	552.92	-68	180	DGPS		39	RGC
AB22B	DDH	790.00	MGA94_50	660602.15	7273723.26	552.94	-68	180	DGPS	AB22A	571.5	RGC
AB23	DDH	757.20	MGA94_50	660462.07	7273370.05	548.91	-88	347	DGPS			AML
AB24	DDH	825.80	MGA94_50	660569.46	7273360.89	546.99	-75	352	DGPS		234.2	AML
AB25	DDH	652.20	MGA94_50	660345.38	7273424.80	551.99	-75	2	DGPS			AML
AB27	DDH	629.50	MGA94_50	660701.20	7273497.01	548.82	-75	345	DGPS			AML
AB28	DDH	740.60	MGA94_50	660350.46	7273426.15	551.96	-77	86	DGPS			AML
AB29	DDH	156.50	MGA94_50	660569.45	7273360.48	547.08	NR	NR	DGPS			AML
AB29A	DDH	636.80	MGA94_50	660569.45	7273360.48	547.08	-90	0	DGPS			AML
AB30	DDH	762.80	MGA94_50	660574.43	7273176.10	544.22	-76	355	DGPS			AML
AB31	DDH	708.90	MGA94_50	660458.98	7273171.90	545.06	-75	360	DGPS			AML
AB32	DDH	760.60	MGA94_50	660371.19	7273176.86	546.97	-76	357	DGPS			AML
AB33	DDH	645.70	MGA94_50	660462.19	7273373.20	549.02	-75	357	DGPS			AML
AB34	DDH	799.50	MGA94_50	660224.95	7272949.83	544.64	-75	0	DGPS			AML
AB35	DDH	706.20	MGA94_50	660422.17	7272960.14	543.64	-77	3	DGPS			AML
AB36	DDH	832.20	MGA94_50	660122.57	7273154.68	548.17	-78	0	DGPS			AML
AB37	DDH	613.30	MGA94_50	660123.22	7273359.29	554.16	-77	4	DGPS			AML
AB38	DDH	685.20	MGA94_50	660822.22	7273295.47	542.34	-76	2	DGPS			AML
AB39	DDH	756.60	MGA94_50	660374.35	7273730.77	556.09	-70	180	DGPS			AML
AB40	DDH	650.10	MGA94_50	660527.60	7273605.06	553.33	-69	182	DGPS			AML
AB41	DDH	450.70	MGA94_50	660529.66	7273900.08	553.47	-89	8	DGPS	ABRC002		AML
AB42	DDH	516.70	MGA94_50	660518.59	7274499.85	544.72	-90	0	DGPS	ABRC001		AML
AB43	DDH	757.40	MGA94_50	660524.46	7273711.44	553.99	-69	182	DGPS			AML
AB44	DDH	595.30	MGA94_50	660475.72	7273824.90	554.80	-67	183	DGPS			AML
AB45	DDH	708.70	MGA94_50	660474.88	7273725.73	554.52	-67	180	DGPS			AML
AB46	RC	60.00	MGA94_50	660674.87	7273435.06	547.84	-67	181	DGPS			AML
AB46A	RC	120.00	MGA94_50	660674.95	7273432.32	547.74	-62	180	DGPS			AML
AB46B	RC	92.00	MGA94_50	660674.99	7273429.83	547.66	-57	178	DGPS			AML
AB47	DDH	801.70	MGA94_50	660575.02	7273357.65	547.37	-57	176	DGPS			AML
AB48	DDH	669.70	MGA94_50	660524.48	7273777.92	554.18	-67	181	DGPS			AML
AB49	DDH	196.70	MGA94_50	660623.50	7273498.18	550.75	-54	176	DGPS			AML
AB50	DDH	809.60	MGA94_50	660574.38	7273712.72	553.21	-57	177	GPS			AML
AB51	RC	85.00	MGA94_50	660472.76	7273383.71	548.61	-56	181	GPS			AML
AB52	DDH	794.30	MGA94_50	660724.08	7273538.26	548.75	-55	179	GPS		72.8	AML
AB53	DDH	699.70	MGA94_50	660525.56	7273844.19	554.01	-66	178	GPS			AML
AB54	DDH	811.00	MGA94_50	660573.19	7273778.99	553.21	-67	177	GPS			AML
AB55	DDH	792.70	MGA94_50	660723.48	7273441.18	546.77	-67	171	GPS			AML
AB56	DDH	758.40	MGA94_50	660324.56	7273588.07	555.62	-67	171	GPS			AML
AB57	DDH	670.50	MGA94_50	660775.00	7273439.00	548.00	-68	173	GPS			AML
AB58	DDH	660.80	MGA94_50	660275.00	7273633.00	556.00	-67	173	GPS			AML
AB59	DDH	792.70	MGA94_50	660275.00	7273533.00	556.00	-68	175	GPS			AML
AB60	DDH	98.60	MGA94_50	660477.00	7273597.00	558.00	-75	180	GPS			AML
AB60A	DDH	640.10	MGA94_50	660477.00	7273598.00	558.00	-75	171	GPS			AML
AB61	DDH	632.30	MGA94_50	660574.00	7273557.00	558.00	-71	165	GPS			AML
GD1	DDH	384.50	MGA94_50	663917.43	7272958.50	557.47	-85	360	DGPS			Geopeko
HY1	DDH	605.60	MGA94_50	658539.11	7272957.79	563.17	-80	360	DGPS			AML
HY2	DDH	638.50	MGA94_50	658740.00	7272975.00	566.00	-90	360	GPS			AML

Appendix C JORC Code Table 1, Sections 1 & 2

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Mineralised intervals in all holes were drilled with NQ diamond core and sampled by cutting the core with a diamond saw and the half core submitted for assay. Sample intervals vary depending on geological contacts and are generally between 0.5m and 3.0m, averaging 2.0m in length. Regular 2m sample intervals applied to thick mineralised zones. Sampling is continuous throughout the mineralised intervals with no gaps. Prior to cutting, the core was marked up by a geologist, orienting the core to ensure the relative orientation of consecutive pieces of core, always taking the left hand half of the core looking down the hole. All core photographed for reference and sample intervals and can be compared with assays. Samples are taken according to geological controls on mineralisation. This includes larger sample intervals representative of the wide mineralised intervals. All aspects of the determination of mineralisation are described in this table, but of particular materiality to this Public report is the high quality and completeness of core. The core sampling method is considered appropriate for the Abra mineralisation.

Criteria	JORC Code explanation	Commentary
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> RC drill intervals and HQ core intervals were drilled as pre-collars within the non-mineralised overburden before converting to NQ diamond core standard tube drilling for the remainder of each hole. RC holes AB46, AB51, AB46A, AB46B, AB20 and AB8 abandoned within the unmineralised Kiangi Creek sediments due to directional deviation. Diamond core holes AB60, AB29, AB21W, AB13, AB15 all failed to reach the targeted mineralisation which starts at the Red Zone below the Kiangi Creek sediments. The Red Zone starts at between 250 and 450m down hole depending on the northing location. Successful NQ core tails extended between depths of 400m (AB6) to 955m (AB22A). AB22B was a wedge hole off AB22A from 571.5m and finished at 790m. All core holes were oriented using various orientation tools by the drillers and bottom of hole marked on the core.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> All core was measured for recovery by AML staff (including earlier phases of drilling) and recovery % recorded. Overall recovery was excellent due to the silicified nature of the rock, which resulted in 100% or close to 100% for a majority of the holes. Photographic evidence of all core supports this. No additional measures were required during drilling to maximize recovery due to the silicified nature of the host rock and mineralised zones. Sample recovery was excellent within unmineralised and mineralised zones.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All core was logged geologically and geotechnically in detail sufficient to support Mineral Resource estimates, mining and metallurgical studies. Logging included lithology, texture, veining, grain size, structure, alteration, hardness, fracture density, RQD, alteration, mineralisation, magnetic response, bulk density measurements Core logging was qualitative and quantitative. Lithological observations were qualitative. All geotechnical observations and core photographs were quantitative. 100% of all core which included all mineralised intervals was logged.

Criteria	JORC Code explanation	Commentary																																																																																										
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling</i><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	<ul style="list-style-type: none">All cut core was initially sampled as half core for assaying. Selected intervals were later further cut and ¼ core assayed for QAQC. Selected ½ core intervals were also taken for metallurgical and geotechnical testwork.N/AAll core was appropriately oriented and marked up for sampling by company geologists prior to core cutting.No sub sampling was completed.Selected ¼ core samples were taken as duplicates and assayed for geostatistical comparison to original core assays. This included 110 sets from pre-AML core. Not all sample intervals were the same and assay labs/methods may have changed. The following table compares assays from identical intervals:																																																																																										
		<table><tr><th>Filter</th><th>Analyte</th><th>Pair Count</th><th>Mean Grade (Primary Lab)</th><th>Mean Grade (Second Lab)</th><th>Relative Bias</th></tr><tr><td>All pairs</td><td>Pb</td><td>80</td><td>2.09 %</td><td>2.12 %</td><td>+8.4 %</td></tr><tr><td>All pairs</td><td>Ag</td><td>35</td><td>9.1 ppm</td><td>6.0 ppm</td><td>-5.2 %</td></tr><tr><td>All pairs</td><td>As</td><td>47</td><td>26 ppm</td><td>31 ppm</td><td>+ 6.4 %</td></tr><tr><td>All pairs</td><td>Au</td><td>62</td><td>0.20 ppm</td><td>0.19 ppm</td><td>-13.3 %</td></tr><tr><td>All pairs</td><td>Cu</td><td>83</td><td>0.21 %</td><td>0.21 %</td><td>+ 9.5 %</td></tr><tr><td>All pairs</td><td>Bi</td><td>33</td><td>32 ppm</td><td>31 ppm</td><td>-5.6%</td></tr><tr><td>All pairs</td><td>Zn</td><td>80</td><td>0.009 %</td><td>0.006 %</td><td>-22.4 %</td></tr><tr><td>Mean of pair >0.2%</td><td>Pb</td><td>66</td><td>2.53</td><td>2.55</td><td>+1.4%</td></tr><tr><td>Mean of pair >5ppm</td><td>Ag</td><td>36</td><td>16.4</td><td>13.9</td><td>-7.9%</td></tr><tr><td>Mean of pair >13ppm</td><td>As</td><td>36</td><td>58.7</td><td>65.4</td><td>+9.9%</td></tr><tr><td>Mean of pair >0.05ppm</td><td>Au</td><td>28</td><td>0.57</td><td>0.54</td><td>+1.8%</td></tr><tr><td>Mean of pair >0.05%</td><td>Cu</td><td>55</td><td>0.304</td><td>0.309</td><td>+2.8%</td></tr><tr><td>Mean of pair >5ppm</td><td>Bi</td><td>33</td><td>80.2 ppm</td><td>78.1ppm</td><td>-1.3%</td></tr><tr><td>Mean of pair >0.005%</td><td>Zn</td><td>54</td><td>0.0108</td><td>0.0078</td><td>-16.3%</td></tr></table>	Filter	Analyte	Pair Count	Mean Grade (Primary Lab)	Mean Grade (Second Lab)	Relative Bias	All pairs	Pb	80	2.09 %	2.12 %	+8.4 %	All pairs	Ag	35	9.1 ppm	6.0 ppm	-5.2 %	All pairs	As	47	26 ppm	31 ppm	+ 6.4 %	All pairs	Au	62	0.20 ppm	0.19 ppm	-13.3 %	All pairs	Cu	83	0.21 %	0.21 %	+ 9.5 %	All pairs	Bi	33	32 ppm	31 ppm	-5.6%	All pairs	Zn	80	0.009 %	0.006 %	-22.4 %	Mean of pair >0.2%	Pb	66	2.53	2.55	+1.4%	Mean of pair >5ppm	Ag	36	16.4	13.9	-7.9%	Mean of pair >13ppm	As	36	58.7	65.4	+9.9%	Mean of pair >0.05ppm	Au	28	0.57	0.54	+1.8%	Mean of pair >0.05%	Cu	55	0.304	0.309	+2.8%	Mean of pair >5ppm	Bi	33	80.2 ppm	78.1ppm	-1.3%	Mean of pair >0.005%	Zn	54	0.0108	0.0078	-16.3%
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<ul style="list-style-type: none">Sample sizes are considered appropriate to the fine – medium grained grain size common in the host rock and galena mineralisation.																																																																																												

Criteria	JORC Code explanation	Commentary																																																																								
Quality of assay data and laboratory tests	<ul style="list-style-type: none">The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	<ul style="list-style-type: none">A range of laboratories and analytical methods have been used: <table><tr><th>Phase</th><th>Period</th><th>Operator</th><th>Number of Holes</th><th>Hole Type</th><th>Range of Hole Numbers</th><th>Primary Laboratory</th><th>Analytical Method(s)</th></tr><tr><td>1</td><td>1981 – 1983</td><td>Geopeko</td><td>8</td><td>DDH</td><td>AB1–11</td><td>SGS Analabs (Welshpool)</td><td>Unknown</td></tr><tr><td>1</td><td>1981 – 1983</td><td>Geopeko</td><td>8</td><td>DDH</td><td>AB1–11</td><td>Comlabs (Perth) for parts of AB4-AB7 ??</td><td>Unknown</td></tr><tr><td>2</td><td>1988 – 1990</td><td>Geopeko</td><td>3</td><td>DDH</td><td>AB12 -17</td><td>SGS Analabs (Welshpool)</td><td>3 acid/AAS</td></tr><tr><td>2</td><td>1991</td><td>Geopeko</td><td>4</td><td>DDH</td><td>AB18 - 21W</td><td>Genalysis Laboratory Services (Maddington)</td><td>?/AAS, FA</td></tr><tr><td>3</td><td>1995</td><td>RGC</td><td>2</td><td>DDH</td><td>AB22A-22B</td><td>ALS Chemex, Perth</td><td>?/AAS,FA</td></tr><tr><td>4</td><td>2005</td><td>AML</td><td>11</td><td>DDH</td><td>AB23–33</td><td>Genalysis Laboratory Services</td><td>4 acid/ICP,FA</td></tr><tr><td>4</td><td>2006</td><td>AML</td><td>5</td><td>DDH</td><td>AB34 - 38</td><td>Genalysis/ Ultratrace</td><td>4 acid/ICP,FA</td></tr><tr><td>4</td><td>2007 -2008</td><td>AML</td><td>18</td><td>DDH</td><td>AB40 - AB54</td><td>Ultratrace</td><td>4 acid/ICP,FA</td></tr></table> <ul style="list-style-type: none">AML continued with Ultratrace 4 acid/ ICP, FA method post 2008 (holes AB55-61)N/A.AML QAQC procedures (2005-2016) included the following:<ul style="list-style-type: none">Blank samples – submitted at selected points within mineralised intersections at a nominal rate of 2 per 100 samples. The blank material is a quartz river sand, not certified as a blank. Pre-AML protocols for blanks are not known. Geopeko did periodic duplicate samples and check assays at a second laboratory. RGC inserted standards at a rate of 1 in 20.Reference Standard samples – submitted at a rate of 1 in 20 in sequence with the original core samples. Different standards were used for the lead-silver rich zones and the copper-gold rich zones.Duplicates – routinely taken by the laboratory at a rate of 1 in 10 through a second split of the crushed core. They were submitted with the next sample number after the primary sample as part of a continuous sample stream. These are considered as true duplicates and can be used for assessing laboratory precision.In 2008, AML recovered 84 pulp residue samples from the primary laboratory and submitted them to a second laboratory for analysis to check for bias (see following table) this laboratory appears to have assayed slightly higher for lead, copper and arsenic and lower for silver and zinc. Assays from the primary laboratory may have therefore slightly underestimated the grades of Pb, Cu and As.	Phase	Period	Operator	Number of Holes	Hole Type	Range of Hole Numbers	Primary Laboratory	Analytical Method(s)	1	1981 – 1983	Geopeko	8	DDH	AB1–11	SGS Analabs (Welshpool)	Unknown	1	1981 – 1983	Geopeko	8	DDH	AB1–11	Comlabs (Perth) for parts of AB4-AB7 ??	Unknown	2	1988 – 1990	Geopeko	3	DDH	AB12 -17	SGS Analabs (Welshpool)	3 acid/AAS	2	1991	Geopeko	4	DDH	AB18 - 21W	Genalysis Laboratory Services (Maddington)	?/AAS, FA	3	1995	RGC	2	DDH	AB22A-22B	ALS Chemex, Perth	?/AAS,FA	4	2005	AML	11	DDH	AB23–33	Genalysis Laboratory Services	4 acid/ICP,FA	4	2006	AML	5	DDH	AB34 - 38	Genalysis/ Ultratrace	4 acid/ICP,FA	4	2007 -2008	AML	18	DDH	AB40 - AB54	Ultratrace	4 acid/ICP,FA
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Filter	Analyte	Pair Count	Mean Grade (Primary Lab)	Mean Grade (Second Lab)	Relative Bias
All pairs	Pb	80	2.09 %	2.12 %	+8.4 %
All pairs	Ag	35	9.1 ppm	6.0 ppm	-5.2 %
All pairs	As	47	26 ppm	31 ppm	+ 6.4 %
All pairs	Au	62	0.20 ppm	0.19 ppm	-13.3 %
All pairs	Cu	83	0.21 %	0.21 %	+ 9.5 %
All pairs	Bi	33	32 ppm	31 ppm	-5.6%
All pairs	Zn	80	0.009 %	0.006 %	-22.4 %
Mean of pair >0.2%	Pb	66	2.53	2.55	+1.4%
Mean of pair >5ppm	Ag	36	16.4	13.9	-7.9%
Mean of pair >13ppm	As	36	58.7	65.4	+9.9%
Mean of pair >0.05ppm	Au	28	0.57	0.54	+1.8%
Mean of pair >0.05%	Cu	55	0.304	0.309	+2.8%
Mean of pair >5ppm	Bi	33	80.2 ppm	78.1ppm	-1.3%
Mean of pair >0.005%	Zn	54	0.0108	0.0078	-16.3%

- In 2008, AML undertook a comprehensive bulk density measurement program using the water immersion method. The core was not considered porous and therefore not waxed for measurement. Moisture retention was examined by oven drying for 2 hours and regular weighing every 15 minutes. The maximum weight difference for the 10 pieces of core was 2g. Every 50th sample measured for bulk density was thereafter moisture tested to ensure ongoing accuracy of the method. A total of 3959 bulk density measurements were then completed by AML staff, supervised by geologists. Results for the different geological zones are as follows:

Year	Analyte	Pair Count	Mean	Relative Bias
1981	Pb	15	5.9 %	+3 %
	Ag	14	20 ppm	+18 %
	Au	5	3.0 ppm	-9 %
	Cu	18	0.53 %	-20 %
	Ba	15	1760 ppm	-59 %
	Zn	17	0.004 %	-4 %
1983	Pb	39	1.81 %	-17 %
	Ag	22	7.3 ppm	0 %
	Cu	42	0.49 %	-13 %
	Ba	42	840 ppm	-34 %
	Zn	41	0.029 %	+3 %
	Pb	44	2.19 %	-13 %
1988	Ag	34	11.4 ppm	-10 %
	Au	10	1.64 ppm	-7 %
	Cu	44	0.66 %	-6 %
	Ba	43	1260 ppm	-51 %
	Zn	38	0.034 %	+9 %
	Pb	4	4.70 %	+19 %
1991	Cu	6	0.59 %	+20 %
	Ba	6	660 ppm	-7 %
	Zn	4	0.032 %	+5 %

Verification
of

- The verification of significant intersections by either

- Significant intersections have been verified by consulting groups RSG Global and McDonald & Spiers
- Due to the depth to mineralisation no twinned holes have been attempted as yet.

<p><i>sampling and assaying</i></p>	<p><i>independent or alternative company personnel.</i></p> <ul style="list-style-type: none"> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> All primary data was firstly recorded on paper according to AML procedures and then entered into an electronic files onsite. Electronic copies were transferred periodically to the Perth head office where the master database was administered. Duplicates of the data were kept onsite after validation. Duplicates of all paper copies of sample data were made for site and head office. A validation exercise of the digital drilling database was completed in 2008 for historic drill data (pre 2005) and current (2005 2008) using the original hard paper copies of logging, sample and assay lab data. No adjustments were made to assay data.
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Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> In June 2005 Haines Survey surveyed all drill collars using DGPS with nominal accuracy of 0.02m. Subsequent drill hole collars were also surveyed with DGPS (accuracy 0.02m) by MHR Surveyors. The majority from all phases of drilling have been surveyed by Eastman single shot (ESS) cameras at intervals of 30-50m. AML also completed gyroscopic downhole surveys of 46 holes to compare with the ESS data. This work was completed by Pilbara Wireline Services (PWS). After reviewing and comparing both data sets it can be established that the ESS data is sufficiently accurate once obviously dubious surveys affected by magnetite are removed. Data captured in Map Grid of Australia GDA 94, Zone 50. The RL of drill collars was measured by both DGPS surveys to an accuracy of 0.02m which gives us with a satisfactory control over the topography.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Drilling to date is on approximately 100m x 150m centres east – west and 50m x 150m centres north – south over the mineralized body which extends over approximately 1000m east – west and 700m north – south. Sampling downhole is on average every 2m within the mineralised zone which extends (depending on the northing) between 250m downhole and 800m downhole. Data spacing is sufficient to establish geological and grade continuity to establish a mineral resource estimate but a mineral resource has not been estimated. No sample compositing has been applied.

Criteria	JORC Code explanation	Commentary
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> Some initial drill holes may have been drilled sub-parallel to mineralized structures which dip steeply to the north but the majority of drill holes are oriented to the south so as to sample possible structures in an unbiased manner. The upper sections of the mineralisation are relatively shallow dipping to the south and can therefore be drilled in either direction. It is not considered that there is a sampling bias.
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> The various companies that drilled the deposit maintained their own sample security measures. All sampled core was transmitted from site to Perth assay laboratories either by company personnel or by courier. All remaining core is stored on site. Pulps from post 2005 samples have also been returned to site and are stored in a locked shed.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> Various in house validation exercises have been completed to verify the accuracy of sampling techniques and data and these have found the AML procedures to be satisfactory.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> AML holds 100% interest in the Mulgul Project, consisting of Mining Lease M52/0776 and Exploration Leases E52/1455 and E52/2185. A 2.5% Net Smelter Royalty exists over leases M52/0776 and E52/1455. Miscellaneous licences G52/286 and L52/021 are also held 100% by AML and these fall within E52/1455. Within the adjoining Jillawarra Project Abra Mining holds 100% of E52/1413 which is currently subject to extension of term application. All tenements are in good standing and have existing Aboriginal Heritage Access Agreements in place. No mining agreement has been negotiated.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Historical exploration commenced around the Abra deposit by Amoco Minerals in 1974 but failed to discover the Abra deposit when testing the significant magnetic anomaly associated with the mineralisation. Geopeko Limited entered into a JV with Amoco in 1980 and drilled the discovery hole in 1981. 8 diamond core holes (AB1-11) were drilled before takeover by North Limited which did not complete any exploration. In 1995 RGC Exploration joint ventured in and drilled another deep diamond core hole (AB22A) with a daughter hole wedged from it (AB22B). Both North and RGC were subject to takeovers and the tenement was relinquished in 1999. Old City Nominees Pty Ltd, a private company, the acquired the ground and subsequently vended the project into Abra Mining Limited (AML). Abra resumed drilling in 2005 and has completed all holes between and including AB23-61. All diamond core drilling completed by all parties was completed to a high standard and contributed towards defining the extent and limits of the mineralisation Further extensive regional exploration within the Mulgul and Jillawarra Projects has been completed within this time by these companies and delineated many geophysical and surface geochemical anomalies and targets however no other potentially economic deposits have been discovered.

Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The Abra deposit lies within sediments of the Proterozoic Edmund Group. There are two styles of mineralisation within the Abra deposit; the upper mineralisation is strata-bound massive and disseminated sulphides associated with lead and silver mineralisation (dominantly galena), and the lower mineralisation consists of sulphide-rich hydrothermal veins that transported the mineralisation to the upper zone. This zone contains the copper and gold mineralisation as well as lead and silver.
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • Drill hole information is included in a table within appendices.

<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Summary significant intersections are included as tables within the report. No high grade upper cuts were as it was considered to be inappropriate at this stage of the exploration programs Significant intersections were calculated for +5% Pb when a minimum of 4m downhole at this grade was intersected and a maximum of 8m of internal dilution was accepted. +10% Pb significant intersections were also calculated when a minimum of 2m downhole at this grade was intersected and a maximum of 4m of internal dilution was accepted. Silver grades were also calculated for these intervals due to the strong correlation between silver and lead mineralisation. No metal equivalents were calculated.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> The upper strata-bound mineralisation drill intercepts are interpreted as being close to true width. The lower vein-hosted mineralisation has drill intercepts that, depending on drillhole orientation, may not be close to true width (true width not known)
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> A representative cross section is included in the report as well as lists of significant intersections and a plan of contoured downhole intersection width multiplied by the average lead grade for that interval (m% Pb)

Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Comprehensive reporting of all historic Exploration Results is not feasible as more than 38,000m of drilling has resulted in more than 10,500 samples with multi-element assays.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Other exploration data is too extensive to report here. It includes: Preliminary Geotechnical Assessment of the Abra Deposit by AMC in 2008 Abra Petrophysics Summary report by Resource Potentials in 2009 Interpretation of ASD Spectra for AML (spectral analysis of core) by Mineral Mapping in 2008 Metallurgical Testwork study report by RSG Global in 2007 Structural Interpretation of the High Grade Pb Mineralisation by RSG Global in 2007 Numerical modelling of structural controls on mineralization-related strain localization and fluid flow, and LeapFrog modelling of metal concentrations in the Abra polymetallic deposit by CSIRO in 2012 Bulk density measurements
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Future work will focus on infill drilling within the high grade core of the Abra deposit.

Appendix D Competent Person's Statements and Consents

Exploration Results

The information in the report to which this statement is attached that relates Exploration Results is based on information compiled by Mr Ed Turner, a Competent Person who is a Member of the Australian Institute of Geoscientists and a Director of Galena Mining Limited. Mr Turner has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Turner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Exploration Targets

The information in the report to which this statement is attached that relates Exploration Targets, is based on information compiled by Mr Jeremy Peters, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Chartered professional (Geology, Mining) of that organisation. Mr Peters is a full-time employee of Snowden Mining Industry Consultants. Mr Peters has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Peters consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Ed Turner's Consent

I, Edward James Turner, confirm that I am the Competent Person for the Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code 2012 Edition, having five years' experience that is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member of the Australian Institute of Geoscientists.
- I have reviewed the Report to which this Consent Statement applies.

I am an employee of Galena Mining Limited and have assisted in the preparation of documentation for the Abra Deposit on which the Report is based, for the date 12 May 2017.

I have disclosed to Snowden Mining Industry Consultants the full nature of the relationship between myself and Galena Mining Limited, including any issue that could be perceived by investors as a conflict of interest.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results.

I consent to the release of the Report and this Consent Statement by the directors of Galena Mining Limited.

Signature of Competent Person:

Date:

Professional Membership:

Membership Number:

Signature of Witness:

Print Witness Name and Residence:

Jeremy Peters' Consent

I, Jeremy John Peters, confirm that I am the Competent Person for the Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code 2012 Edition, having five years' experience that is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Fellow of The Australasian Institute of Mining and Metallurgy and Chartered Professional of that organisation.
- I have reviewed the Report to which this Consent Statement applies.

I am a full time employee of Snowden Mining industry Consultants and have been engaged by the directors of Galena Mining Limited to prepare the documentation for The Abra Deposit on which the Report is based, for the date 12 May 2017.

I have disclosed to Galena Mining Limited the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Targets.

I consent to the release of the Report and this Consent Statement by the directors of Galena Mining Limited.

Signature of Competent Person:

Date:

Professional Membership:

Membership Number:

Signature of Witness:

Print Witness Name and Residence:

For personal use only

Appendix E Abra drill intersections >5% Pb

Hole ID	From	To	Width (m)	Pb (%)	Ag (ppm)	Comments
AB3	272.00	285.00	13.00	10.68	15.2	inc. 1m@21.63% Pb from 275m and 2m@15.26% Pb from 283m
AB3	334.00	338.00	4.00	5.31	11.6	
AB3	356.00	381.00	25.00	5.95	8.4	inc. 1m@18.77% Pb from 366m
AB3	412.00	419.00	7.00	6.37	10.9	
AB3	442.00	449.00	7.00	10.47	16.3	inc. 2m@15.24 % Pb from 447m
AB3	478.00	486.00	8.00	5.64	17.5	
AB4	368.00	400.00	32.00	6.32	13.3	
AB4	450.00	454.00	4.00	6.03	15.1	
AB5	414.00	426.00	12.00	5.47	8.8	
AB5	500.00	504.00	4.00	5.40	19.5	
AB5	536.00	550.00	14.00	5.81	9.0	
AB5	560.00	564.00	4.00	6.35	25.5	
AB5	578.00	582.00	4.00	6.20	24.5	
AB5	592.00	596.00	4.00	5.10	6.3	
AB6	304.00	308.00	4.00	5.20	10.0	
AB6	314.00	318.00	4.00	7.80	7.6	
AB6	328.00	334.00	6.00	13.47	23.5	inc. 2m@ 18.39 % Pb from 330m
AB7	360.00	364.00	4.00	6.85	16.5	
AB9	488.00	494.00	6.00	14.88	24.8	inc. 2m @ 27.0 % Pb from 490m
AB9	514.00	522.00	8.00	7.44	22.8	
AB9	578.00	592.00	14.00	6.35	8.6	
AB9	658.00	662.00	4.00	5.00	7.5	
AB9	670.00	674.00	4.00	5.90	14.5	
AB10	726.00	746.00	20.00	5.95	14.4	
AB10	760.00	764.00	4.00	10.08	15.3	inc. 2m@ 15.0 % from 762m
AB10	772.00	776.00	4.00	5.74	21.5	
AB11	730.00	734.00	4.00	5.22	15.8	
AB12	418.00	422.00	4.00	5.53	8.5	
AB12	442.00	450.00	8.00	5.64	8.0	
AB12	502.00	506.00	4.00	5.13	3.3	
AB12	516.00	522.00	6.00	7.73	13.2	
AB12	586.00	590.00	4.00	6.07	7.0	
AB12	660.00	666.00	6.00	20.33	45.8	inc. 4m@ 23.25 % Pb from 662m
AB16	383.00	397.00	14.00	6.85	9.9	
AB16	425.00	429.00	4.00	5.65	10.3	

Hole ID	From	To	Width (m)	Pb (%)	Ag (ppm)	Comments
AB16	435.00	441.00	6.00	7.20	10.8	
AB16	457.00	467.00	10.00	6.27	9.0	
AB16	497.00	541.00	44.00	25.32	42.9	inc. 4m@20.75%Pb from 499m, 8m@26.75%Pb from 505m, 4m@52.1%Pb from 515m, 10m@46.04% from 523m and 2m@16.1%Pb from 537m
AB16	561.00	573.00	12.00	5.79	21.3	
AB17	335.00	349.70	14.70	6.12	14.8	
AB17	354.00	358.00	4.00	6.05	12.5	
AB17	498.00	502.00	4.00	9.85	12.5	inc. 2m@14.3%Pb from 498m
AB18	370.00	402.00	32.00	6.95	12.1	
AB18	412.00	446.00	34.00	5.73	6.6	
AB18	534.00	540.00	6.00	9.93	23.7	
AB19	370.00	380.00	10.00	6.11	7.6	
AB19	416.00	420.00	4.00	5.75	8.5	
AB19	450.00	460.00	10.00	5.72	12.6	
AB19	496.00	500.00	4.00	9.00	16.5	
AB19	508.00	512.00	4.00	5.80	37.0	
AB19	524.00	530.00	6.00	34.27	80.7	
AB22A	304.00	328.00	24.00	5.19	23.8	
AB22A	338.00	342.00	4.00	5.24	9.5	
AB23	384.00	388.00	4.00	8.79	14.0	
AB23	402.00	406.00	4.00	6.46	8.0	
AB23	416.00	424.00	8.00	5.84	5.5	
AB23	430.00	446.00	16.00	5.27	5.4	
AB23	458.00	464.00	6.00	6.58	7.3	
AB23	562.00	576.00	14.00	6.19	16.1	
AB23	634.00	638.00	4.00	13.18	84.5	inc. 2m@22.8%Pb from 636m
AB24	358.00	390.00	32.00	6.10	12.9	
AB24	402.00	406.00	4.00	6.44	8.5	
AB24	416.00	422.00	6.00	14.22	22.0	inc. 2m@15.85%Pb from 416m and 2m@17.02%Pb from 420m
AB24	442.00	492.00	50.00	6.75	15.0	inc. 2m@15.04% from 490m
AB24	502.00	508.00	6.00	10.28	11.3	
AB24	518.00	526.00	8.00	12.80	30.2	inc. 4m@16.59m from 518m
AB24	580.00	588.00	8.00	5.38	28.0	
AB25	408.00	412.00	4.00	13.61	27.5	

Hole ID	From	To	Width (m)	Pb (%)	Ag (ppm)	Comments
AB28	388.00	392.00	4.00	7.94	13.5	
AB28	404.00	458.00	54.00	7.31	11.3	inc. 2m@16.35%Pb from 416m and 2m@18.34%Pb from 434m
AB28	484.00	508.00	24.00	7.41	12.6	inc. 2m@18.45%Pb from 486m and 2m@15.15%Pb from 492m
AB28	564.00	568.00	4.00	5.36	13.5	
AB28	592.00	596.00	4.00	6.28	8.0	
AB28	610.00	614.00	4.00	7.45	7.0	
AB28	668.00	672.00	4.00	5.06	29.5	
AB29A	446.00	450.00	4.00	6.89	11.0	
AB29A	462.00	468.00	6.00	6.70	10.0	
AB29A	486.00	498.00	12.00	6.38	9.7	
AB29A	552.00	556.00	4.00	10.03	16.0	
AB30	454.00	458.00	4.00	6.01	6.0	
AB30	476.00	486.00	10.00	9.99	19.8	
AB30	546.00	576.00	30.00	7.68	26.3	inc. 2m@16.12%Pb from 548m and 2m@16.23%Pb from 556m
AB31	378.00	416.00	38.00	5.66	21.7	
AB31	460.00	464.00	4.00	6.24	7.5	
AB31	518.00	536.00	18.00	5.28	5.4	
AB31	582.00	586.00	4.00	6.40	17.5	
AB31	596.00	604.00	8.00	6.45	13.0	
AB32	450.00	456.00	6.00	5.39	29.7	
AB32	476.00	480.00	4.00	5.92	25.0	
AB32	494.00	508.00	14.00	14.12	23.4	inc. 6m@23.69%Pb from 500m
AB32	518.00	538.00	20.00	6.14	10.3	
AB32	546.00	550.00	4.00	7.93	11.5	
AB32	594.00	598.00	4.00	9.01	9.5	
AB33	366.00	370.00	4.00	5.42	11.5	
AB33	390.00	394.00	4.00	5.91	11.0	
AB33	422.00	426.00	4.00	8.49	9.0	
AB33	440.00	444.00	4.00	11.69	20.5	
AB33	510.00	518.00	8.00	19.02	21.8	inc. 6m@23.13%Pb from 510m
AB33	556.00	560.00	4.00	8.53	34.5	
AB34	548.00	556.00	8.00	5.29	11.2	
AB34	606.00	610.00	4.00	5.70	9.5	
AB35	646.00	650.00	4.00	15.05	18.5	inc. 2m@23.15% from 646m

Hole ID	From	To	Width (m)	Pb (%)	Ag (ppm)	Comments
AB39	334.30	341.00	6.70	7.27	35.0	
AB39	407.00	411.00	4.00	5.54	17.0	
AB39	635.10	640.20	5.10	9.54	20.6	
AB40	384.90	398.00	13.10	6.91	11.1	
AB40	407.25	413.00	5.75	5.58	8.7	
AB40	436.00	442.45	6.45	6.70	14.8	
AB40	458.20	486.65	28.45	5.60	7.4	
AB40	506.80	537.05	30.25	5.30	10.6	inc. 2.3m@15.93%Pb from 513.25m
AB43	314.00	318.00	4.00	7.07	21.5	
AB43	326.00	375.50	49.50	5.13	12.5	
AB43	399.20	421.50	22.30	6.80	10.1	
AB43	459.00	463.00	4.00	6.41	10.1	
AB43	476.50	485.00	8.50	5.57	8.6	
AB43	510.00	535.00	25.00	9.74	16.1	inc. 2m@32.18%Pb from 530m and 0.6m@54.43%Pb from 534.4m
AB43	544.00	562.00	18.00	8.07	11.3	inc. 1.7m@28.31%Pb from 556.3m
AB43	570.30	581.00	10.70	7.85	23.6	inc. 1.3m@29.14% from 570.3m
AB43	612.00	620.50	8.50	5.83	14.4	
AB44	314.00	320.00	6.00	7.14	8.8	
AB44	389.00	398.00	9.00	10.07	21.4	inc. 1m@28.57%Pb from 389m and 1m@20.2%Pb from 391m
AB44	416.00	420.00	4.00	13.23	26.6	inc. 2m@20.51%Pb from 418m
AB45	513.00	521.00	8.00	5.43	19.2	
AB45	530.90	535.00	4.10	5.49	14.2	
AB45	622.00	626.00	4.00	5.64	9.3	
AB45	638.00	644.00	6.00	8.53	28.1	
AB45	655.70	662.00	6.30	5.67	42.3	
AB47	402.50	409.00	6.50	13.09	47.0	inc. 1.2m@19.15%Pb from 548.8m
AB47	539.00	552.20	13.20	7.18	7.6	
AB48	266.00	297.00	31.00	7.48	55.6	inc. 3m@21.81%Pb from 282.5m
AB48	316.00	320.00	4.00	5.45	13.0	
AB48	361.00	373.80	12.80	8.95	14.9	inc. 2m@17.16%Pb from 362m and 2m@17.46%Pb from 367m
AB48	381.80	386.00	4.20	9.13	12.1	
AB48	511.70	515.70	4.00	19.02	28.2	
AB50	303.00	307.20	4.20	16.24	81.5	
AB50	315.00	319.00	4.00	5.37	35.6	

Hole ID	From	To	Width (m)	Pb (%)	Ag (ppm)	Comments
AB50	378.00	403.50	25.50	11.20	21.1	inc. 2m@19.1%Pb from 380.4m, 2m@30.1%Pb from 384.3m, 1.7m@16.3%Pb from 387.3m, 2m@16.3%Pb from 391m and 1m@19.9%Pb from 402.5m
AB50	437.00	450.90	13.90	7.47	13.7	
AB50	469.50	527.50	58.00	9.13	10.6	inc. 1m@23.9%Pb from 470.5m, 2.5m@18.88%Pb from 475m and 6m@24.13%Pb from 483m,
AB50	548.00	561.00	13.00	9.03	9.3	
AB50	595.80	631.00	35.20	6.50	7.3	inc. 1m@27%Pb from 595.8m and 3.3m@20.02%Pb from 627.7m
AB50	643.00	647.30	4.30	12.51	110.0	inc. 2.3m@16.0%Pb from 645m
AB52	424.00	438.00	14.00	9.43	15.0	inc. 2m@17.2%Pb from 430.5m
AB52	534.70	543.00	8.30	8.72	13.8	
AB52	552.00	556.00	4.00	5.04	7.5	
AB52	644.00	649.00	5.00	9.80	14.3	
AB54	300.00	306.00	6.00	5.85	10.0	
AB54	314.00	318.00	4.00	7.90	8.5	
AB54	326.00	351.60	25.60	5.53	9.8	inc. 1m@15.5%Pb from 328m and 1m@20.3%Pb from 336m
AB54	370.80	378.00	7.20	5.08	6.2	
AB54	386.00	396.20	10.20	6.19	13.6	inc. 1m@16.3%Pb from 395.2m
AB54	403.00	408.00	5.00	11.59	16.0	inc. 1.1m@33.2%Pb from 403m
AB54	496.40	513.20	16.80	11.08	21.6	inc. 2m@16.4%Pb from 496.4m, 2m@29.7%Pb from 501m and 2.5m@22.1%Pb from 505.5m
AB55	563.00	574.00	11.00	6.26	12.1	inc. 2m@19.0%Pb from 572m
AB55	624.80	630.10	5.30	9.09	11.7	
AB56	386.80	410.00	23.20	11.08	59.4	inc. 5.3m@26.3%Pb from 404.7m
AB56	433.60	445.00	11.40	5.41	6.1	inc. 1.1m@15.3%Pb from 433.6m
AB57	553.00	557.00	4.00	5.68	9.5	
AB57	615.10	620.80	5.70	15.63	46.3	inc. 1.2m@34.5%Pb from 615.1m
AB57	636.00	642.00	6.00	6.76	18.5	
AB58	406.00	420.00	14.00	16.12	37.7	inc. 2.5m@28.62%Pb from 409m and 2.7m@26.1%Pb from 413m
AB58	428.00	432.00	4.00	8.00	34.0	
AB58	449.40	459.70	10.30	7.58	13.4	inc. 1.2m@22.3%Pb from 449.4m and 0.9m@18.8%Pb from 458.8m

Hole ID	From	To	Width (m)	Pb (%)	Ag (ppm)	Comments
AB59	431.00	443.80	12.80	20.40	182.6	inc. 5.1m@30.85%Pb from 433m and 0.9m@41.5%Pb from 441.8m
AB59	494.00	502.00	8.00	6.70	15.1	inc. 1.1m@16.6%Pb from 494m
AB59	584.00	588.20	4.20	13.14	18.0	inc. 2m@23.7%Pb from 584m
AB60A	254.95	258.95	4.00	6.25	34.6	
AB60A	380.70	388.70	7.90	7.53	11.8	inc. 1.7m@16.59%Pb from 380.7m and 0.55m@19.9%Pb from 388.15m
AB60A	412.45	419.00	6.55	18.35	20.5	inc. 0.45m@21.54%Pb from 412.45m and 4.85m@22.4%Pb from 414.15m
AB60A	514.00	518.00	4.00	11.88	15.1	inc. 2m@19.23%Pb from 514m
AB61	388.95	392.95	4.00	6.19	15.3	
AB61	399.05	417.00	17.95	6.04	10.4	
AB61	513.10	520.10	7.00	5.18	5.4	
AB61	529.00	539.60	10.60	5.17	6.4	
AB61	545.45	552.35	6.90	6.26	8.7	

Source: GML

6. FINANCIAL INFORMATION

6.1 Introduction

The Company ("Galena Mining Limited" or "Galena Mining") was incorporated on 7 December 2016 with \$3,600 in issued capital (3,600,000 shares issued at \$0.001 per Share). The Company has agreed, on the terms and conditions as set out in the Share Sale Agreement dated 23 February 2017, to acquire Abra Mining Pty Ltd ("Abra Mining") which owns tenements in the Abra base-metal deposit located in the Jillawarra mineralised belt in the Bangemall Basin, Western Australia and will, upon settlement of the Share Sale Agreement, become the holding company of Abra Mining.

The financial information includes:

- The historical financial information for Galena Mining comprising:
 - the historical statement of comprehensive income for Galena Mining for the period from incorporation, 7 December 2016 to 28 February 2017;
 - the historical statement of cash flows for Galena Mining for the period from incorporation, 7 December 2016 to 28 February 2017; and
 - the historical statement of financial position for Galena Mining as at 28 February 2017,(together, the **Historical Financial Information**).
- The pro forma historical consolidated statement of financial position for the Company as at 28 February 2017 (**Pro Forma Historical Statement of financial position**) which includes the acquisition of Abra Mining encompassing its 28 February 2017 financial position.

(Collectively, the **Financial Information**)

The Financial Information presented in this Section 6 should be read in conjunction with the risk factors set out in Section 4 and other information contained in this Prospectus.

The Financial Information has been prepared by the Company in connection with the Offer. The Financial Information as defined above has been reviewed by PKF Mack in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* as stated in its Independent Limited Assurance Report set out in Section 7. Investors should note the scope and limitations of the Independent Limited Assurance Report.

6.2 Basis of preparation and presentation of the Financial Information

The Directors of the Company are responsible for the preparation and presentation of the Financial Information. The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of Galena Mining together with the Pro-Forma Historical Statement of financial position for the Company.

The Financial Information is presented in an abbreviated form and does not include all of the presentation, disclosures, statements and comparative information as required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

6.2.1 Preparation of Historical Financial Information

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards (**AAS**) issued by the Australian Accounting Standards Board (**AASB**), which is consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board (**IASB**).

In preparing the Historical Financial Information, the accounting policies of the Company have been applied consistently throughout the period presented. Significant accounting policies of Abra Mining and the Company relevant to the Financial Information are detailed in Section 6.5 (a) below.

6.2.2 Financial information on the target entity – Abra Mining

Contained within Section 6.5 (j) of this report is historical financial information of the target entity - Abra Mining as at and for the year end 31 December 2014, 31 December 2015 and 31 December 2016. This has been derived from the respective special purpose historical financial statements of Abra Mining for 31 December 2014, 31 December 2015, and 31 December 2016.

The special purpose historical financial statements of Abra Mining for the year ended 31 December 2014 and 2015 have been audited by Pitcher Partners Corporate & Audit (WA) Pty Ltd (**Pitcher Partners**) in accordance with Australian Auditing Standards. Pitcher Partners issued an unqualified audit opinion on the 31 December 2014 financial statements and an unqualified opinion, which included an emphasis of matter paragraph on Abra Mining's ability to continue as a going concern on the 31 December 2015 financials statements.

The special purpose historical financial statements of Abra Mining for the the year ended 31 December 2016 have been audited by Rothsay Auditing (**Rothsay**) in accordance with Australian Auditing Standards. Rothsay issued an unqualified audit opinion on the 31 December 2016 financial statements.

6.2.3 Preparation of Pro Forma Historical Statement of financial position

The acquisition of Abra Mining by the Company is not considered to be a business combination due to the fact that the operations of Abra Mining do not consist of inputs and processes applied to those inputs that have the ability to create outputs. The transaction is therefore accounted for as an asset acquisition.

The Pro Forma Historical Statement of Financial Position for the Company has been prepared solely for inclusion in this Prospectus.

The Pro Forma Historical Statement of financial position for the Company has been derived from the historical statement of financial position for Galena Mining as at 28 February 2017 and includes adjustments for the effects of the following group of proforma transactions:

- (a) The acquisition by the Company of Abra Mining (Galena Mining and Abra Mining are together referred to as the "Group") from Bloomgold Resources Pty Ltd ("Bloomgold") being pro forma transaction (i) below;

- (b) The Offer to raise gross proceeds of \$6,000,000 and incurring certain costs related to the offer being pro forma transactions (ii) to (iii) outlined below;
- (c) The issue of 3 tranches of share options being pro forma transactions (iv) to (v) below; and
- (d) The issue of seed shares pre the Offer.

The Pro Forma Historical Statement of financial position for the Company has been prepared in accordance with the recognition and measurement requirements of AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they occurred as at 28 February 2017.

Details of the individual pro-forma transactions that have been applied to the historical statement of financial position as at 28 February 2017 of Galena Mining are as follows:

- (i) The Company's acquisition of all the shares (being 175,000,000 Shares) in Abra Mining from Bloomgold for the consideration of \$1,200,000 in cash, 11,500,000 shares immediately post Offer at a fair value of \$.20 per share and the reimbursement of costs incurred by Bloomgold totalling \$200,000 (to be expensed) accordance with the Share Sale Agreement;
- (ii) The issue of 30,000,000 Shares in the Company in accordance with the Offer to raise gross proceeds of \$6,000,000;
- (iii) The costs associated with the Offer and the listing of the Shares issued by Company estimated to be \$561,350. Of the total, \$360,000 has been deducted from contributed equity as these costs are directly attributable to the Offer. The remaining balance of \$201,350 has been expensed;
- (iv) The subsequent event issue (issued on 30/3/2017) of 250,000 tranche 1 options (2,100,000 tranche 1 options were issued in January and therefore form part of the historical financial information for Galena Mining). The subsequent event issue (issued on 30 March 2017) of 3,350,000 tranche 2 options;
- (v) The issue of 250,000 tranche 3 options expected on or around the date of the IPO; and
- (vi) The subsequent event issue of 250,000 seed shares at \$.10 per share.

6.3 Historical Financial Information

6.3.1 Historical Statements of Profit or Loss and Other Comprehensive Income

The table below sets out the Historical Statement of Profit or Loss and Other Comprehensive Income of Galena Mining for the period from incorporation, 7 December 2016 to 28 February 2017.

Table 6.3.1	Reviewed 28 Feb 17
	\$
Revenue	-
Consultant & professional fees	(13,620)
Exploration expenses	(20,880)
Share based payments	(111,154)
Other expenses	(10)
Loss before income tax	(145,664)
Income tax benefit/(expense)	-
Loss for the period	(145,664)
Other comprehensive income/(loss)	-
Total comprehensive income/(loss)	(145,664)

This statement should be read in conjunction with the notes to the Financial Information

6.3.2 Historical Statement of Cash Flows

The table below sets out the Historical Statement of Cash Flows of Galena Mining for the period from incorporation, 7 December 2016 to 28 February 2017

Table 6.3.2	Reviewed 28 Feb 17
	\$
Cash flows from operating activities	
Payments to suppliers and employees	(136)
Payments for exploration and evaluation	(12,671)
Net cash outflow used in operating activities	(12,807)
Cash flows from financing activities	
Proceeds from issue of shares	428,600
Net cash inflow from financing activities	428,600
Net increase (decrease) in cash and cash equivalents	415,793
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the financial year	415,793

This statement should be read in conjunction with the notes to the Financial Information

6.4 Historical and Pro Forma Historical Statement of financial position

The table below sets out the Historical Statement of financial position of Galena Mining as at 28 February 2017 and the Pro Forma Historical Statement of financial position for the Company as at 28 February 2017.

Table 6.4	Notes	Reviewed Historical Statement of financial position 28 Feb 17	Reviewed Pro Forma Adjustment – Acquisition of Abra Mining	Other Pro Forma Adjustments (i)	Reviewed Pro Forma Historical Statement of financial position
		\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	6.5(c)	415,792	79	4,063,650	4,479,521
Other assets		2,947	-	-	2,947
Total Current Assets		418,739	79	4,063,650	4,482,468
Non-Current assets					
Exploration and evaluation assets	6.5(d)	-	-	3,508,421	3,508,421
Total Non-Current Assets		-	-	3,508,421	3,508,421
Total Assets		418,739	79	7,572,071	7,990,889
Current Liabilities					
Trade and other payables		36,001	8,500	-	44,501
Total Current Liabilities		36,001	8,500	-	44,501
Total Liabilities		36,001	8,500	-	44,501
Net Assets (Liabilities)		382,738	(8,421)	7,572,071	7,946,388
Equity					
Contributed equity	6.5(e)	417,248	41,147,859	(33,182,859)	8,382,248
Share based payments reserve	6.5(f)	111,154	-	236,171	347,325
Accumulated losses		(145,664)	(41,156,280)	40,518,759	(783,185)
Total Equity		382,738	(8,421)	7,572,071	7,946,388

Includes the pre-acquisition elimination entries related to the acquisition of Abra Mining.

This statement should be read in conjunction with the notes to the Financial Information

6.5 Notes to the Financial Information

The significant accounting policies adopted by the Company in the preparation of the Historical Financial Information and the Pro Forma Historical Statement of financial position. The accounting policies have been consistently applied to periods presented unless otherwise stated.

(a) Basis of Preparation

(i) Going concern

The Financial Information has been prepared on a going concern basis which assumes the continuity of the Group's normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. Galena Mining had incurred losses totalling \$145,664 and had a net operating cash outflow of \$12,807 for the period from incorporation, 7 December 2016 to 28 February 2017. Following completion of the Offer and the acquisition by the Company of Abra Mining, the Group expects to be in a pro forma historical net current assets position of \$4,437,967 with net assets of \$7,946,388 and with a pro forma cash balance of \$4,479,521 as reflected in the Pro Forma Historical Statement of financial position as at 28 February 2017.

The Directors believe that the ability of the Company to complete the acquisition of Abra Mining and for the Group to undertake its planned exploration program and to meet its working capital requirements so as to settle its liabilities as and when they fall due is dependent upon the completion of the capital raising under the Prospectus. The Directors expect that the proposed capital raising will be sufficient to allow for the planned exploration program to be undertaken and to provide the necessary working capital for a period in excess of 12 months from the date of this Prospectus.

Should the Company be unable to complete the capital raising under this Prospectus, as set out above, there is significant uncertainty whether the Company will be able to continue as a going concern and therefore, whether it will be able to pay its debts as and when they become due and payable and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the Historical and Pro Forma Historical Statement of financial positions. The Financial Information does not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

(ii) Reporting basis and conventions

The financial information has been prepared on an accruals basis and is based on historical costs, except for certain assets measured at fair value.

(b) **Accounting Policies**

(i) **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand and in the bank's short term deposits with an original maturity not exceeding three months and if greater than three months, principal amounts can be redeemed in full with interest payable at the same cash rate from inception as per the agreement with each bank, net of bank overdrafts.

(ii) **Exploration and evaluation assets**

Exploration and evaluation expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest is current and the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area or, alternatively, by its sale.

Exploration and evaluation in the area of interest that have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are expensed as incurred.

Impairment

The carrying value of capitalised exploration expenditure is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

The recoverable amount of capitalised exploration and evaluation expenditure is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit in which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the income statement.

Capitalised exploration and evaluation expenditure that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(iii) **Trade and other payables**

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost when the Group becomes obliged to make payments resulting from the purchase of goods and services. The amounts are non-interest-bearing, unsecured and are usually paid within 30 days of recognition.

(iv) **Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown as a deduction from the equity proceeds.

(v) **Share based payments**

Equity-settled share-based compensation benefits are provided to directors, employees and shareholders. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

(vi) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other

receivables or payables in the Consolidated Statement of Financial Position.

(vii) **Income tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets and liabilities are reassessed at each statement of financial position date and reduced to the extent that it is no longer probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(viii) **Critical accounting estimates and judgements**

The Directors evaluate estimates and judgements incorporated into the Financial Information based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained internally and externally.

(A) *Impairment of capitalised exploration and evaluation expenditure*

The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved and probable reserves and mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Capitalised exploration and evaluation expenditure that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(c) **Cash and cash equivalents**

	Reference	\$
Historical cash and cash equivalents in Galena Mining as at 28 February 2017		415,792
<i>Pro forma transactions:</i>		
Proceeds from the issue of shares under the Offer	6.2.3 (ii)	6,000,000
Transaction costs relating to the Offer	6.2.3 (iii)	(561,350)
Acquisition consideration for Abra Mining	6.2.3 (i)	(1,200,000)
Cash acquired upon the acquisition of Abra Mining	6.2.3 (i)	79
Expenditure reimbursement to the shareholders of Abra Mining	6.2.3 (i)	(200,000)
Issue of 250,000 additional seed shares at \$.10 per share	6.2.3 (vi)	25,000
Pro forma historical cash and cash equivalents as at 28 February 2017		4,479,521

(d) **Exploration and evaluation assets**

	Reference		\$
Exploration and evaluation assets in Galena Mining as at 28 February 2017			-
<i>Pro forma transaction:</i>			
Excess of fair value of consideration payable to acquire Abra Mining over the net acquired assets of Abra Mining	6.2.3(i)		3,508,421
Pro forma historical exploration and evaluation as at 28 February 2017			3,508,421

(e) **Contributed Equity**

	Reference	No.	\$
Historical contributed equity for Galena Mining as at 28 February 2017		7,850,000	417,248
<i>Pro forma transactions:</i>			
Issue of 11,500,000 shares to Bloomgold to complete the acquisition of Abra Mining at a deemed fair value of \$.20 (Offer price)	6.2.3(i)	11,500,000	2,300,000
Proceeds from the issue of shares pursuant to this Prospectus	6.2.3(ii)	30,000,000	6,000,000
Transaction costs relating to the Offer charged to equity	6.2.3(iii)	-	(360,000)
Issue of 250,000 additional seed shares at \$.10 per share	6.2.3 (vi)	250,000	25,000
Pro forma historical contributed equity as at 28 February 2017		49,600,000	8,382,248

(f) **Share Based Payment Reserve**

	Reference	Options No.	\$
Historical share based payment reserve for Galena Mining as at 28 February 2017		2,100,000	111,154
<i>Pro forma transactions:</i>			
Deemed fair value of the issue of the remaining tranche 1 options, the issue of tranche 2 options and tranche 3 options	6.2.3 (iv)/(v)	3,850,000	236,171
Pro forma historical share based payment reserve as at 28 February 2017		5,950,000	347,325

The fair value of all option issues have been determined with the use of a Black-Scholes option valuation model. The key inputs/assumptions to the models used are as follows:

Tranche 1 options:

Number of options	2,350,000
Expiry date	30 June 2020
Volatility	120%
Risk free rate	1.8
Exercise price	\$0.30
Grant date share price	\$0.10
Deemed fair value	\$0.05293
Total fair value	\$124,386

Of the total number of tranche 1 options, 2,100,000 were issued on 5 January 2017 and therefore are accounted for in the historical financial information of Galena Mining (\$111,154). The balance of \$13,233 forms part of the pro forma transactions.

Tranche 2 options:

Number of options	3,350,000
Expiry date	30 June 2021
Volatility	120%
Risk free rate	1.80
Exercise price	\$0.40
Grant date share price	\$0.10
Deemed fair value	\$0.05931
Total fair value	\$198,689

The options were issued on 30 March 2017 and this subsequent event transaction forms part of the pro forma.

Tranche 3 options:

Number of options	250,000
Expiry date	30 June 2021
Volatility	100%
Risk free rate	1.80
Exercise price	\$0.40
Grant date share price	\$0.20
Deemed fair value	\$0.097
Total fair value	\$24,250

These options have not yet been issued but are expected to be issued on or around completion of the Offer. Therefore, the Offer price has been used as the grant date fair value.

(g) **Commitments**

There are commitments in respect to mineral property and tenement licences held by Abra Mining in terms of minimum expenditure commitments prescribed in license conditions and legislation. To keep the tenement licences in good standing, work programs should meet minimum expenditure requirements. The Directors believe that the Company will have the ability to meet expenditure requirements through the planned equity raising as outlined in this Prospectus. Based on the current tenements owned by Abra Mining, an annual minimum commitment of \$513,000 currently exists.

(h) **Contingent assets and liabilities**

Native title claims have been made with respect to areas which include tenements in which Abra Mining has interests. The Directors are unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect Abra Mining or its projects.

(i) **Subsequent events**

The Directors are not aware of any other significant changes in the state of affairs of the Company or events subsequent to 28 February 2017 that would have a material impact on the Financial Information other than the following:

- (i) The Company raised \$25,000 in additional seed capital through the issue of 250,000 ordinary shares at \$.10 per share;
- (ii) The Company issued 250,000 tranche 1 options on 30 March 2017 under the terms described in Section 6.5 (f); and
- (iii) The Company issued 3,350,000 tranche 2 options on 30 March 2017 under the terms described in Section 6.5 (f);

(j) **Historical financial information of Abra Mining**

The table below sets out the audited Historical Statements of Profit or Loss and Other Comprehensive Income of Abra Mining for 31 December 2014, 31 December 2015 and 31 December 2016.

(i)		31 Dec 14	31 Dec 15	31 Dec 16
		\$	\$	\$
Revenue		29,740	5,212	99
Consultant & professional fees		(91,238)	(45,098)	(70,045)
Depreciation expense		(43,390)	(34,795)	(71,366)
Employee benefit expense		(297,940)	(355,108)	(113,488)
Insurance		(25,376)	(16,458)	(7,770)
Gain/(loss) on disposal of fixed assets		-	(6,787)	2,337
Occupancy expenses		(173,089)	(386,025)	(3,047)
Management fee		(60,000)	-	-
Other expenses		(61,330)	(55,563)	(37,758)
Travel & accommodation expenses		(29,850)	(19,720)	(18,930)
Exploration and loan written off		-	-	(26,595,492)
Loss before income tax		(752,473)	(914,342)	(26,915,460)
Income tax benefit/(expense)		-	-	-
Loss for the period		(752,473)	(914,342)	(26,915,460)
Other comprehensive income/(loss)		-	-	-
Total comprehensive income/(loss)		(752,473)	(914,342)	(26,915,460)

The table below sets out the audited Historical Statements of Cash Flows of Abra Mining for 31 December 2014, 31 December 2015 and 31 December 2016.

(ii)			
	31 Dec 14	31 Dec 15	31 Dec 16
	\$	\$	\$
Cash flows from operating activities			
Cash received from government rebate	-	(39,047)	-
Interest received	29,730	5,902	99
Bank fee paid	(4,446)	(4,371)	(644)
Payments to suppliers and employees	(919,529)	(905,110)	(695,765)
Net cash outflow used in operating activities	(894,245)	(942,626)	(696,310)
Cash flows from investing activities			
Proceeds from term deposit	-	118,000	-
Payments for exploration and evaluation	(1,093,461)	(372,507)	-
Proceeds from the sale of Property, plant and equipment	-	5,797	2,337
Net cash outflow (used in) from investing activities	(1,093,461)	(248,710)	2,337
Cash flows from financing activities			
Cash received from HNC (Australia) Resources Holdings Ltd	-	-	566,207
Proceeds from issue of shares	7,420,000	-	-
Cash paid on repayment of borrowing	(4,250,000)	-	-
Net cash inflow from financing activities	3,170,000	-	566,207
Net increase (decrease) in cash and cash equivalents	1,182,294	(1,191,336)	(127,766)
Cash and cash equivalents at the beginning of the financial year	137,375	1,319,669	128,333
Cash and cash equivalents at the end of the financial year	1,319,669	128,333	567

The table below sets out the audited Historical Statement of financial positions of Abra Mining as at 31 December 2014, 31 December 2015 and 31 December 2016.

(iii)		31 Dec 14	31 Dec 15	31 Dec 16
		\$	\$	\$
Current Assets				
Cash and cash equivalents		1,319,669	128,333	567
Other financial assets		118,000	-	-
Other receivables		27,954	49,809	26,016
Other assets		26,003	4,645	-
Total Current Assets		1,491,626	182,787	26,583
Non-Current assets				
Plant and equipment		130,660	83,279	-
Exploration and evaluation assets		26,321,283	26,716,193	-
Total Non-Current Assets		26,451,943	26,799,472	-
Total Assets		27,943,569	26,982,259	26,583
Current Liabilities				
Trade and other payables		40,964	36,966	8,500
Provisions		54,719	11,750	-
Total Current Liabilities		95,683	48,716	8,500
Total Liabilities		95,683	48,716	8,500
Net assets		27,847,886	26,933,543	18,083
Equity				
Contributed equity		40,635,397	40,635,397	40,635,397
Share based payments reserve		2,912,185	2,912,185	-
Accumulated losses		(15,699,696)	(16,614,039)	(40,617,314)
Total Shareholders Equity		27,847,886	26,933,543	18,083

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12 May 2017

The Board of Directors
Galena Mining Limited
Level 11
London House
216 St Georges Terrace
Perth WA 6000

Dear Directors,

**INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION
AND PRO FORMA HISTORICAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

INTRODUCTION

We have been engaged by Galena Mining Limited ("Galena Mining" or "the Company") to report on the historical financial information of the Company and pro forma historical consolidated statement of financial position of the Company for inclusion in Section 6 of the prospectus ("Prospectus") to be dated on or about 12 May 2017, and to be issued by Galena Mining, in respect of its offer of 30,000,000 shares at an issue price of \$0.20 per share to raise \$6,000,000 by way of an Initial Public Offering ("the Offer").

Expressions and terms defined in the Prospectus have the same meaning in this Report.

This Report has been prepared to provide information and a conclusion on the historical results of the Company for the period from incorporation (7 December 2016) to 28 February 2017 and on pro forma financial information as at 28 February 2017. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than for which it was prepared.

BASIS OF PREPARATION

This Report does not address the rights attaching to the ordinary shares to be issued in accordance with the Prospectus, the risks associated with the investment, nor form the basis of an expert's opinion with respect to the value of the Company.

In addition this Report does not provide an expert's opinion on the consideration (in the form of ordinary shares and cash) for the acquisition of Abra Mining Pty Ltd (Abra Mining).

PKF Mack has not been requested to consider the risks of becoming a shareholder and does not purport to do so.

PKF Mack takes no responsibility for these matters or any matter or omission in the Prospectus other than responsibility for this Report.

SCOPE OF REPORT

You have requested PKF Mack to perform a limited assurance engagement in relation to the historical and pro forma historical information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested PKF Mack to review the following historical financial information (together the 'Historical Financial Information') of the Company included in Section 6 of the Prospectus;

- The historical Statement of Profit or Loss and Other Comprehensive Income for the period from incorporation, 7 December 2016 to 28 February 2017;
- The historical Statement of Financial Position as at 28 February 2017; and
- The historical Statement of Cash Flows for the period from incorporation, 7 December 2016 to 28 February 2017.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The Historical Financial Information for Abra Mining as set out in Section 6.5 (j) (i) (ii) & (iii) of the Prospectus for the years ended 31 December 2014 and 31 December 2015 were derived from special purpose financial statements which were audited in accordance with Australian Auditing Standards by Pitcher Partners Corporate & Audit (WA) Pty Ltd (Pitcher Partners). Pitcher Partners issued an unqualified audit opinion on the financial statements for the year ended 31 December 2014 and an unqualified audit opinion with an emphasis of matter on going concern on the financial statements for the year ended 31 December 2015.

The Historical Financial Information for Abra Mining as set out in Section 6.5 (j) (i) (ii) & (iii) of the Prospectus for the year ended 31 December 2016 was derived from special purpose financial statements which were audited in accordance with Australian Auditing Standards by Rothsay Auditing (Rothsay). Rothsay issued an unqualified audit opinion on the financial statements for the year ended 31 December 2016.

Pro Forma Historical Financial Information

You have requested PKF Mack to review the following pro forma consolidated historical financial information (the 'Pro Forma Historical Financial Information') of the Company included in Section 6 of the Prospectus:

- The pro forma consolidated historical Statement of Financial Position as at 28 February 2017.

The Pro Forma Historical Financial Information has been derived from the historical financial information of the Company as at 28 February 2017 after adjusting for the effects of the pro forma adjustments detailed in Section 6.2.3.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 6.2.3, as if those

event(s) or transaction(s) had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

Within the pro forma adjustments detailed in Section 6.2.3 is a transaction relating to the acquisition of 100% of the issued capital in Abra Mining, which has been derived from the reviewed financial information of Abra Mining as at 28 February 2017. This financial information was reviewed by PKF Mack for the purposes of the Report and nothing came to our attention that suggests that this information could not be relied on.

DIRECTORS' RESPONSIBILITY

The directors of the Company are responsible for the preparation and presentation of the Historical Financial Information and the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

OUR RESPONSIBILITY

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Australian Standard on Assurance Engagement (ASAE) 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

Our limited assurance procedures consisted of making enquiries, primarily to the Directors and management who are persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit report on any financial information used as a source of the financial information.

CONCLUSIONS

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in this Report, and comprising:

- The historical Statement of Profit or Loss and Other Comprehensive Income for the period from incorporation, 7 December 2016 to 28 February 2017;
- The historical Statement of Financial Position as at 28 February 2017; and
- The historical Statement of Cash Flows for the period from incorporation, 7 December 2016 to 28 February 2017.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6.2.1.

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in this Report, and comprising:

- The pro forma historical Statement of Financial Position of the Company as at 28 February 2017;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6.2.3.

SUBSEQUENT EVENTS

We note that the pro forma statement of financial position does not reflect any events that have occurred subsequent to the period ended 28 February 2017, except for the following:-

- (1) The Company raised \$25,000 in additional seed capital through the issue of 250,000 ordinary shares at \$.10 per share;
- (2) The Company issued 250,000 tranche 1 options on 30 March 2017 under the terms described in Section 6.5 (f); and
- (3) The Company issued 3,350,000 tranche 2 options on 30 March 2017 under the terms described in Section 6.5 (f);

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or events outside the ordinary business of the Company, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

INDEPENDENCE OR DISCLOSURE OF INTEREST

PKF Mack does not have any interest in the outcome of this Offer, other than in connection with the preparation of this Report for which normal professional fees will be received.

DISCLOSURES

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

RESTRICTION ON USE

Without modifying our conclusions, we draw attention to the purpose of the financial information which is for inclusion in the Prospectus. As a result the financial information may not be suitable for use for another purpose.

CONSENT

PKF Mack has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this report this consent has not been withdrawn. However, PKF Mack were not involved in the preparation of any part of the Prospectus, and accordingly, make no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully



PKF MACK



SIMON FERMANIS
AUDIT PARTNER

12 MAY 2017
WEST PERTH
WESTERN AUSTRALIA

8. SOLICITOR'S REPORT ON TENEMENTS



Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

GPO Box 2799
Perth WA 6001

Telephone: +61 8 9321 4000

Facsimile: +61 8 9321 4333

Web: www.steinpag.com.au

12 May 2017

Board of Directors
Galena Mining Limited
'London House' Level 11
216 St Georges Terrace
PERTH WA 6000

Dear Sirs

SOLICITOR'S REPORT ON TENEMENTS

This Report is prepared for inclusion in a prospectus for Galena Mining Limited (ACN 616 317 778) (**Company**), for the initial public offer of 30,000,000 shares in the capital of the Company (**Shares**) at an issue price of \$0.20 per Share to raise \$6,000,000 (**Prospectus**).

1. SCOPE

We have been requested to report on certain mining tenements in which the Company has an interest or has made an application to have an interest (the **Tenements**).

We have been requested to report on mining tenements in which Abra Mining Pty Limited (ACN 110 233 577) (**Abra**) has an interest (the **Tenements**). The Company, Bloomgold Resources Pty Ltd (ACN 612 918 993) (**Bloomgold**) and Abra are parties to a share sale agreement pursuant to which, subject to satisfaction or waiver of certain conditions precedent, the Company will acquire all of the issued share capital of Abra from Bloomgold (**Share Sale Agreement**).

Upon completion of the Share Sale Agreement Abra will become a wholly-owned subsidiary of the Company.

The Tenements are located in Western Australia. Details of the Tenements are set out in Part I of this Report.

This Report is limited to the Searches (as defined below) set out in Section 2 of this Report.

2. SEARCHES

For the purposes of this Report, we have conducted searches and made enquiries in respect of all of the Tenements as follows (**Searches**):

- (a) We have obtained mining tenement register searches of the Tenements from the registers maintained by the Western Australian Department of Mines and Petroleum (**DMP**) (**Tenement Searches**). These searches were conducted on 4 May 2017.

Key details on the status of the Tenements are set out in Part I of this Report.

- (b) We have obtained results of searches of the schedule of native title applications, register of native title claims, national native title register and register of indigenous land use agreements as maintained by the National Native Title Tribunal (**NNTT**) for any native title claims (registered or unregistered), native title determinations and indigenous land use agreements (**ILUAs**) that overlap or apply to the Tenements. This material was obtained on 4 May 2017.

Details of any native title claims (registered or unregistered), native title determinations and ILUAs are set out in Section 6 of this Report and Part II of this Report.

- (c) We have obtained searches from the online Aboriginal Heritage Inquiry System maintained by the Department of Aboriginal Affairs (**DAA**) for any Aboriginal sites registered on the Western Australian Register of Aboriginal sites over the Tenements (**Heritage Searches**). These searches were conducted on 4 May 2017.

Details of any Aboriginal Sites are set out in Part III of this Report.

- (d) We have obtained quick appraisal user searches of Tengraph which is maintained by the DMP to obtain details of features or interests affecting the Tenements (**Tengraph Searches**). These searches were conducted on 4 May 2017.

Details of any material issues identified from the Tengraph Searches are set out in the notes to Part I of this Report; and

- (e) We have reviewed all material agreements relating to the Tenements provided to us or registered as dealings against the Tenements as at the date of the Tenement Searches and have summarised the material at Part IV to this Report.

3. OPINION

As a result of our Searches, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches this Report provides an accurate statement as to:

- (a) (**Company's interest**): Abra's interest in the Tenements;
- (b) (**Good standing**): the validity and good standing of the Tenements; and
- (c) (**Third party interests**): third party interests, including encumbrances, in relation to the Tenements.

4. DESCRIPTION OF THE TENEMENTS

The Tenements comprise both live and pending exploration licenses granted or applied for under the *Mining Act 1978* (WA) (**Mining Act**). Part I of this Report provides a list of the Tenements. Section 4.1 provides a description of the nature and key terms of these types of mining tenements as set out in the Mining Act and potential successor tenements.

4.1 Exploration Licence

Rights: The holder of an exploration licence is entitled to enter the land for the purposes of exploration for minerals with employees and contractors and such vehicles, machinery and equipment as may be necessary or expedient.

Term: An exploration licence has a term of 5 years from the date of grant. The Minister may extend the term by a further period of 5 years followed by a further period or periods of 2 years.

Retention status: The holder of an exploration licence granted after 10 February 2006 may apply for approval of retention status for the exploration licence. The Minister may approve the application where there is an identified mineral resource in or under the land the subject of the exploration licence but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease.

Conditions: Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. These standard conditions are not detailed in Part 1 of this Report. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the exploration licence.

Relinquishment: The holder of an exploration licence applied for and granted after 10 February 2006 must relinquish not less than 40% of the blocks comprising the licence at the end of the fifth year. A failure to lodge the required partial surrender could render the tenement liable for forfeiture.

Priority to apply for mining lease: The holder of an exploration licence has priority to apply for a mining lease over any of the land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

Transfer: No legal or equitable interest in an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. Thereafter, there is no restriction on transfer or other dealings.

4.2 Mining Lease

Application: Any person may lodge an application for a mining lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The Minister decides whether to grant an application for a mining lease.

The application, where made after 10 February 2006, must be accompanied by either a mining proposal or a statement outlining mining intentions and a "mineralisation report" indicating there is significant mineralisation in the area over which a mining lease is sought. A mining lease accompanied by a "mineralisation report" will only be approved where the Director, Geological Survey considers that there is a reasonable prospect that the mineralisation identified will result in a mining operation.

Rights: The holder of a mining lease is entitled to mine for and dispose of any minerals on the land in respect of which the lease was granted. A mining lease entitles the holder to do all acts and things necessary to effectively carry out mining operations.

Term: A mining lease has a term of 21 years and may be renewed for successive periods of 21 years. Where a mining lease is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

Conditions: Mining leases are granted subject to various standard conditions, including conditions relating to expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. An unconditional performance bond may be required to secure performance of these obligations. A failure to comply with these conditions may lead to forfeiture of the mining lease. These standard conditions are not detailed in Part 1 of this Report.

Transfer: The consent of the Minister is required to transfer a mining lease.

4.3 General purpose lease

Application: Any person may lodge an application for a general purpose lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The Minister decides whether to grant an application for a general purpose lease.

Rights: The holder of a general purpose lease is entitled to exclusive possession of the land for specified purposes connected with mining operations.

Term: Where a general purpose lease is granted in relation to a particular mining lease and contains no other provision for expiry, it remains in force until the (i) it is surrendered or forfeited; (ii) the date of surrender, forfeiture or expiry of the mining lease (or any renewal thereof) in relation to which it was granted; or (iii) 21 years from the deemed or specified commencement date of the general purpose lease. Where a general purpose lease is not granted in relation to a particular mining lease, it has a term of 21 years and the Minister must renew it for a further 21 years and may renew it thereafter for a further 21 years. Where a general purpose lease is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

Conditions: General purpose leases are granted subject to various standard conditions. An unconditional performance bond may be required to secure performance of these obligations. A failure to comply with these conditions may lead to forfeiture of the general purpose lease. These standard conditions are not detailed in Part I.

Transfer: The consent of the Minister is required to transfer a general purpose lease.

4.4 Miscellaneous licence

Application: Any person may apply for a miscellaneous licence. The mining registrar or warden decides whether to grant an application for a miscellaneous licence. A miscellaneous licence may be granted for a prescribed purpose that is directly connected with mining operations. An application for a miscellaneous licence cannot be legally transferred and continues in the name of the applicant.

Rights: The holder of a miscellaneous licence is entitled to carry out the activities for the purpose specified in the miscellaneous licence.

Term: A miscellaneous licence granted or applied for before 6 June 1998 has a term of 5 years and the Minister may renew it for a further term of 5 years and if so, must renew for a further term or terms of 5 years. A miscellaneous licence applied for and granted after 6 June 1998 has a term of 21 years and the Minister may renew for a further term of 21 years and if so, must renew for a further term or terms of 21 years. Where a miscellaneous licence is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

Conditions: A miscellaneous licence is granted subject to various standard conditions. A failure to comply with these conditions may lead to forfeiture of the miscellaneous licence. These standard conditions are not detailed in Part I of this Report.

Transfer: The consent of the Minister is required to transfer a miscellaneous licence.

5. ABORIGINAL HERITAGE

No registered Aboriginal sites were identified from the Heritage Searches. However, there is no obligation under the relevant legislation to register sites or objects and the exact location of Aboriginal sites within the area of a known site cannot be ascertained from these searches.

It is important to note that an Aboriginal site may:

- (a) exist in any area of Western Australia;
- (b) not have been recorded in the Register of Aboriginal Sites or elsewhere; and
- (c) not have been identified in previous heritage surveys or reports on that area,

but remains fully protected under the *Aboriginal Heritage Act 1972* (WA). Therefore, the absence of any reference to an Aboriginal site of interest from the Aboriginal Heritage Inquiry System is not conclusive.

We have not obtained information from the Commonwealth in connection with any places, areas and objects, which are registered or recognised in the National Heritage List, the Commonwealth Heritage List or other heritage lists or registers maintained by the Commonwealth.

The Company must ensure that it does not breach the Commonwealth and applicable State legislation relating to Aboriginal heritage as set out below. To ensure that it does not contravene such legislation, it would be prudent for the Company (and it would accord with industry practice and Aboriginal expectations) to conduct heritage surveys to determine if any Aboriginal sites or objects exist within the area of the Tenements. Any interference with these sites or objects must be in strict conformity

with the provisions of the relevant legislation. It may also be necessary for the Company to enter into separate arrangements with the traditional owners of the sites.

5.1 Commonwealth legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

5.2 Western Australian legislation

Tenements are granted subject to a condition requiring observance of the *Aboriginal Heritage Act 1972 (WA)* (**WA Heritage Act**).

The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to Aboriginal persons (whether or not they are recorded on the register or otherwise known to the Register of Aboriginal Sites, DAA or the Aboriginal Cultural Material Committee).

The Minister's consent is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site.

Aboriginal sites may be registered under the WA Heritage Act. However, there is no requirement for a site to be registered. The WA Heritage Act protects all registered and unregistered sites.

6. NATIVE TITLE

6.1 Introduction

This section of the Report examines the effect of native title on the Tenements.

The existence of native title rights held by indigenous Australians was first recognised in Australia in 1992 by the High Court in the case *Mabo v. Queensland (no.2)* (1992) 175 CLR 1 (**Mabo no.2**).

The High Court in Mabo no. 2 held that certain land tenure existing as at the date of that case, including mining tenements, were granted or renewed without due regard to native title rights, were invalid. The High Court concluded that:

- (a) native title has been wholly extinguished in respect of land the subject of freehold, public works or other previous "exclusive possession" acts; and
- (b) native title has been partially extinguished as a result of the grant of "non-exclusive possession" pastoral leases and mining leases, and also as a result of the creation of certain reserves.

As a result of Mabo no. 2, the *Native Title Act 1993* (Cth) (**NTA**) was passed to:

- (a) provide a process for indigenous people to lodge claims for native title rights over land, for those claims to be registered by the NNTT and for the Courts to assess native title claims and determine if native title rights exist. Where a Court completes the assessment of a native title claim, it will issue a native title determination that specifies whether or not native title rights exist;
- (b) provide (together with associated State legislation) that any land tenures granted or renewed before 1 January 1994 were valid despite Mabo no. 2 (**Past Acts**). This retrospective validation of land tenure was subsequently extended by the NTA to include freehold and certain leasehold (including pastoral leases) granted or renewed before 23 December 1996 (**Intermediate Period Acts**). Broadly speaking, this means that native title is not extinguished, merely suspended, for the duration of the mining tenement; and
- (c) provide that an act that may affect native title rights (such as the grant or renewal of a mining tenement) carried out after 23 December 1996 (a **Future Act**) must comply with certain requirements for the Future Act to be valid under the NTA. These requirements are called the **Future Act Provisions**.

6.2 Future Act Provisions

The Future Act Provisions vary depending on the Future Act to be carried out. In the case of the grant of a mining tenement, typically there are four alternatives: the Right to Negotiate, an ILUA, the Infrastructure Process (defined below) and the Expedited Procedure. These are summarised below.

Right to Negotiate

The Right to Negotiate involves a formal negotiation between the State, the applicant for the tenement and any registered native title claimants and holders of native title rights. The aim is to agree the terms on which the tenement can be granted. The applicant for the tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title. The parties may also agree on conditions that will apply to activities carried out on the tenement (eg in relation to heritage surveys). The classes of conditions typically included in a mining agreement are set out at section 6.3 below.

If agreement is not reached to enable the tenement to be granted, the matter may be referred to arbitration before the NNTT, which has six (6) months to decide whether the State, the applicant for the tenement and any registered native title claimants and holders of native title rights have negotiated in good faith (only if the issue is raised by one of the parties) and then whether the tenement can be granted and if so, on what conditions. The earliest an application for arbitration can be made to the NNTT is six (6) months after the date of notification of commencement of negotiations by the DMP.

If the Right to Negotiate procedure is not observed, the grant of the mining tenement will be invalid to the extent (if any) that it affects native title.

ILUA

An ILUA is a contractual arrangement governed by the NTA. Under the NTA, an ILUA must be negotiated with all registered native title claimants for a relevant area. The State and the applicant for the tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which a tenement can be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

Infrastructure Process

The NTA establishes a simplified process for the carrying out of a Future Act that is the creation of a right to mine for the sole purpose of the construction of an infrastructure facility (**Infrastructure Process**). The NTA defines infrastructure facility to include a range of transportation, marine, aeronautical, electrical, oil, gas, mineral and communication facilities. In Western Australia, DMP applies the Infrastructure Process to two classes of mining tenements:

- (a) miscellaneous licences for most purposes under the Mining Regulations 1981 (WA) but, notably, not for a minesite administration facility or a minesite accommodation facility (both of which are dealt with under the Right to Negotiate) or for a search for groundwater (which is dealt with under the Expedited Procedure); and
- (b) most general purpose leases.

The State commences the Infrastructure Process by giving notice of the proposed grant of the tenement to any registered native title claimants or native title holders in relation to the land to be subject to the tenement. Those registered native title claimants or holders have two (2) months after the notification date to object in relation to the effect of the grant of the tenement on any registered or determined native title rights. Any objection is lodged with DMP.

If a registered native title claimant or holder objects, the applicant for the tenement must consult with that claimant or holder about:

- (a) ways of minimising the effect of the grant of the tenement on any registered or determined native title rights;
- (b) if relevant, any access to the land; and
- (c) the way in which anything authorised by the tenement may be done.

If the registered native title claimant or holder does not subsequently withdraw their objection, the State is required to ensure that the objection is heard by an independent person (in Western Australia, this is the Chief Magistrate). The independent person must determine whether or not the registered native title claimant or holder's objection should be upheld or other conditions should be imposed on the tenement.

Expedited Procedure

The NTA establishes a simplified process for the carrying out of a Future Act that is unlikely to adversely affect native title rights (**Expedited Procedure**). The grant of a tenement can occur under the Expedited Procedure if:

- (a) the grant will not interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land;
- (b) the grant is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of native title in relation to the land; and
- (c) the grant is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

If the State considers the above criteria are satisfied, it commences the Expedited Procedure by giving notice of the proposed grant of the tenement in accordance with the NTA. Persons have until three (3) months after the notification date to take steps to become a registered native title claimant or native title holder in relation to the land to be subject to the tenement.

If there is no objection lodged by a registered native title claimant or a native title holder within four (4) months of the notification date, the State may grant the tenement.

If one or more registered native title claimants or native title holders object within that four (4) month notice period, the NNTT must determine whether the grant is an act attracting the Expedited Procedure. If the NNTT determines that the Expedited Procedure applies, the State may grant the tenement. Otherwise, the Future Act Provisions (eg Right to Negotiate or ILUA) must be followed before the tenement can be granted.

The State of Western Australia currently follows a policy of granting mining leases, prospecting licences and exploration licences under the Expedited Procedure where the applicant has entered into a standard Aboriginal heritage agreement with the relevant registered native title claimants and native title holders. The standard Aboriginal heritage agreement provides a framework for the conduct of Aboriginal heritage surveys over the land the subject of a tenement prior to the conducting of ground-disturbing work and conditions that apply to activities carried out within the tenement.

Exception to requirement to comply with Future Act Provisions

The grant of a tenement does not need to comply with the Future Act Provisions if in fact native title has never existed over the land covered by the tenement, or has been validly extinguished prior to the grant of the tenement. We have not undertaken the extensive research needed to determine if in fact native title does not exist, or has been validly extinguished in relation to the Tenements.

Unless it is clear that native title does not exist (eg in relation to freehold land), the usual practice of the State is to comply with the Future Act Provisions when granting a tenement. This ensures the grant will be valid in the event a court determines that native title rights do exist over the land subject to the tenement.

Where a tenement has been retrospectively validated or validly granted under the NTA, the rights under the tenement prevail over any inconsistent native title rights.

Application to the Tenements

The following sections of the Report identify:

- (a) any native title claims (registered or unregistered), native title determinations and ILUAs in relation to the Tenements (see Section 6.3);
- (b) any Tenements which have been retrospectively validated under the NTA as being granted before 23 December 1996 (see Section 6.5);
- (c) any Tenements which have been granted after 23 December 1996 and as such will need to have been granted following compliance with the Future Act Provisions to be valid under the NTA. This Report assumes that the Future Act Provisions have been complied with in relation to these Tenements (see Section 6.5); and
- (d) any Tenements which are yet to be granted and as such may need to be granted in compliance with the Future Act Provisions in order to be valid under the NTA (see Section 6.5).

6.3 Native title claims, native title determinations and ILUAs

Our searches indicate that all of the Tenements are within the external boundaries of the native title claim specified in Part II of the Schedule. The native title claim was determined by the Federal Court in July 2001.

Our searches indicate that the land under the Tenements is subject to the ILUAs specified in Part II of the Schedule.

Registered native title claimants (and holders of native title under the determinations) are entitled to certain rights under the Future Act Provisions in respect of land in which native title may continue to subsist.

Freehold land

We have assumed that all of the freehold land the subject of the Tenements was validly granted prior to 23 December 1996 and that therefore:

- (a) native title has been extinguished in respect of that land;
- (b) registered native title claimants (and determined native title holders) are not entitled to rights under the Future Act Provisions in respect of that land.

The Company has advised us that it proposes to undertake exploration and, subject to receipt of relevant approvals, mining activities on areas designated as freehold land. On the basis that native title is extinguished over freehold land, the Company will not be required to enter into negotiations with respect to native title in order to conduct its activities.

Non-freehold land

Native title may continue to subsist in certain parcels of non-freehold land or 'Crown land', including pastoral leases, vacant/unallocated Crown land and certain Crown reserves that were not vested prior to 23 December 1996 and which have not been subsequently developed as public works.

Unless it is essential that the Company has access to any of the above-mentioned parcels (or any other non-freehold land), it is recommended that all parcels of non-freehold land are excised from any applications for mining leases. If the Company wishes to undertake mining activities on any of the above-mentioned parcels, we would expect the Right to Negotiate to apply.

Native title mining agreement

A typical native title mining agreement would impose obligations on the Company in relation to the matters set out below.

- (a) **(Compensation):** The Company would be required to make a number of milestone payments prior to commencement of production (eg at signing of the agreement and at decision to mine). It is currently typical for these payments to total between \$150,000 and \$350,000. The Company would be required to make a payment based on mineral production, which would be likely to be calculated as a percentage of the 'Royalty Value' of the mineral, as defined by the *Mining Regulations 1981*(WA). It is currently typical for these payments to be 0.5% of the 'Royalty Value' although they vary by commodity and project. Over the past several years they have ranged between 0.25% and 1%+ of the 'Royalty Value'.
- (c) **(Aboriginal heritage):** The Company would be required to give notice prior to any ground-disturbing activities and to conduct an Aboriginal heritage survey through the relevant registered native title claimants prior to doing so. The Company's right to apply to disturb Aboriginal sites under the *Aboriginal Heritage Act 1972* (WA) would be subject to, as a minimum, an obligation to consult with the registered native title claimants prior to doing so.
- (d) **(Access):** The Company would be required to avoid unreasonably restricting the registered native title claimants' rights of access to the relevant areas.
- (e) **(Environment):** The Company would be required to provide copies of all of its environmental approvals to the registered native title claimants. The Company may be required to consider funding the participation of the registered native title claimants in its environmental survey and monitoring processes.
- (f) **(Training, employment and contracting):** The Company would be required to provide certain training, employment and contracting benefits to the registered native title claimants, which may include measures such as funding for Aboriginal scholarships or traineeships, implementation of an Aboriginal training and employment policy and business development assistance for Aboriginal contractors or entities that work with Aboriginal contractors (eg in joint venture arrangements).

- (g) **(Cross-cultural awareness):** The Company would be required to ensure that all of its employees and contractors participate in cross-cultural awareness training, which would be likely to be coordinated by the registered native title claimants.
- (h) **(Social impact):** The Company may be asked to fund a study into the social impact of its operations, including the social impact on the registered native title claimants.

6.4 Validity of Tenements under the NTA

Our Searches indicate that the Tenements are within the external boundaries of the following native title claims, native title determinations and ILUAs:

Tenement	Native Title Claim	Native Title Determination	ILUA
E52/1413, E52/1455, E52/1971, E52/2185, G52/286, L52/121, M52/776	Nil	WCD2000/001	WIA2000/001

The status of any native title claims, native title determinations and ILUAs is summarised in Part II of this Report.

Native title claimants, holders of native title under the determinations and native title parties under ILUAs are entitled to certain rights under the Future Act Provisions.

6.5 Validity of Tenements under the NTA

The sections below examine the validity of the Tenements under the NTA.

Tenements granted before 1 January 1994 (Past Acts)

Our Searches indicate that none of the Tenements were granted before 1 January 1994.

Tenements granted between 1 January 1994 and 23 December 1996 (Intermediate Period Acts)

Our Searches indicate that none of the Tenements were granted after 1 January 1994 but before 23 December 1996.

Tenements granted after 23 December 1996

Our Searches indicate that all of the following Tenements were granted after 23 December 1996.

We have assumed that these Tenements were granted in accordance with the Future Act Provisions and as such are valid under the NTA.

Tenements renewed after 23 December 1996

Renewals of mining tenements made after 23 December 1996 must comply with the Future Act Provisions in order to be valid under the NTA.

An exception is where the renewal is the first renewal of a mining tenement that was validly granted before 23 December 1996 and the following criteria are satisfied:

- the area to which the mining tenement applies is not extended;
- the term of the renewed mining tenement is not longer than the term of the old mining tenement; and
- the rights to be created are not greater than the rights conferred by the old mining tenement.

In such cases, the mining tenement can be renewed without complying with the Future Act Provisions. It is currently uncertain whether this exemption applies to a second or subsequent renewal of such a mining tenement.

Our Searches indicate that none of the Tenements were renewed after 23 December 1996.

Renewals of Tenements in the future will need to comply with the Future Act Provisions in order to be valid under the NTA. The registered native title claimants and holders of native title identified in Section 6.3 of this Report will need to be involved as appropriate under the Future Act Provisions.

7. CROWN LAND

As set out in Part I of this Report, the land the subject of the Tenements overlaps Crown land as set out in the table below.

Tenement	Crown land	% overlap
E52/1971	Vacant Crown Land	19%

The Mining Act:

- (a) prohibits the carrying out of prospecting, exploration or mining activities on Crown land that is less than 30 metres below the lowest part of the natural surface of the land and:
- (i) for the time being under crop (or within 100 metres of that crop);
 - (ii) used as or situated within 100 metres of a yard, stockyard, garden, cultivated field, orchard vineyard, plantation, airstrip or airfield;
 - (iii) situated within 100 metres of any land that is an actual occupation and on which a house or other substantial building is erected;
 - (iv) the site of or situated within 100 metres of any cemetery or burial ground; or

- (v) if the Crown land is a pastoral lease, the site of or situated within 400 metres of any water works, race, dam, well or bore not being an excavation previously made and used for purposes by a person other than the pastoral lessee,
- without the written consent of the occupier, unless the warden by order otherwise directs.
- (b) imposes restrictions on a tenement holder passing over Crown land referred to in section 7(a), including:
- (i) taking all necessary steps to notify the occupier of any intention to pass over the Crown land;
 - (ii) the sole purpose for passing over the Crown land must be to gain access to other land not covered by section 7(a) to carry out prospecting, exploration or mining activities;
 - (iii) taking all necessary steps to prevent fire, damage to trees, damage to property or damage to livestock by the presence of dogs, the discharge of firearms, the use of vehicles or otherwise; and
 - (iv) causing as little inconvenience as possible to the occupier by keeping the number of occasions of passing over the Crown land to a minimum and complying with any reasonable request by the occupier as to the manner of passage.
- (c) requires a tenement holder to compensate the occupier of Crown land:
- (i) by making good any damage to any improvements or livestock caused by passing over Crown land referred to in section 7(a) or otherwise compensate the occupier for any such damage not made good; and
 - (ii) in respect of land under cultivation, for any substantial loss of earnings suffered by the occupier caused by passing over Crown land referred to in section 7(a).

The warden may not give the order referred to in section 7(a) that dispenses with the occupier's consent in respect of Crown land covered by section 7(a)(iii). In respect of other areas of Crown land covered by the prohibition in section 7(a), the warden may not make such an order unless he is satisfied that the land is genuinely required for mining purposes and that compensation in accordance with the Mining Act for all loss or damage suffered or likely to be suffered by the occupier has been agreed between the occupier and the tenement holder or assessed by the warden under the Mining Act.

Although the Company will be able to undertake its proposed activities on those parts of the Tenements not covered by the prohibitions and pass over those parts of the Tenements to which the restrictions do not apply immediately upon listing on ASX, the Company should consider entering into access and compensation agreements with the occupiers of the Crown land upon commencement of those activities in the event further activities are required on other areas of the Tenements which are subject to prohibitions or restrictions.

8. PASTORAL LEASES

As set out in Part I of the Schedule to this Report certain applications and the live tenement overlap with pastoral leases as follows:

(a) **Pastoral Lease N049800 (Indigenous Held (Mulgul))** overlaps with:

- (i) 56.2% of E52/1413;
- (ii) 100% of E52/1455;
- (iii) 45.9% of E52/1971;
- (iv) 76.1% of E52/2185;
- (v) 100% of G52/286;
- (vi) 100% of L52/121; and
- (vii) 110% of M52/776.

(b) **Pastoral Lease N50315 (Woodlands)** overlaps with:

- (i) 43.8% of E52/1413; and
- (ii) 35.1% of E52/1971.

The Mining Act:

- (a) prohibits the carrying out of mining activities on or near certain improvements and other features (such as livestock and crops) on Crown land (which includes a pastoral lease) without the consent of the lessee;
- (b) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and
- (c) provides that the holder of a mining tenement must pay compensation to an occupier of Crown land (ie the pastoral lessee) in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the occupier as a result of, or arising from, any exploration or mining activities, including the passing and re-passing over any land.

We have been advised by the Company and the Company has confirmed that to the best of its knowledge it is not aware of any improvements and other features on the land the subject of the pastoral leases which overlaps the Tenements which would require the Company to obtain the consent of the occupier or lease holder or prevent the Company from undertaking its proposed mining activities on the Tenements.

Upon commencing mining operations on any of the Tenements, the Company should consider entering into a compensation and access agreement with the pastoral lease holders to ensure the requirements of the Mining Act are satisfied and to avoid any disputes arising. In the absence of agreement, the Warden's Court determines compensation payable.

The DMP imposes standard conditions on mining tenements that overlay pastoral leases. It appears the Tenements incorporate the standard conditions.

9. PENDING EXTENSION OF TERM

Abra has applied for extensions of term for the Tenement set out in the table below.

Tenement	Expiry Date	Date Extension / Renewal of term Lodged	Extension Renewal Applied For
E52/1455	19 April 2017	13 April 2017	1 year

10. ROYALTIES

We have identified the following royalties as applying to the Tenements, based on our searches of the DMP Register and our due diligence investigations. Further details on the royalty agreements are set out in Part IV of this Report.

(a) Mulgul and Jillawarra Royalty Deed

Abra and Hunan Nonferrous Metals Corp., Ltd (a company incorporated in Hunan Province, Peoples Republic of China) (**Hunan**) are parties to a minerals royalty deed dated 1 December 2016. The royalty arrangement relates to M52/776, E52/1455, E52/2185, E52/1413, E52/1971, G52/286 and L52/121 (including any tenement granted in substitution, all extensions and all renewals thereof).

Abra has agreed to pay Hunan a royalty, quarterly and in arrears, in the amount of 0.5% of the net smelter return, payable in respect of all ore, concentrates or other products (**Products**) produced from the Mulgul and Jillawarra Tenements (**Royalty**). Payment of the Royalty will commence on the date on which the extraction and recovery of any Product commences from the Tenements.

(b) M52/776 and E52/1455 Royalty Arrangement

As part of the consideration for Abra's acquisition of M52/776 and E52/1455, Abra agreed to pay Portbeam Holdings Pty Ltd (ACN 066 934 147) (**Portbeam**), John Mathias Clema and Eamon Ian Cornelius (collectively the **Vendors**) a royalty on gold and/or minerals produced by the Company on M52/776 and E52/1455. The royalty is payable quarterly and in arrears, in the form of a 2.5% net smelter return royalty to be distributed as follows:

- (i) 1.125% to Portbeam;
- (ii) 1.125% to John Mathias Clema; and
- (iii) 0.25% to Eamon Ian Cornelius.

11. QUALIFICATIONS AND ASSUMPTIONS

This Report is subject to the following qualifications and assumptions:

- (a) we have assumed the accuracy and completeness of all Searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT;
- (b) this Report does not cover any third-party interests, including encumbrances, in relation to the Tenements that are not apparent from our Searches and the information provided to us;
- (c) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;
- (d) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements have complied with, or will comply with, the applicable Future Act Provisions;
- (e) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (f) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;
- (g) references in Parts I and II of this Report to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;
- (h) the information in Parts I and II of this Report is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- (i) where Ministerial consent is required in relation to the transfer of any Tenement, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;
- (j) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of the Environment and Conservation;
- (k) native title may exist in the areas covered by the Tenements. Whilst we have conducted Searches to ascertain that native title claims and determinations, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that native title claims could be made in the future; and
- (l) Aboriginal heritage sites or objects (as defined in the WA Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the Register of Aboriginal Sites established by the WA Heritage Act or is the subject of a declaration under the Commonwealth Heritage Act. Other than the heritage searches, we have not conducted any legal, historical,

anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.

12. CONSENT

This report is given for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully



STEINEPREIS PAGANIN

PART I – TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks (BL) / Hectares (HA))	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
E52/1413	Abra Mining Pty Ltd	600/600	13 December 2001	13 December 2017	31 BL	\$36,232 (paid 08/12/2016 for the year ended 12/12/2017)	Previous Tenement Year to 12/12/2016 (Year 15) \$210,000 Expended in Full Current Tenement Year to 12/12/2017 (Year 16) \$132,000 Commitment	Partial Surrender – Voluntary 503779 Lodged and registered 3 April 2017 (39 BL surrendered)	Endorsements 1 and 2 and Conditions 1 to 6 (inclusive) listed in the table below apply Tengraph Interests 1, 2, 3, 5, 6, 10 and 11 Material contract summary of Mulgul and Jillawarra Royalty Deed	Native title identified No registered Aboriginal Heritage sites identified
E52/1455	Abra Mining Pty Ltd	100/100	20 April 2000	19 April 2017	34 BL	\$17,598,40 (paid 13/04/2017 for the year ended 19/04/2018)	Previous Tenement Year to 19/04/2017 (Year 17) \$180,000 No expenditure lodged Current Tenement Year to 19/04/2018 (Year 18) \$102,000	Partial Surrender – Voluntary 503780 Lodged and registered 13 April 2017 (26 BL surrendered) Extension / Renewal of Term 504570	Endorsements 1, 2 and 3 and Conditions 1 to 9 (inclusive) listed in the table below apply Tengraph Interests 1, 3, 7, 8, 9 and 10	Native title identified No registered Aboriginal Heritage sites identified

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks (BL) / Hectares (HA))	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
							Commitment	Lodged and recorded 13 April 2017	Material contract summaries of Mulgul and Jillawarra Royalty Deed and M52/776 and E52/1455 Royalty Arrangement	
E52/1971	Abra Mining Pty Ltd	300/300	10 October 2006	9 October 2018	43 BL	\$25,880 (paid 06/10/2016 for the year ended 09/10/2017)	Previous Tenement Year to 09/10/2016 (Year 10) \$279,000 Expended in full Current Tenement Year to 09/10/2017 (Year 11) \$129,000 Commitment	No material registered dealings / encumbrances	Endorsements 2, 4 and 5 and Conditions 1 to 6 (inclusive) and 10 to 12 (inclusive) listed in the table below apply Tengraph Interests 1, 2, 3, 4, 6, 10 and 11 Material contract summary of Mulgul and Jillawarra Royalty Deed	Native title identified No registered Aboriginal Heritage sites identified
E52/2185	Abra	100/100	4 June 2008	3 June	4 BL	\$2,002.40 (paid	Previous	No material	Endorsements	Native title

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks (BL) / Hectares (HA))	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
	Mining Pty Ltd			2018		09/06/2016 for the year ended 03/06/2017)	Tenement Year to 03/06/2016 (Year 8) \$50,000 Expended in full Current Tenement Year to 03/06/2017 (Year 9) \$50,000 Commitment	registered dealings / encumbrances	2, 6, 7 and 8 and Conditions 1 to 6 (inclusive) and 13 to 15 (inclusive) listed in the table below apply. Tengraph Interests 1, 8, 9 and 10 Material contract summary of Mulgul and Jillawarra Royalty Deed	identified No registered Aboriginal Heritage sites identified
G52/286	Abra Mining Pty Ltd	100/100	19 April 2010	18 April 2031	10 HA	\$151 (paid 05/04/2017 for the year ended 18/04/2018)	No Expenditure Required	No material registered dealings / encumbrances	Endorsements 2, 9, 10 and 11 and Conditions 5, 6 and 16 to 19 (inclusive) listed in the table below apply Tengraph Interests 3 and 10	Native title identified No registered Aboriginal Heritage sites identified

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks (BL) / Hectares (HA))	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
									Material contract summary of Mulgul and Jillawarra Royalty Deed	
L52/121	Abra Mining Pty Ltd	100/100	27 May 2010	26 May 2031	14.775 HA	\$219 (paid 03/05/2016 for the year ended 26/05/2018)	No Expenditure Required	No material registered dealings / encumbrances	Endorsements 2, 6, 12 and 13 and Conditions 5, 6, 17, 20 and 21 listed in the table below apply Tengraph Interests 3 and 10 Material contract summary of Mulgul and Jillawarra Royalty Deed	Native title identified No registered Aboriginal Heritage sites identified
M52/776	Abra Mining Pty Ltd	100/100	22 December 2000	21 December 2021	999.80 HA	\$17,050 (paid 08/12/2016 for the year ended 21/12/2017)	Previous Tenement Year to 21/12/2016 (Year 16) \$100,000 Expended in full	Caveat 367647 Consent Caveat 100/100 Shares Abra Mining Ltd lodged 15 March 2011 by	Endorsements 2 and 14 and Conditions 1 to 6 (inclusive), 16 and 22 listed in the table	Native title identified No registered Aboriginal Heritage sites

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks (BL) / Hectares (HA))	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
							Current Tenement Year to 21/12/2017 (Year 17) \$100,000 Commitment	Eamon Ian Cornelius Caveat 367648 Consent Caveat 100/100 Shares Abra Mining Ltd lodged 15 March 2011 by Portbeam Holdings Pty Ltd	below apply. Tengraph Interests 1, 3 and 10 Material contract summaries of Mulgul and Jillawarra Royalty Deed and M52/776 and E52/1455 Royalty Arrangement	identified

Key to Tenement Schedule

- E - Exploration Licence
- G - General Purpose Lease
- L - Miscellaneous Licence
- M - Mining Lease

Reference to the Conditions and Endorsements refers to the tables below.

References to numbers in the "Notes" column refers to the Tengraph Interests table below.

Material Contract Summaries are contained in Part IV of this Report.

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

Please refer to Part II of this Report for further details on native title and Aboriginal heritage matters.

Notes:

ENDORSEMENTS	
1.	Pursuant to the Savings and Transitional Provisions of the Mining Amendments Act 1990 and 1994 all land surrendered, forfeited (other than forfeiture by plaintiff action) or expiring from a non-graticular exploration licence will either: <ul style="list-style-type: none"> • automatically be included into a graticular exploration licence, provided the surrender, forfeiture or expiry occurred after the grant of the graticular licence; or • automatically be included into an application for a graticular exploration licence provided the surrender, forfeiture or expiry occurred after 14 October 1995.
2.	The Licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972 and any Regulations thereunder.
3.	The abstraction of groundwater is prohibited unless a current licence to construct /alter a well and a licence to take groundwater has been issued by the DoW.
4.	The grant of this licence does not include the land the subject of prior Exploration Licence E52/1413. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".
5.	The grant of the Exploration Licence has been made in accordance with the Nharnuwanagagga Wajarri and Ngarkawangga Indigenous Land Use Agreement between the State of Western Australia and the Native Title Holders registered under Section 24CL of the Native Title Act 1993 on 5 July 2001.
6.	The Licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
7.	The grant of this licence does not include the land the subject of prior Exploration Licence 52/1455. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".
8.	The grant of the Exploration Licence has been made in accordance the Nharnuwanagga Wajarri and Ngaralwangga Indigenous Land Use Agreement between the State of Western Australia and the Native Title Holders registered under Section 24CL of the Native Title Act 1993 on 5 July 2001.
9.	The grant of the lease being confined to the natural surface of the land and thereunder to a depth of 15 metres.
10.	The Lessee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
11.	The grant of the General Purpose Lease has been made in accordance with the Nharnuwanagga Wajarri and Ngaralwangga Indigenous Land Use Agreement between the State of Western Australia and the Native Title Holders registered under Section 24CL of the Native Title Act 1993 on 5 July 2001.
12.	The licensee's attention is drawn to the provisions of the Civil Aviation Regulations and the "Guidelines for Aeroplane Land Areas" published by the Civil Aviation Safety Authority Australia.
13.	The grant of the Miscellaneous Licence has been made in accordance with the Nharnuwanagga Wajarri and Ngaralwangga Indigenous Land Use Agreement between the State of Western Australia and the Native Title Holders registered under Section 24CL of the Native Title Act 1993 on 5 July 2001.
14.	The grant of this lease does not include any portion of land falling outside the boundaries of late Mining Lease 52/85.

CONDITIONS	
1.	All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.
2.	All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pad, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Industry and Resources (DoIR). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DoIR.
3.	All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
4.	Unless the written approval of the Environmental Officer, DoIR is first obtained, the use of scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
5.	The licensee notifying the holder of any underlying pastoral lease by telephone or in persons, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.
6.	The licensee / lessee (as the case may be) or transferee, as the case may be, shall within thirty (3) days of receiving written notification of: <ul style="list-style-type: none"> the grant of the licence/lease; or registration of a transfer introducing a new licensee, advise by registered post, the holder of any underlying pastoral lease details of the grant or transfer.
7.	No interference with Geodetic Survey Station TMS and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
8.	The prior written consent of the Minister for Mines being obtained before commencing mining on Collier Range National Park 25104
9.	Consent to mine on Stock Route Reserve 9698 granted subject to: No mining operations being carried out our Stock Route Reserve 9698 which restrict the use of the reserve.
10.	The rights conferred by this Exploration Licence may not be exercised until a Heritage Agreement (as defined in the Nharnuwangga Wajarri and Ngarlawangga Indigenous Land Use Agreement has been entered into in respect of the Licence provided that this restriction only applies for so long as the Nharnuwangga Wajarri and Ngarlawangga Indigenous Land Use Agreement is in force.
11.	The holder from time to time of this Exploration Licence shall not so long as the Nharnuwangga Wajarri and Ngarlawangga Indigenous Land Use Agreement is in force carry out exploration activity (as defined in the Nharnuwangga Wajarri and Ngarlawangga Indigenous Land Use Agreement) other than in accordance with the Heritage Agreement.
12.	In respect to the area of land designated EPA 8.17 in TENGGRAPH, hereinafter referred to as the designated area, the following additional conditions shall apply: Prior to accessing the licence area, the licensee shall consult with the Environmental Officers, DoIR, and ensure that where required all vehicles and equipment entering the designated area are washed down to remove soil and plant propagules and adhering to such conditions specified for the prevention of the spread of soil-borne diseases. Prior to any activity involving disturbance to vegetation and soils including – <ul style="list-style-type: none"> exploration access; and/or

	<ul style="list-style-type: none"> • exploration sampling, <p>the licensee preparing a detailed program for each phase of proposed exploration for written approval of the Director, Environment, DoIR to consult with the Regional/District Manager, Department of Conservation and Land Management of the Department of Environmental Protection or other government agency (as relevant) prior to approval. This program to describe the environmental impacts and programs for their management and is to include:</p> <ul style="list-style-type: none"> • maps and/or aerial photographs showing the proposed locations of all ground activities and disturbances; • the purpose, specifications and extent of each activity and disturbance; • descriptions of all vegetation types (in general terms), land forms, and unusual features likely to be disturbed by such proposed disturbances; • details on proposals that may disturb sensitive terrestrial habitats including any rare flora and fauna as applicable; • procedures to protect the integrity of special ecosystems such as wetland systems, mangal communities and rainforest areas (and/or associated rainforest monitoring sites) if applicable; • undertaking for corrective measures for failed rehabilitation; • details of water requirements from within the designated area; • details of refuse disposal; and • proposal for instruction and supervision of personnel and contractors in respect to environmental conditions. <p>Access to and from and the movement of vehicles within the licence area being restricted to ground or seasonal conditions and routes approved under the program or otherwise agreed by the environmental Officer, DoIR.</p> <p>At agreed intervals, not greater than 12 monthly, the licensee providing a brief report to the Director, Environment, DoIR, outlining the progress of the operation and rehabilitation program and the proposed operations and rehabilitation programs for the next 12 months.</p> <p>Prior to the cessation of the exploration/prospecting activity in the designated area, the licensee notifying the Environmental Officer, DoIR, and arranging an inspection as required.</p>
13.	The rights conferred by this Exploration Licence may not be exercised until a Heritage Agreement (as defined in the Nharnuwangga Wajarri and Ngarlawangga Indigenous Land Use Agreement) has been entered into in respect of the Licence provided that this restriction only applies for so long as the Nharnuwangga Wajarri and Ngarlawangga Indigenous Land Use Agreement is in force.
14.	The holder from time to time of this Exploration Licence shall not so long as the Nharnuwangga Wajarri and Ngarlawangga Indigenous Land Use Agreement is in force carry out an exploration activity (as defined in the Nharnuwangga Wajarri and Ngarlawangga Indigenous Land Use Agreement) other than in accordance with the Heritage Agreement.
15.	Consent to conduct exploration activities on Stock Route Reserve 9698 granted, subject to: no exploration activities being carried out on Stock Route 9698 which restrict the use of the reserve.
16.	Survey.
17.	The lessee submitting a plan of proposed operations and measures to safeguard the environment to the Director, Environment, DMP for assessment and written approval prior to commencing any development or construction.
18.	The rights conferred by this General Purpose Lease may not be exercised until a Heritage Agreement (as defined in the Nharnuwangga Wajarri and Ngarlawangga Indigenous Land Use Agreement) has been entered into in respect of the Lease provided that this restriction only applies for so long as the Nharnuwangga Wajarri and Ngarlawangga Indigenous Land Use Agreement is in force.

19.	The holder from time to time of this General Purpose Lease shall not so long as the Nharnuwanagga Wajarri and Ngaralwangga Indigenous Land Use Agreement is in force carry out an ancillary activity (as defined in the Nharnuwanagga Wajarri and Ngaralwangga Indigenous Land Use Agreement) other than in accordance with the Heritage Agreement.
20.	The aerodrome is to be constructed using proper materials to suit the purpose for which it is to be used.
21.	<p>In respect to NWN ILUA the following conditions apply:</p> <p>The rights conferred by this Miscellaneous Licence may not be exercised until a Heritage Agreement (as defined in the Nharnuwanagga Wajarri and Ngaralwangga Indigenous Land Use Agreement) has been entered into in respect of the Licence provided that this restriction only applies for so long as the Nharnuwanagga Wajarri and Ngaralwangga Indigenous Land Use Agreement is in force.</p> <p>The holder from time to time of this Miscellaneous Licence shall not so long as the Nharnuwanagga Wajarri and Ngaralwangga Indigenous Land Use Agreement is in force carry out an ancillary activity (as defined in the Nharnuwanagga Wajarri and Ngaralwangga Indigenous Land Use Agreement) other than in accordance with the Heritage Agreement.</p> <p>The Licensee submitting a plan of proposed operations and measures to safeguard the environment to the Director, Environment, DMP for assessment and written approval prior to commencing any development or construction.</p>
22.	The lessee submitting a plan of proposed operations and measures to safeguard the environment to the Director, Environment, DOIR for his assessment and written approval prior to commencing any developmental or productive mining or construction activity.

TENGRAPH INTERESTS		
	LAND TYPE	DESCRIPTION
1.	Aboriginal Heritage Survey	<p>Aboriginal Heritage Survey Areas are areas in which an Aboriginal Heritage Survey has been undertaken and results are described in a Heritage Survey Report. The Department of Aboriginal Affairs holds copies of these reports.</p> <p>A heritage survey conducted in a particular area does not necessarily mean that another heritage survey does not need to be undertaken. This will depend on the type of survey undertaken and also when the original survey was undertaken. Not all Aboriginal sites within a survey area are necessarily recorded in the survey. The type of survey undertaken, such as site identification or Site Avoidance, is decided by the professional heritage consultant engaged by the proponent and depends upon the scope and nature of the project. What is appropriate for one project may not be for a different project.</p> <p>The following Aboriginal Heritage Survey Areas were identified on the Tenements:</p> <p>E52/1413 DAA HSR Survey ID: 17891, 9002.42 Ha., 89.8% encroachment percentage DAA HSR Survey ID: 200306, 0.98 Ha., <0.1% encroachment percentage DAA HSR Survey ID: 200305, 1.11 Ha., < 0.1% encroachment percentage</p> <p>E52/1455</p>

TENGRAPH INTERESTS		
	LAND TYPE	DESCRIPTION
		<p>DAA HSR Survey ID: 200306, 9.82 Ha., 0.1% encroachment percentage DAA HSR Survey ID: 200305, 9.18 Ha., 0.1% encroachment percentage</p> <p>E52/1971 DAA HSR Survey ID: 17891, 10019.98 Ha., 74.8% encroachment percentage DAA HSR Survey ID: 200306, 2.33 Ha., <0.1% encroachment percentage</p> <p>E52/2185 DAA HSR Survey ID: 200305, 0.34 Ha., <0.1% encroachment percentage</p> <p>M52/776 DAA HSR Survey ID: 22257, 999.50 Ha., 100% encroachment percentage DAA HSR Survey ID: 27305, 100.58 Ha., 10.1% encroachment percentage DAA HSR Survey ID: 200306, 0.22 Ha., < 0.1% encroachment percentage DAA HSR Survey ID: 200305, 0.22 Ha., < 0.1% encroachment percentage</p>
2.	Surface Water Area	<p>The Rights in Water and Irrigation Act 1914 provides the Governor of Western Australia the power to proclaim, or prescribe through regulation, a Surface Water Area.</p> <p>A Surface Water Area is proclaimed for the purposes of regulating the taking of water from watercourses and wetlands. An area is proclaimed, or prescribed through regulations, where there is a need for systematic management of the use of water. The proclamation is made on the recommendation of the Department of Water and must first be tabled before both Houses of Parliament.</p> <p>Proclaiming or prescribing an area has the effect of allowing the use of water for commercial activity under a licence. Where an area has been proclaimed, the provisions of Division 1B of Part III of the Act apply to surface water in that area.</p> <p>The following Surface Water Areas were identified on the Tenements:</p> <p>E52/1413 SWA/16, Gascoyne River and Tributaries, 5995.75 Ha., 59.8% encroachment percentage</p> <p>E52/1971 SWA/16, Gascoyne River and Tributaries, 7328.19 Ha., 54.7% encroachment percentage</p>
3.	Ground Water Area	<p>Groundwater is a reserve of water beneath the earth's surface in pores and crevices of rocks and soil. Recharge of groundwater aquifers is slow and can take many years. Groundwater often supports wetland and stream ecosystems.</p>

TENGRAPH INTERESTS		
	LAND TYPE	DESCRIPTION
		<p>Groundwater areas are proclaimed under the Rights in Water and Irrigation Act, 1914.</p> <p>There are 45 proclaimed groundwater areas in Western Australia where licences are required to construct or alter a well and to take groundwater. The Department of Water is responsible for managing proclaimed areas under the Act.</p> <p>The following Ground Water Areas were identified on the Tenements:</p> <p>E52/1413 GWA/15, East Murchison, 10020.40 Ha., 100% encroachment percentage</p> <p>E52/1455 GWA/15, East Murchison, 10708.77 Ha., 100% encroachment percentage</p> <p>E52/1971 GWA/15, East Murchison, 13394.43 Ha., 100% encroachment percentage</p> <p>G52/286 GWA/15, East Murchison, 9.99 Ha., 100% encroachment percentage</p> <p>L52/121 GWA/15, East Murchison, 14.78 Ha., 100% encroachment percentage</p> <p>M52/776 GWA/15, East Murchison, 999.50 Ha., 100% encroachment percentage</p>
4.	Vacant Crown Land	<p>Under Section 41 of the Land Administration Act 1997 (WA) (LA Act) the Minister may set aside Crown lands by Ministerial Order in the public interest. Every such reservation has its description and designated purpose registered on a Crown Land Title (CLT) and is depicted on an authenticated map held by Landgate.</p> <p>Reservation action is normally initiated by the Department for Planning and Infrastructure following community or Government request, land planning decisions, or as a result of the subdivision of land.</p> <p>The Land Act 1933 (WA) provided for State reserves to be classified as Class A, B or C. There is no provision in the LA Act to create new Class B reserves and there is no longer reference to Class C reserves. Class A affords the greatest degree of protection for reserved lands, requiring approval of Parliament to amend the reserve's purpose or area, or to cancel the reservation. The A classification is used solely to protect areas of high conservation or high community value. Class B reserves continue, but are no longer created under the LA Act. The Minister for Lands may deal with Class B reserved lands as normal reserves, provided that, should the reservation be cancelled, a special report is made to both Houses of Parliament within 14 days from the cancellation or within 14 days after the commencement of the next session.</p>

TENGRAPH INTERESTS		
	LAND TYPE	DESCRIPTION
		<p>Once created, a reserve is usually placed under the care, control and management of a State government department, local government or incorporated community group by way of a Management Order registered against the relevant CLT. A Management Order under the LA Act does not convey ownership of the land – only as much control as is essential for the land's management.</p> <p>The following areas of Crown Land were identified within the Tenements:</p> <p>E52/1971 Vacant Crown Land, 2545.11 Ha., 19% encroachment percentage</p>
5.	Historical Lease 394/659	E52/1413 is partially overlapped by Historical Lease 394/659 (868.90 Ha., 8.7% encroachment percentage).
6.	Historical Lease 394/569	<p>The following tenements are partially overlapped by Historical Lease 394/569:</p> <ul style="list-style-type: none"> E52/1413 - 3375.02 Ha., 33.7% encroachment percentage E52/1971 - 1912.56 Ha., 14.3% encroachment percentage
7.	Historical Lease 394/520	E52/1455 is partially overlapped by Historical Lease 394/520 (1033.94 Ha., 10.6% encroachment percentage).
8.	Historical Lease 394/571	<p>The following tenements are partially overlapped by Historical Lease 394/571:</p> <ul style="list-style-type: none"> E52/1455 - 306.75 Ha., 3.2% encroachment percentage E52/2185 - 578.79 Ha., 46.5% encroachment percentage
9.	Historical Lease 394/659	<p>The following tenements are partially overlapped by Historical Lease 394/659:</p> <ul style="list-style-type: none"> E52/1455 - 2282.05 Ha., 17% encroachment percentage E52/2185 - 85.50 Ha., 6.9% encroachment percentage
10.	Pastoral Lease N049800 Indigenous Held (Mulgul)	<p>The following tenements are partially overlapped by Pastoral Lease N049800 (Indigenous Held (Mulgul)):</p> <ul style="list-style-type: none"> E52/1413 - 5628.05 Ha., 56.2% encroachment percentage. E52/1455 - 9792 Ha., 100% encroachment percentage E52/1971 – 6145.81 Ha., 45.9% encroachment percentage E52/2185 – 948.30 Ha., 76.1% encroachment percentage G52/286 – 9.99 Ha., 100% encroachment percentage L52/121 – 14.78 Ha., 100% encroachment percentage M52/776 – 999.50 Ha., 100% encroachment percentage

TENGRAPH INTERESTS		
	LAND TYPE	DESCRIPTION
11.	Pastoral Lease N050315 (Woodlands)	The following tenements are partially overlapped by Pastoral Lease N050315 (Woodlands) <ul style="list-style-type: none">• E52/1413 – 4392.34 Ha. 43.8%% encroachment percentage.• E52/1971 – 4703.51 Ha., 35.1% encroachment percentage

PART II – NATIVE TITLE

NATIVE TITLE DETERMINATIONS

TENEMENTS AFFECTED	TRIBUNAL NUMBER	FEDERAL COURT NUMBER	DETERMINATION NAME	DETERMINATION OUTCOME	DATE OF EFFECT
E52/1413, E52/1455, E52/1971, E52/2185, G52/286, L52/121, M52/776	WCD2000/00 1	WAD72/1998	Clarrie Smith and Others on behalf of the Nharnuwangga, Wajarri and Ngarla People -v- the State of Western Australia and Others	Native title exists in parts of the determination area	05/07/2001

ILUAs

The land under the following Tenements is subject to an ILUA designated as Area Agreement that was registered on 5 July 2001. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicants are:

TENEMENTS	TRIBUNAL NUMBER	SHORT NAME	ILUA TYPE	DATE REGISTERED	APPLICANT	APPLICATION
E52/1413, E52/1455, E52/1971, E52/2185, G52/286, L52/121, M52/776	WIA2000/001	Nharnuwangga Wajarri and Ngarlawangga	Area Agreement	05/07/2001	Clarrie Smith, Dinny Tumbler, Leonard Clarence Smith, Stanley Hill, Warren Clark, Albert Smith, Linda Riley, Gladys Leake, Joyce Calyun and Georgina Kay Riley	The areas covered by the ILUA are located 80km north of Meekatharra and cover an area of about 47,542km (sq).

PART III - ABORIGINAL HERITAGE

ABORIGINAL HERITAGE SITES – WESTERN AUSTRALIA

Our searches did not return any results for Aboriginal heritage sites registered over the Tenements.

HERITAGE AND COMPENSATION AGREEMENTS

Our searches did not return any results for compensation or heritage agreements registered over the Tenements.

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PART IV – MATERIAL CONTRACT SUMMARIES

1. Mulgul and Jillawarra Royalty Deed

By a minerals royalty deed between Abra Mining Pty Ltd (ABN 30 110 233 577) (**Company**) and Hunan Nonferrous Metals Corp., Ltd (a company incorporated in Hunan Province, Peoples Republic of China) (**Hunan**) dated 1 December 2016 the Company is a party to a royalty arrangement with Hunan which relates to M52/776, E52/1455, E52/2185, E52/1413, E52/1971, G52/286 and L52/121 (including any tenement granted in substitution, all extensions and all renewals thereof) (**Tenements**) (**Mulgul and Jillawarra Royalty Deed**).

- (a) (**Royalty**) The Company has agreed to pay Hunan a royalty, quarterly and in arrears, in the amount of 0.5% of the net smelter return, payable in respect of all ore, concentrates or other products (**Products**) produced from the Mulgul and Jillawarra Tenements (**Royalty**). Payment of the Royalty will commence on the date on which the extraction and recovery of any Product commences from the Tenements.
- (b) (**Relinquishment**):
 - (i) If the Company desires to relinquish its interest in all or part of the Tenements, it must first notify (at least 30 days prior) Hunan, whereby Hunan will have 21 days to request Abra to transfer the relevant part of the Tenements to Hunan.
 - (ii) If the Company relinquishes or transfers all or part of the Tenements in accordance with the Mulgul and Jillawarra Royalty Deed, the Company's obligation to pay the royalty ceases in respect of any minerals produced by the relinquished or transferred part of the Tenements after the date of relinquishment or transfer.
 - (iii) The Mulgul and Jillawarra Royalty Deed will cease to apply to the part of the Tenements relinquished or surrendered, be it with the approval of Hunan or if required by law.
 - (iv) Any relinquished or surrendered tenement acquired by the Company (or a related party) within 3 years of its relinquishment or surrender will be subject to the terms of the Mulgul and Jillawarra Royalty Deed.
- (b) (**Termination**) The Company will be released from the terms of the Mulgul and Jillawarra Royalty Deed in respect as from the date of transfer, provided the transfer is in accordance with the Mulgul and Jillawarra Royalty Deed. The rights of Hunan will survive the transfer.
- (c) (**Applicable Law**) The Mulgul and Jillawarra Royalty Deed is governed by the laws of Western Australia.

2. M52/776 and E52/1455 Royalty Arrangement

On 21 September 2004, Abra Mining Limited (ACN 110 233 577) (the **Company**) entered into an acquisition agreement, as amended on or about March 2016, with Old City Nominees Pty Ltd (ACN 064 474 415), Portbeam Holdings Pty Ltd (ACN 066 934 147) (**Portbeam**), John Mathias Clema and Eamon Ian Cornelius (collectively the

Vendors) pursuant to which the Company agreed to purchase and the Vendors agreed to sell certain assets.

The Company agreed to purchase and take assignment from the Vendors who agreed to sell or assign, the following asset all right, title and interest in and to the mining information, including all technical information, relating to M52/776 and E52/1455 (**Asset**).

As part of the consideration for the Asset, the Company agreed to pay the Vendors a royalty on gold and/or minerals produced by the Company on M52/776 and E52/1455. The royalty is payable quarterly and in arrears, in the form of a 2.5% net smelter return royalty to be distributed as follows:

- (a) 1.125% to Portbeam;
- (b) 1.125% to John Mathias Clema; and
- (c) 0.25% to Eamon Ian Cornelius.

The requirement to pay the royalty will commence on the date on which gold and/or minerals are first produced from M52/776 and EL52/1455.

9. BOARD, MANAGEMENT AND INTERESTS

9.1 Directors and key personnel

The Board of the Company consists of:

- (a) **Adrian Byass BSc Geol Hons, B. Econ, FSEG and MAIG** – *Non-Executive Chairman – Refer to Section 3.4 of this Prospectus for Mr Byass' biography;*
- (b) **Jonathan Downes BSc Geol, MAIG** – *Non-Executive Director – Refer to Section 3.4 of this Prospectus for Mr Downes' biography; and*
- (c) **Oliver Cairns MSI** – *Non-Executive Director – Refer to Section 3.4 of this Prospectus for Mr Cairns' biography.*

Other senior management positions held by the Company are Edward Turner appointed as the Chief Executive Officer and Stephen Brockhurst as the Company Secretary.

Biographies for Messrs Turner and Brockhurst are contained in Section 3.4.

The Company is aware of the need to have sufficient management to properly supervise the exploration and (if successful) for the development of the projects in which the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company. As our projects require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's Projects.

9.2 Disclosure of Interests

The Company has paid no remuneration to its Board since incorporation to the date of this Prospectus and no remuneration will be paid or accrue until such time as the Company is admitted to the Official List.

For each of the Directors, the proposed annual remuneration for the financial year following the Company being admitted to the Official List together with the relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Remuneration ¹	Shares	Options
Adrian Byass	\$50,000	1,400,000 ²	1,500,000 ^{2,3}
Jonathan Downes	\$50,000	1,500,000 ⁴	1,500,000 ^{3,4}
Oliver Cairns	\$50,000	600,000 ⁵	1,500,000 ^{3,5}

Notes:

- 1. Includes statutory superannuation.
- 2. Held indirectly by an entity controlled by Megan Byass, spouse of Adrian Byass.
- 3. Terms and conditions of the Options are outlined in Section 12.3.
- 4. Held indirectly by an entity controlled by Jonathan Downes.
- 5. Held indirectly by an entity controlled by Oliver Cairns. Upon completion of the Acquisition, Mr Cairns will be issued with 690,000 of the 11,500,000 Shares to be issued under the Share Sale Agreement pursuant to a separate agreement between Mr Cairns' controlled entity, Pursuit Capital Pty Ltd and Bloomgold.

9.3 Agreements with Directors and Related Parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Section 11.

9.4 Agreements with Management

The Company has entered into an Executive Employment Agreement with Edward Turner to act as the Company's Chief Executive Officer.

The agreement between the Company and Mr Turner is summarised in Section 11.

9.5 Deeds of indemnity, insurance and access

The Company will enter into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

10. CORPORATE GOVERNANCE

10.1 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website (www.galenamining.com.au).

10.2 Board of directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) leading and setting the strategic direction and objectives of the Company;
- (b) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of Executives and the Company Secretary;
- (c) overseeing the Executive's implementation of the Company's strategic objectives and performance generally;
- (d) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- (e) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);

- (f) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (g) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- (h) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

10.3 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto:

- (a) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (b) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfil the business objectives of the Company.

The Board currently consists of three directors (all of whom are non-executive Directors). None of the directors are considered to be independent. The Board considers the current balance of skills and expertise is appropriate for the Company for its currently planned level of activity.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors which allows new directors to participate fully and actively in Board decision-making at the earliest opportunity, and enable new Directors to gain an understanding of the Company's policies and procedures.

10.4 Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

10.5 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

10.6 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

10.7 Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

10.8 Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its directors, officers, employees and contractors. The policy generally provides that for directors, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

10.9 External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

10.10 Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that

committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

10.11 Departures from Recommendations

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's departures from the Recommendations will also be announced prior to admission to the official list of the ASX.

11. MATERIAL CONTRACTS

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

11.1 Share Sale Agreement

On 23 February 2017, the Company entered into agreement share sale agreement with Bloomgold and Abra, pursuant to which the Company has agreed to purchase and Bloomgold has agreed to sell the Abra Shares (**Acquisition**). The material terms of the Share Sale Agreement are as follows:

- (a) (**Share sale**): The Company has agreed to purchase from Bloomgold and Bloomgold has agreed to sell the Abra Shares.
- (b) (**Consideration**): The consideration payable for the Abra Shares is as follows:
 - (i) \$1,200,000 payable in cash (**Cash Consideration**);
 - (ii) 11,500,000 Shares at a deemed issue price \$0.20 per Share (**Consideration Shares**); and
 - (iii) reimbursement by the Company of all monies expended by Bloomgold on the Tenements, being \$200,000, payable in cash.
- (c) (**Conditions Precedent**): The Acquisition is subject to satisfaction (or waiver by the Company) of the following outstanding conditions precedent:
 - (i) the Company receiving valid applications for the Minimum Subscription of Shares under this Prospectus;
 - (ii) the Company receiving a letter from ASX confirming that ASX will grant conditional quotation of the Shares on the Official List, on terms acceptable to the Company;
 - (iii) the parties obtaining, all necessary consents and approvals (including shareholders' and regulatory approvals) necessary to give effect to the transaction contemplated by the Share Sale Agreement and to allow the parties to complete the matters set out in the Share Sale Agreement;
 - (iv) no breach of any warranty provided by Bloomgold occurring prior to Completion; and
 - (v) no event, occurrence or matter, which individually or when aggregated with all such events, occurrences or matters of a similar kind, taking place at any time prior to the Completion Date which has a material adverse effect.

If the above conditions are not satisfied (or waived) by 31 July 2017 (unless otherwise extended by mutual agreement between the Company and Bloomgold), each party is released from its obligations to further perform its obligations under this Agreement, except those expressed to survive termination.

- (d) **(Completion):** Completion will take place seven (7) Business Days after satisfaction of the last of the conditions precedent specified in paragraph (c) above (or such other date as agreed between the Company and Bloomgold) **(Completion)**.
- (e) **(Maintenance of Tenements):** On and from 7 December 2016 the Company is responsible for the administration and maintenance of the Tenements and the Company must comply with all government regulations and any minimum annual expenditure requirements with respect to the Tenements.

The Share Sale Agreement otherwise contains warranty, default, termination and indemnity provisions considered standard for an agreement of this nature.

11.2 Joint Lead Manager Mandates

On 8 May 2017, the Company entered into mandate letters with each of Hartleys and Peloton Capital pursuant to which the Company has engaged Hartleys and Peloton Capital to act as Joint Lead Managers of the Offer.

Under the terms of its mandate with Hartleys the Company will pay Hartleys:

- (a) a 6% capital raising fee on the gross amount subscribed by Hartleys and issued pursuant to this Prospectus;
- (b) commencing upon settlement of the initial public offer, an advisory fee per month for the term of the mandate (to 8 May 2018) in consideration for Hartleys' corporate advice; and
- (c) all disbursements and expenses relating to Hartleys' engagement, subject to Hartleys seeking approval from the Company before incurring a single expense greater than \$2,000 which will be agreed upon between the Joint Lead Managers and the Company prior to their incursion.

Under the terms of its mandate with Peloton Capital, the Company will pay Peloton Capital:

- (a) a 6% capital raising fee on the gross amount subscribed by Peloton and issued pursuant to this Prospectus; and
- (b) all travelling and out of pocket expenses relating to the engagement, subject to Peloton Capital seeking approval from the Company before incurring the expenses.

The Joint Lead Managers will be responsible for paying all capital raising fees that the Joint Lead Managers and the Company agree with any other financial service licensees.

11.3 Executive Employment Agreement – Edward Turner

The Company has entered into an executive employment agreement with Mr Edward Turner which sets out the terms upon which Mr Turner will act as the Company's Chief Executive Officer (**Executive Employment Agreement**). The key terms of the Executive Employment Agreement are as follows:

- (a) The Executive Employment Agreement commenced on 6 April 2017 and will continue until it is validly terminated in accordance with its terms;
- (b) Commencing on the day after the Company is admitted to the Official List, the Company will pay Mr Turner an annual salary of \$83,200 for the equivalent of a two-day per week roster, or part thereof on an additional \$800 per day. In addition, the Company will make contributions all statutorily required contributions and Mr Turner will be reimbursed for all reasonable expenses incurred during the performance of his duties.
- (c) Mr Turner's remuneration will be reviewed on an annual basis by the Remuneration Committee and any change to his remuneration must be approved by the Board.
- (d) In addition to Mr Turner's cash remuneration, Mr Turner has been issued 250,000 Executive Options exercisable at \$0.30 each on or before 30 June 2020 and, on the date on which the Company is reasonably satisfied that it is in a position to satisfy the conditions imposed by ASX for admission to the Official List, and subject to obtaining all necessary approvals in accordance with the Listing Rules and the Corporations Act, the Company will issue Mr Turner with a further 250,000 Executive Options which are exercisable at \$0.40 each on or before 30 June 2021.
- (e) If a 14Mt at 8% Pb JORC Resources (**Resource**) is delivered by the Company within two years the Company being admitted to the Official List, Mr Turner will be issued with a bonus the greater of:
 - (i) \$50,000 cash; or
 - (ii) the equivalent value of 100,000 Shares based on a five-day volume weighted average Share price prior to the release of the Resource,within 30 days of the hurdle being met.
- (f) Either party may terminate the Executive Employment Agreement without cause by giving the other party two (2) months' written notice.

11.4 Non-Executive Directors' Letters of Appointment

On 23 March 2017, the Company and each of Adrian Byass, Jonathan Downes and Oliver Cairns executed letters of appointment pursuant to which Mr Byass will act as Non-Executive Chairman of the Company and Messrs Downes and Cairns will act as Non-Executive Directors of the Company.

(a) **Term**

Each of the Directors' service commenced on the date of the letter of appointment and will cease when he resigns, retires or is removed from office in accordance with the Company's constitution or the Corporations Act or if he resigns from office by notice in writing to the Company.

(b) **Fees**

Each of the Directors will:

- (i) be paid a fee of \$50,000 per annum commencing upon the Company's admission to the Official List; and
- (ii) have been issued with 500,000 Options exercisable at \$0.30 each on or before that date which is 3 years from the date the Company lists on ASX and 1,000,000 Options exercisable at \$0.40 each on or before that date which is four (4) years from their date of issue,

for their role as Non-Executive Directors of the Company.

11.5 Royalty Agreements

Please refer to Part IV of the Solicitor's Report on Tenements for summaries of the royalty agreements affecting the Company.

12. ADDITIONAL INFORMATION

12.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

12.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the

amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

No dividend shall carry interest as against the Company.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

The assets of the Company must on a winding up be applied in repayment to the Shareholders in proportion to their respective holdings, subject to any express provision of the Constitution.

(e) **Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

12.3 Terms and conditions of Director Options

The terms and conditions applying to Options are as follows:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

The amount payable upon exercise of:

- (i) 2,100,000 of the Options will be \$0.30 (**Class A Options**); and
- (ii) 3,350,000 of the Options will be \$0.40 (**Class B Options**),
(**Exercise Price**).

(c) **Expiry Date**

The:

- (i) Class A Options will expire at 5:00 pm (WST) on 30 June 2020; and
- (ii) Class B Options will expire at 5:00 pm (WST) on 30 June 2021,
(**Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

12.4 **Terms and Conditions of Executive Options**

The terms and conditions applying to Options are as follows:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

The amount payable upon exercise of each Option will be:

(i) \$0.30 for 250,000 Options (**\$0.30 Options**); and

(ii) \$0.40 for 250,000 Options (**\$0.40 Options**),

(**Exercise Price**).

(c) **Expiry Date**

The \$0.30 Options will expire at 5:00 pm (WST) on 30 June 2020, subject to the lapse of any unexercised Options and the \$0.40 Options will expire at 5:00 pm (WST) on 30 June 2021, subject to the lapse of any unexercised Options:

(i) immediately after the Option holder ceases to be an employee of the Company if he resigns within two years from the issue date of the Options; or otherwise

(ii) at the expiration of sixty days after the Option holder ceases to be an employee of the Company by reason of death, resignation or dismissal for redundancy of the Option holder,

(**Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option

being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(i) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(n) **Transferability**

The Options are not transferable other than to an associate of the Option holder as defined in S26AAB of the Income Tax Assessment Act (1936) and subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

12.5 **Interests of Directors**

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

12.6 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or

(b) promoter of the Company,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(c) the formation or promotion of the Company;

(d) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offer; or

(e) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(f) the formation or promotion of the Company; or

(g) the Offer.

Snowden Mining Industry Consultants Pty Ltd has acted as Independent Geologist and has prepared the Independent Competent Persons Geological Report which is included in Section 5. The Company estimates it will pay Snowden Mining Industry Consultants Pty Ltd a total of \$28,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Snowden Mining Industry Consultants Pty Ltd has not received fees from the Company for any other services.

PKF Mack has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Section 7. The Company estimates it will pay PKF Mack a total of \$30,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, PKF Mack has not received any fees from the Company for any other services.

Hartleys Limited and Peloton Capital Pty Ltd will receive 6% of the total amount raised under the Prospectus (excluding GST) following completion of the Offer for their services as Joint Lead Managers to the Offer. Further details in respect to the Joint Lead Manager mandates with the Joint Lead Managers are summarised in Section 11.2. The Joint Lead Managers have not received any other fees for other services provided to the Company in the last two years.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer and has prepared the Solicitor's Report on Tenements which is included in Section 8. The Company estimates it will pay Steinepreis Paganin \$60,000 (excluding GST) for these services. Subsequently, fees will be charged in

accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

12.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Snowden Mining Industry Consultants Pty Ltd has given its written consent to being named as Independent Geologist in this Prospectus, the inclusion of the Independent Competent Persons Geological Report in Section 5 in the form and context in which the report is included and the inclusion of statements contained in the Chairman's Letter, Investment Overview and Section 3 in the form and context in which those statements are included. Snowden Mining Industry Consultants Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

PKF Mack has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance Report included in Section 7 in the form and context in which the information and report is included. PKF Mack has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

PKF Mack has given its written consent to being named as auditor in this Prospectus in the form and context in which the information is included. PKF Mack has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus and to the inclusion of the Solicitor's Report on Tenements in Section 8 in the form and context in which the report is included. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Hartleys and Peloton Capital have given their written consent to being named as the Joint Lead Managers to the Offer in this Prospectus. Hartleys and Peloton Capital have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC.

Pitcher Partners Corporate & Audit (WA) Pty Ltd has given its written consent to being named as auditor of Abra Mining in respect of the financial statements for FY14 and FY15 in the form and context in which it is named in this Prospectus. Pitcher Partners Corporate & Audit (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Rothsay Chartered Accountants has given its written consent to being named as auditor of Abra Mining in respect of the financial statements for FY16 in the form and context in which it is named in this Prospectus. Rothsay Chartered Accountants has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Security Transfer Registrars has given its written consent to being named as the share registry to the Company in this Prospectus. Security Transfer Registrars has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

12.8 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$561,350 for the subscription of \$6,000,000 pursuant to the Offer and are expected to be applied towards the items set out in the table below:

Item of Expenditure	\$6,000,000 Subscription (\$)
ASIC fees	2,350
ASX fees	70,000
Joint Lead Manager Fees and Commission	360,000
Legal Fees	60,000
Independent Geologist's Fees	28,000
Investigating Accountant's Fees	20,000
Printing and Distribution	9,000
Miscellaneous	12,000
TOTAL	561,350

* The Joint Lead Managers will be responsible for paying all capital raising fees that the Joint Lead Managers and the Company agree with any other licensed securities dealers or Australian financial services licensee out of these fees paid by the Company to the Joint Lead Managers. A summary of the Joint Lead Manager mandates are set out in Section 11.2.

12.9 Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information will be publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

12.10 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.galenamining.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

12.11 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

12.12 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

12.13 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

13. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Adrian Byass
Non-Executive Chairman
For and on behalf of
Galena Mining Limited

14. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

Abra or **Abra Mining** means Abra Mining Pty Limited (ACN 110 233 577).

Abra Shares means 100% of the fully paid ordinary shares on issue in Abra.

Acquisition has the meaning given to that term in Section 11.1.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

Bloomgold or **Vendor** means Bloomgold Resources Pty Ltd (ACN 612 918 993).

Business Day means a day that is not a Saturday, Sunday or public holiday in Perth, Western Australia.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **Galena** or **Galena Mining** means Galena Mining Limited (ACN 616 317 778).

Completion means the completion on the Completion Date of the sale and purchase of the Abra Shares in accordance with the terms of the Share Sale Agreement.

Completion Date means that date which is seven (7) Business Days after the satisfaction or waiver of the last of the conditions precedent to the Share Sale Agreement (or such other date as is agreed between the Company and the Vendor).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director Option means an Option with the terms and conditions set out in Section 12.3.

Directors means the directors of the Company at the date of this Prospectus.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

Executive Option means an Option with the terms and conditions set out in Section 12.4.

Hartleys means Hartleys Limited (ABN 33 104 195 057) (AFSL: 230052).

Jillawarra Project means the project described at Section 3.2.2 of the Prospectus.

Joint Lead Managers means Hartleys and Peloton.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Minimum Subscription means the amount to be raised under the Prospectus, being \$6,000,000 assuming oversubscriptions of 30,000,000 Shares at \$0.20 per Share are accepted.

Mulgul Project means the project described at Section 3.2.1.

Offer means the offer of Shares pursuant to this Prospectus as set out in Section 2.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Peloton Capital means Peloton Capital Pty Ltd (ABN 22 149 540 018) (AFSL: 406040).

Projects means the Mulgul Project and Jillawarra Project or any one of them as the context requires.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Share Sale Agreement means the share sale agreement between the Company, Bloomgold and Abra dated 23 February 2017 pursuant to which Bloomgold has agreed to sell and the Company has agreed to acquire the Abra Shares on certain terms and conditions, as amended.

Shareholder means a holder of Shares.

Tenements means the mining tenements (including applications) in which the Company has an interest as set out at Section 3.2 and further described in the Solicitor's Report on Tenements set out in Section 8 or any one of them as the context requires.

WST means Western Standard Time as observed in Perth, Western Australia.