

ASX ANNOUNCEMENT

16 June 2022

ASX: G1A

ABRA CONSTRUCTION 67% COMPLETE

GALENA MINING LTD. (“Galena” or the “Company”) (ASX: G1A) is pleased to announce that the construction progress at its Abra Base Metals Mine (“Abra” or the “Project”) has reached 67% complete as at 31 May 2022. Construction achievements during the month include setting up to commence underground drilling and significant progress with solar farm installation and the remaining surface infrastructure.

Managing Director, Tony James commented, *“Consistent progress has been made at Abra and the arrival of key items from overseas like the concentrate filter and thickeners continue to reduce overall execution risk. Underground development remains on plan but was lower than planned during May due to setting up water pumping infrastructure and mobile equipment downtime. Overall, the decline has reached the 1,368mRL level which is now 55m vertically above the orebody. It's very exciting to see the diamond drill underground and the commencement of diamond drilling into the upper part of the orebody.*

At the processing plant a total of 1,816m³ (73%) of concrete has been poured and 166 tonnes of structural steel has been installed (29%). Progress at the power station and solar farm has also been very positive.”



Figure 1 – Commencement of Underground Drilling at Abra (Swick Mining Services).



Figure 2 – Work progress on site with the power station & solar farm installation (7 June 2022).

Update on Abra Project progress

Overall progress continues to remain in line with the project schedule for the production critical areas of mining and processing. The processing plant engineering, procurement and construction has reached 72% complete by project spend.

Underground mine development has reached the 1,368mRL, which is 182m below the surface and only 55m above the orebody. Total underground development achieved in May was 172m. The lower progress in underground development during May is offset by earlier achievements being ahead of schedule. Overall underground development remains on plan as at the end of May. During May the second leg of the primary ventilation shaft (6m diameter raise drill hole) was drilled between the 1,400mRL and the 1,467mRL. The installation of the primary vent fan on the surface is now planned to be completed in June, which will enable the secondary fans to be moved down from the surface box-cut. Mono pumps have been installed at the 1,390mRL level to assist with water and pumping management. Underground drilling has commenced in early June, which will provide detailed grade control information well ahead of ore production. Figure 4 below shows the mine development completed to the end of May.

In surface bulk earthworks, the work for the building of the tailing's storage facility ("TSF") has been awarded and the contractor has commenced mobilisation to site. TSF wall construction has commenced in early June. The final works package associated with the remaining non-processing infrastructure is progressing quickly. This work is not production critical, although it is expected to be completed well in advance of commissioning. This includes the remaining buildings and the drill-core processing and storage facility.

Owners' costs and contingencies remain under budget.

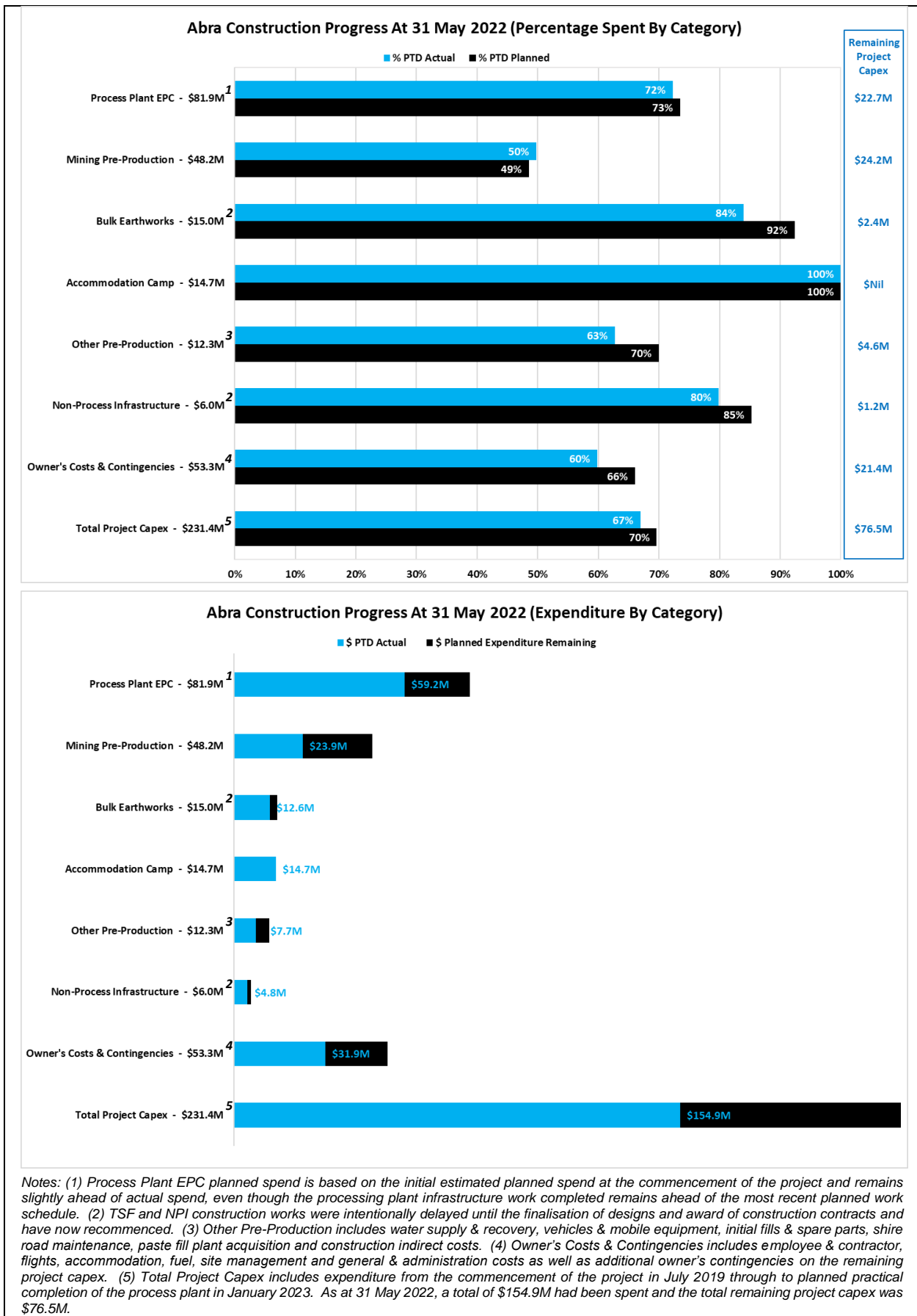


Figure 3 - Shows the progress of various Abra construction packages by % and \$ spend.

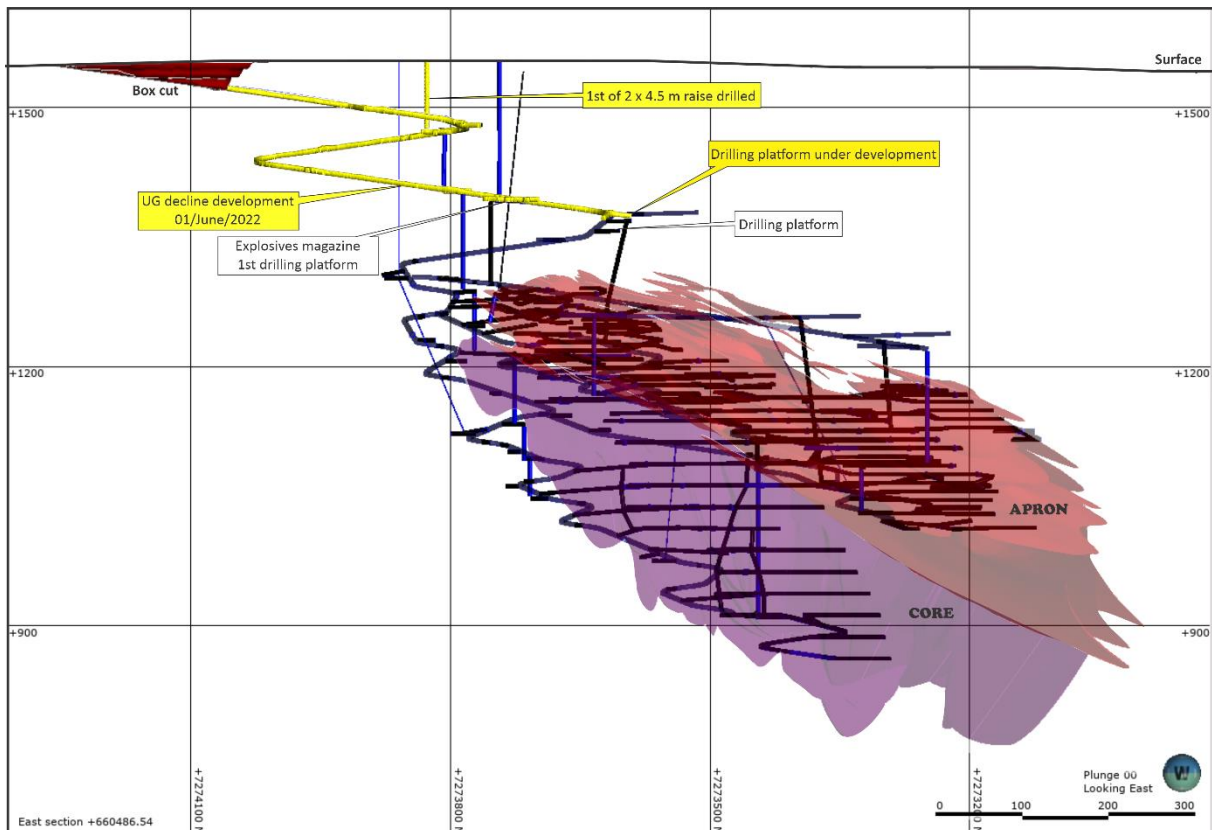


Figure 4 - Progress of the Abra underground mine development to the 1st of June (yellow).

Abra has been advised of revised delivery times for some of the overseas equipment supply for the processing plant. As is the nature of international shipping, delivery dates continue to be revised. None of these delivery time changes are expected to cause any overall construction schedule delays at this stage.

Based on the latest information the cone crushers, grinding package lot 3A and lot 4 have revised arrival dates. Lot 3A has departed Singapore and is due in Fremantle on the 16th June. Lot 3B which contains the mill heads, shells and liners is still located in the Shanghai port and is scheduled to leave Shanghai on the 16th June in a Breakbulk vessel which is sailing directly to Australia and is expected to be in Fremantle by the 11th July.

GR Engineering continues to work on the timing of the remaining equipment deliveries and update their work schedules and plans. The mill installation had a 3-month timeframe buffer in the original schedule, which is why the current delivery adjustments are not causing potential construction delay concerns relating to the grinding section of the plant.

Table 1 below outlines the current delivery schedule of key items and the items that are strikethrough have arrived on site.

Description	Manufacturer	Source Country	Order Date	Completion Date	Forecast On Site Date
Jaw Crushers	Metso-Outotec	China	19 Aug 21	10 Jan 22	On-Site
Cone Crushers	Metso Outotec	France	19 Aug 21	16 Mar 22	7 July 22 ¹
Flotation Cells	Metso Outotec	China	18 Aug 21	1 Jul 22	12 Aug 22
Thickener	Metso-Outotec	China	18-Aug-21	25-Mar-22	On-Site
Slurry Analyser	Metso-Outotec	Finland	18-Aug-21	10-Jan-22	On-Site
Grinding Mill	CITIC HIC	China	23 Jul 21	20 Jun 22	11 Jul 22 ²
Filter	Ishigaki	Japan	26-Jul-21	28-Apr-22	On-Site
Regrind Mill	Glencore	Germany	23 Sep 21	15 Jun 22	1 Sep 22
LNG Storage Tanks	AMG Cryogenics	China	15 Jun 21	28 Apr 22	Perth ³

Table Notes – (1) Cone crushers originally scheduled for arrival 27th April are manufactured and now scheduled to arrive 7th July. (2) Mill equipment shipping lot 1 (sole plates) on site. Lot 2 (lubrication systems) on site. Lot 3A (gearbox, gear guard and feed chute) shipping ETA Fremantle 18th June. Lot 3B (Mill shells, heads & liners) shipping ETA Fremantle 11th July. Lot 4 (Girth gear) shipping ETA Fremantle 26th June. Mill motor has arrived in Perth. (3) The first of the LNG storage tanks has arrived on site with the remaining 2 tanks in Perth waiting transport to site.

Table 1 – Key equipment order and delivery schedule from overseas suppliers.



Figure 5 – Processing plant construction (Photo taken 7 June 2022).



Figure 6 – Crushing area steelwork (Photo taken 11 June 2022).



Figure 7 – Screening area steelwork (Photo taken 12 June 2022).



Figure 8 – Flotation area concrete work.



Figure 9 – Conveyor truss fabrication in Perth.



Figure 10 – Flotation cell trial assembly.



Figure 11 – Flotation cell painting commenced.



Figures 12 – Slurry pumps.



Figure 13 – Abra underground portal.



Figure 14 – Abra crew changeout day with mine in the background.

The Board of Directors of Galena authorised this announcement for release to the market.

For further information contact:

Galena Mining Limited

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Managing Director

About Abra Base Metals Project & Location

60% owned by Galena, the Abra Base Metals Mine (“**Abra**” or the “**Project**”) is a globally significant lead-silver project located in the Gascoyne region of Western Australia (between the towns of Newman and Meekatharra, approximately 110 kilometres from Sandfire’s DeGrussa Project).

Galena completed an outstanding definitive / bankable feasibility study (“**FS**”) (see *Galena ASX announcement of 22 July 2019*) for development of an underground mine and processing facility to produce a high-value, high-grade lead-silver concentrate. A ‘final investment decision’ to complete the Project was made in June 2021 and construction is ongoing to reach first commercial production in the first quarter of 2023 calendar year.

Abra JORC Mineral Resource estimate^{1, 2}

Resource classification	Tonnes (Mt)	Lead grade (%)	Silver grade (g/t)
Measured	-	-	-
Indicated	16.9	7.4	17
Inferred	17.5	7.0	15
Total	34.5	7.2	16

Notes: 1. See Galena ASX announcement of 28 April 2021. Galena confirms that it not aware of any new information or data that materially affects the information included in Galena’s ASX announcement of 28 April 2021 and confirms that all material assumptions and technical parameters underpinning the resource estimates continue to apply and have not materially changed. 2. Calculated using ordinary kriging method and a 5.0% lead cut-off grade. Tonnages are rounded to the nearest 100,000t, lead grades to one decimal place and silver to the nearest gram. Rounding errors may occur when using the above figures.

