



ASX ANNOUNCEMENT

28 April 2023

ASX: G1A

ACTIVITIES REPORT FOR QUARTER ENDED 31 MARCH 2023

HIGHLIGHTS

- Construction complete, Abra team and key service providers delivered project build on time and on budget.
- Ore commissioning commenced and first concentrate produced in January 2023 and commencement of mine ramp-up to steady-state production.
- Abra processing plant commissioned, instantaneous design throughput rates achieved and metallurgical performance on track.
- First in-specification concentrate shipment achieved in March 2023.
- Underground development achieved a record 1,607m advance during the Quarter with the decline reaching 1,255mRL. (295m vertical below the surface).
- First grade control model completed (first 250m x 200m mining block), shows new geology interpretation adjacent to Abra fault causing HG ore loss on top/margin orebody forcing revised ramp up plan. Model also provides higher level confidence in mine plan.
- Weather and technical impacts at the Abra mine have resulted in a delayed ramp-up in metal production.
- Multiple stopes are planned to be mined in the June quarter to achieve the revised ramp-up plan in the updated guidance.
- Cash balance at Quarter-end A\$20.7 million.
- After Quarter-end, Galena completed an oversubscribed placement to provide additional working capital funding for the revised Abra ramp-up plan.

GALENA MINING LTD. (“Galena” or the “Company”) (ASX: G1A) reports on its activities for the quarter ended 31 March 2023 (the “Quarter”), primarily focused on processing plant commissioning and production ramp-up of both the mine and the plant towards steady-state production in the second half of 2023, at its 60%-owned Abra Base Metals Mine (“Abra” or the “Project”) located in the Gascoyne region of Western Australia.

ABRA BASE METALS MINE (60%-OWNED)

Abra comprises a granted Mining Lease, M52/0776 and surrounding Exploration Licence E52/1455, together with several co-located General Purpose and Miscellaneous Leases. The Project is 100% owned by Abra Mining Pty Limited (“**AMPL**” the Abra Project joint-venture entity), which in turn is 60% owned by Galena, with the remainder owned by Toho Zinc Co., Ltd. (“**Toho**”) of Japan.

Abra is fully permitted, and construction of the processing plant and surface infrastructure was completed in December 2022. First production of its lead-silver concentrate occurred in January 2023 with first product shipment achieved in March 2023.

Operations overview

Abra Base Metals Mine Performance Summary (100% Basis)	Units	Sep 2022 Quarter	Dec 2022 Quarter	Mar 2023 Quarter
Safety				
TRIFR ¹	/mwhrs	14.6	11.0	12.5
NIFR ¹	/mwhrs	16.4	11.0	12.5
Concentrate Sales				
Concentrate Sold	t			5,019
Payable Lead Sold ²	t			3,127
Payable Silver Sold ²	oz			23,884
Mining				
Total Ore Mined	t		17,925	136,008
Total Mined Grade - Lead	%		4.3	4.8
Total Mined Grade - Silver	g/t		20.0	20.6
Processing				
Total Ore Milled ³	t			135,666
Mill Feed Grade – Lead ³	%			4.4
Mill Feed Grade - Silver	g/t			22.0
Concentrate Produced	t			5,425
Lead in Concentrate Produced	t			3,492
Silver in Concentrate Produced	oz			34,232
Costs				
C1 Costs ⁴	A\$M			22.7
All-in Sustaining Costs ⁵	A\$M			29.2
Project Capital Expenditure ⁶	A\$M	32.5	33.3	-

Notes:

- Total Recordable Injury Frequency Rate (“**TRIFR**”) and Notifiable Incident Frequency Rate (“**LTIFR**”) are the 12-month moving average at the end of each quarter calculated per million work hours.
- Payable lead and silver based on 95% metal payability subject to standard deductions (i.e., 3 units for lead and 50g/t for silver).
- Production throughput in the Quarter includes 35,990t low grade ore at 2.2% lead grade and 99,676t high grade ore at 5.2% lead grade. Low grade ore was included during the Quarter as part of commissioning the processing plant to get to its instantaneous throughput rate of 1.3Mtpa.
- C1 costs include mining costs, processing costs, site general and administration costs, transport, logistics and shipping costs, and treatment and refining charges, adjusted for inventory movements and net of silver by-product credits.
- All-in sustaining costs include C1 Costs plus royalties, corporate general and administration costs, sustaining capital and capitalised mine development costs. All-in sustaining costs exclude growth capital and exploration costs.
- Abra Project construction works were completed by the end of the December 2022 quarter (see Galena ASX announcements of 10 January 2023 and 13 January 2023).

Mining and processing performance at Abra for the Quarter was well below planned performance levels. The original ramp-up performance profile for the Abra mine in the March Quarter was to mine and process 130,662t at a 7.5% lead grade. Mining delivered 136,008t at a 4.8% lead grade to the plant and 135,666t at a 4.4% lead grade was processed. This included both LG and HG as the focus of the throughput during the quarter was to commence the ramp-up period and ensure that the throughput rate of 1.3Mtpa through the processing plant could be achieved.

During the Quarter, underground production did not achieve its planned levels with issues in both ore development advance rates and initial stope mining. The first stope to be mined was not completed during the quarter due to delays in execution caused by stope miss-fires. This resulted in no stope production ore mined in the March Quarter and only HG & LG development ore has been processed to date. During the ramp-up plan associated with the June quarter multiple stopes will be mined including the full recovery of the first stope.

From 24-27 March the Gascoyne River catchment area received a significant amount of rainfall isolating the Abra mine due to the closure of site access roads. Approximately 100mm of rain fell during this period causing the rivers and creeks crossing the roads to flood. The site access roads were subsequently closed on 27 March and are not expected to re-open until end-April once they have had sufficient time to dry out and road maintenance work has been completed. During April limited mine production and no ore processing has occurred to date due to the reduction in critical consumables including LNG, diesel, mine consumables, and general provisions.

Safety and environment

During the Quarter, 173,863 employee and contractor work hours (Dec 2022 Quarter: 192,014 hours) were recorded at the Abra mine. The demobilisation of construction personnel during the quarter accounts for the reduction in work hours compared to the previous quarter.

The site's TRIFR and NIFR calculated on a 12-month moving average at the end of each quarter increased from 11.0 injuries per million work hours to 12.5 injuries per million work hours. During the Quarter, Abra had one medical treated injury, two restricted work injuries and one notifiable incident.

Abra continues to focus on the prevention of incidents and management of risks for employees and contractors, including hazard reporting and other safety systems to assist with continuous improvement of safety.

Concentrate sales

During the Quarter, 5,019t of lead concentrate was sold containing 3,127t of payable lead and 23,884oz of payable silver at an average lead price received of US\$0.97/lb, generating gross sales revenue of A\$9.8 million.

Mining

During the Quarter, 1,607 metres of development was completed and at Quarter-end total mine development reached 5,736 metres consisting of 2,377 metres of decline development, 2,664 metres of lateral development and 695m of vertical development. The decline reached 1,255mRL, being 295 metres vertically below the surface.

Ore drive development occurred on the 1300, 1280 and 1260mRL levels, however mining delays including establishment of the primary ventilation circuit down to the 1280mRL level meant that lower than planned development was achieved in March. A total of 153,933t of development ore was delivered to the ROM pad from the mine during the Quarter (35,990t of this was low grade). Additional to the reduced ore development, miss-fires associated with the first production stope reduced the ore tonnes mined during the quarter. The delay of the mining of the first production stope during March had the biggest effect on the achieved mined grade for the Quarter, because the original expected mine grade for this stope was 8.5% Pb. A stope recovery plan is being established for the stope and it will be mined in the June quarter. Multiple stopes on the 1280 and 1260mRL levels are currently being designed and drilled. At the end of March, a total of 17,486t of ore remained stockpiled on the ROM pad for processing in the June quarter.

The Fresh Air Rise (“**FAR**”) #4 was completed during the Quarter completing the primary ventilation circuit exhaust down to the production horizon in the mine, which has reduced any restrictions on diesel equipment in some of the work areas. Secondary ventilation fans and infrastructure were established to enable many new ore headings to be accessed (20+). This along with the increasing stope production will enable the mine to make the next step change in production. The raise boring of Return Air Rise (“**RAR**”) #2 which is also a 6m diameter commenced during March and will be completed in the June quarter finalising both the primary ventilation intakes and exhausts down to the same depth.

The smaller raise bore drill completed the 1365-1280mRL level paste hole drilling and casing. Drilling has also commenced from the surface (1550mRL) to the 1365mRL level prior to also casing this section of the primary paste reticulation hole. On completion this will have the primary paste fill hole completed from the surface down to the 1280mRL level. Rising main pipework arrived on site and the paste lines and pump station construction is expected to be completed in the June quarter.

During the quarter a total of 69 (11,905m) underground diamond holes were completed for grade control and mine planning purposes. A revised geological interpretation was completed in March and an updated block model has enabled a revised ramp-up plan to be completed for the remainder of 2023. In this plan the ore associated with closer spaced grade control drilling (12.5m x 12.5m) completed to date accounts for 75% in the near-term production through to 50% by the end of 2023. Two underground drill rigs will continue to operate on an ongoing basis providing continual improvement in the confidence levels of the mine plan and ongoing optimisation opportunities.

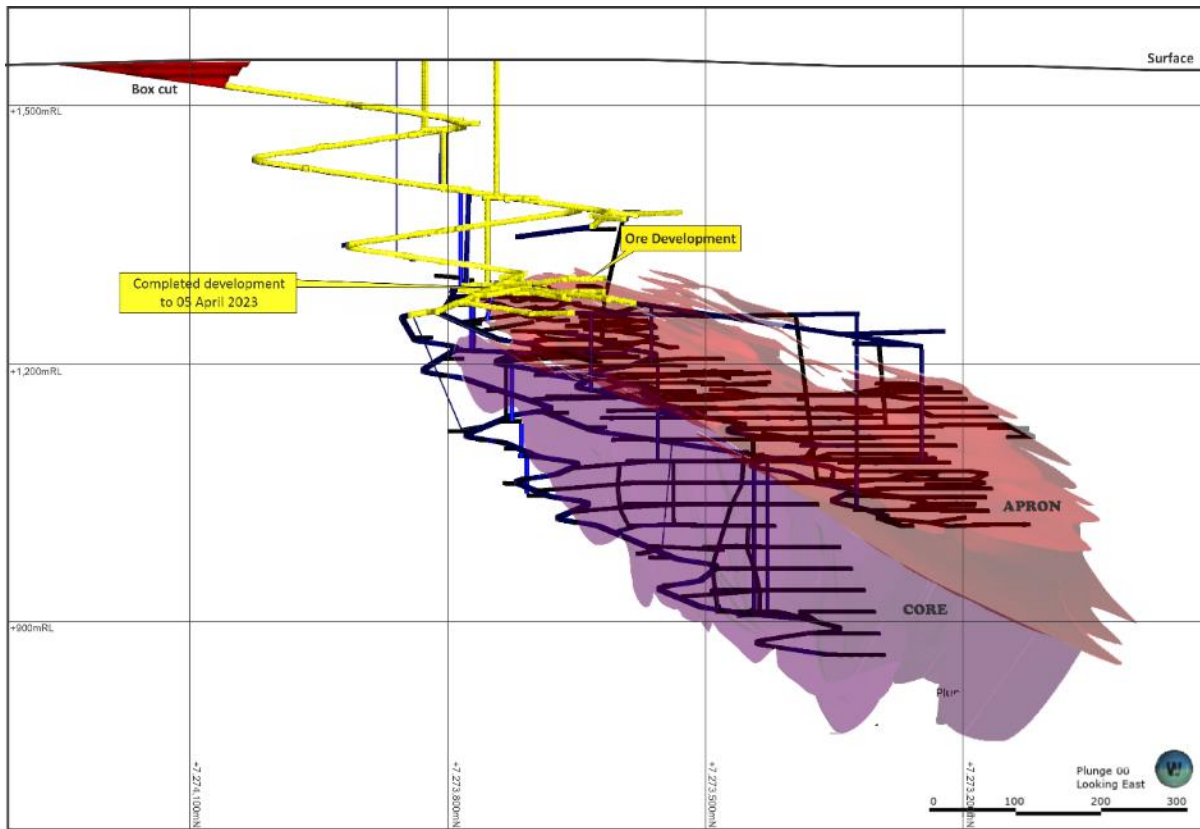


Figure 1 – Underground mine development as at Quarter-end (highlighted in yellow).



Figure 2 – Abra 1280mRL level showing face mineralisation showing the complexities associated with multiple mineralisation directions in the Upper Apron section of the mine.

Processing

Several important milestones were achieved in the Quarter, including the completion of commissioning of the processing plant, first ore fed into the plant and first concentrate produced in January 2023. The processing plant achieved in-specification concentrate production from the commencement of concentrate production.

The paste-fill plant was commissioned with first paste filtered in February 2023. Paste plant reticulation to underground is currently being finalised in preparation for back filling when required.

During the Quarter, 135,666t of ore was processed and 5,425t of lead concentrate was produced. The plant only operated for approximately 50 days during the Quarter beginning with low levels of throughput around 2,000t per day increasing to the expected throughput levels of 3,600t per day, with an average for the quarter of approximately 2,700t per day. The plant operated in a stop-start nature during this period due to ore availability during the commissioning and initial stages of ramp-up.

Lead metal recovery continued to improve, increasing from 37.7% in January to 61.5% in February and 75.3% in March. Ongoing improvement is expected to be achieved with metal recoveries with longer more consistent run times and improvement in feed head grade as ramp-up continues.

Processing plant performance is consistent with process flow-sheet design and throughput rates in each section of the plant is being achieved.

Costs

C1 costs of A\$22.7 million and all-in sustaining costs of A\$29.2 million for the Quarter were in line with revised guidance (see *Galena ASX announcement of 20 April 2023*).

Exploration

During the quarter, assays from the first exploration holes drilled from underground at the Abra Mine were received. (see *Galena ASX announcement of 9 February 2023*).

The holes were drilled in the December 2022 quarter as dual-purpose holes for both exploration (previously identified target) and geotechnical evaluation (underground development planning). Assays associated with these holes have been received after the release of the December quarter activities report.

The two new drillholes (22AUD0159 and 0160) drilled in October 2022, were drilled adjacent to a historical intercept drilled by Abra Mining Limited in 2007 (AB41). The new holes confirm the presence of Abra style mineralisation north of the Abra fault. Including the historical hole, the three holes are spread over an area of 300m (east-west) and 100m (north-south). They are approximately 200m from the current Abra deposit and 100m from the proposed Abra decline infrastructure.

The new drill hole mineralisation intercepts associated with 22AUD0159 and 22AUD0160 have significant lead, silver and copper intercepts and are listed below.

- 4.8m at 3.1% lead and 6.7g/t silver from 276.88m in 22AUD0159
- 3.7m at 4.0% lead and 7.2g/t silver from 286.48m in 22AUD0159
- 2.4m at 5.1% lead and 9.6g/t silver from 314.42m in 22AUD0159
- 6.9m at 4.9% lead and 7.5g/t silver from 352.73m in 22AUD0160, including,
 - 2.1m at 10.6% lead and 22g/t silver from 352.73m
 - 1.0m at 1.9% copper from 338.66m in 22AUD0160.

Also, 700m north of the Abra fault, an additional mineralisation target (known as the “Ale” prospect, was identified when drill hole AB42 was extended in 2019 intercepting 4.3 metres at 6.1% lead and 8.4g/t silver from 563.2m downhole depth, with a single sample reporting over 20% lead mineralisation. The mineralisation intercepted with all the drilling completed to date coincides with the modelled electromagnetic plate and the base of the IP anomaly, as is also associated with coarse-grained sediments and chlorite altered geological units.

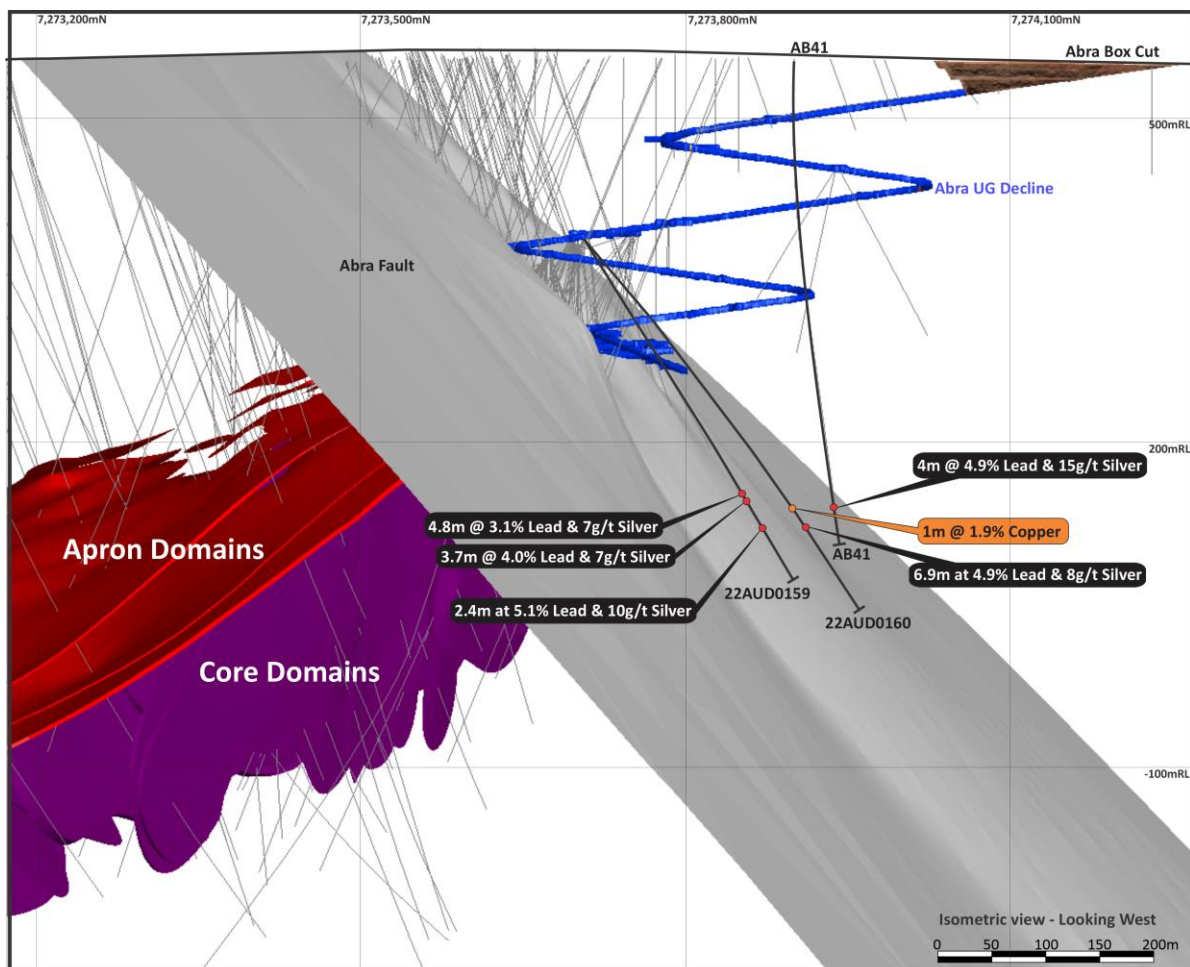


Figure 3 - Isometric view looking West of the drill holes (AB41, 22AUD0159 and 0160) drilled north of the Abra Fault and the 2021 Abra Mineral Resources mineralisation domains (Apron/Core). The image also shows the significant intercepts along the drill hole traces, existing underground development.

Also, during the Quarter, the Company completed some surface exploration activities within the Abra exploration licence E52/1455 with the completion of a diamond drillhole at the Lamplight geophysical target, located around 3-4km east-southeast of the Abra deposit as shown in Figure 3 below.

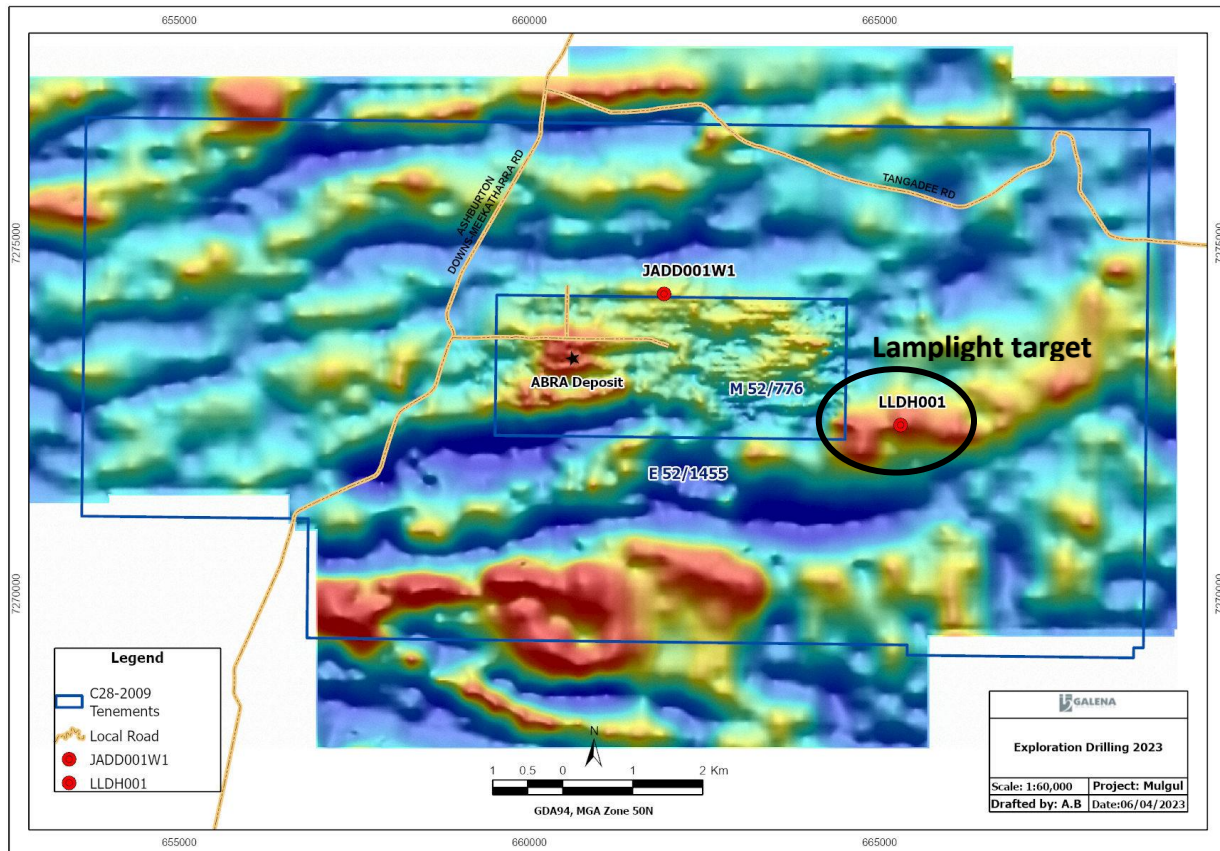


Figure 4 – Showing the location of the Lamplight target drillhole LLDH001 with the regional gravity image on the background.

A diamond drillhole for 499m depth was drilled in March 2023. No significant mineralisation was identified within this drillhole with only minor sphalerite (zinc) mineralisation identified between 75-76m downhole. The drillhole will be processed and samples submitted to multi-element analysis.

The geophysical anomaly still not explained and further drilling will be required to better understand this target.

Commercial initiatives in support of Abra development – project financing debt

In November 2020, Galena put in place US\$110 million in finalised debt facilities arranged by Taurus Funds Management. The facilities include a US\$100 million Project Finance Facility plus a US\$10 million Cost Overrun Facility (see Galena ASX announcement of 12 November 2020).

The Project Finance Facility consists of a US\$100 million, 69-month term loan primarily to fund capital expenditures for the development of Abra. Key terms include:

- Fixed interest of 8.0% per annum on drawn amounts, payable quarterly in arrears.
- 1.125% net smelter return royalty.
- No mandatory hedging.
- Early repayment allowed without penalty.
- 15 quarterly repayments commence on 31 December 2023.

The Cost Overrun Facility consists of a US\$10 million loan to finance identified cost overruns on the Project in capital expenditure and working capital. Fixed interest of 10.0% per annum applies to amounts drawn under the Cost Overrun Facility.

The Taurus Debt Facilities are now fully drawn (*see Galena ASX announcement of 23 September 2022*) and are secured against Abra Project assets and over the shares that each of Galena and Toho own in AMPL.

JILLAWARRA PROJECT (100%-OWNED NON-ABRA PROSPECTS)

Galena's non-Abra prospects located in the Jillawarra Project area consist of Woodlands, Manganese Range, Quartzite Well and Copper Chert, which comprise more than 60 kilometres of continuous strike directly to the west of Abra and reside within five granted Exploration Licences, being: E52/1413; E52/3575; E52/3581; E52/3630; and E52/3823.

During the Quarter, no on-ground exploration activities within the Jillawarra exploration licences was completed.

CORPORATE

A\$20 million share placement and updated production guidance

On 20 April 2023, the Company accepted binding commitments for a placement of 133,333,334 fully paid ordinary shares ("**New Shares**") at an issue price of A\$0.15 per share to raise A\$20 million before costs ("**Placement**"). In conjunction with the Placement, the Company also released updated production guidance for CY2023 (*see Galena ASX announcement of 20 April 2023*).

The Placement comprises the issue of 133,333,334 New Shares via two tranches, comprising:

- 92,885,303 New Shares (A\$13.9 million) to be issued within the Company's 15% placement capacity under ASX Listing Rule 7.1 (Tranche 1); and
- 40,448,031 New Shares (A\$6.1 million) to be issued subject to shareholder approval at a meeting of shareholders scheduled to take place on or around mid-June 2023 (Tranche 2).

Proceeds from the Placement (net of expenses) will be used to provide AMPL with additional working capital funding during the ramp-up period of the Abra mine. Due to lower-than-expected ramp-up mining grades, production delays associated with significant rainfall closing Abra mine

site access roads, and increased operating costs forecast for 2023 AMPL has been forced to utilise its unsecured reserve facility. Additional funding is required to restore the working capital and cost buffer for AMPL to use in the event of any further unforeseen circumstances over the remainder of Abra's ramp-up period.

Payments to related parties of the entity and their associates

The Company's Quarterly Cashflow Report (Appendix 5B) follows this activities report. The total amount paid to related parties of the Company and their associates, as per item 6.1 of the Appendix 5B, was A\$222k and includes payments to directors for fees, salaries, and consulting costs for the Quarter.

Cash position

As at the end of the Quarter, the Company, together with its subsidiaries had approximately A\$20.7 million in cash comprised of cash at bank and term deposit balances.

OUTLOOK

Key focus areas and corporate milestone workstreams for the June Quarter include:

- Re-commence Abra processing activities after the recent significant rainfall event and achieve the revised production ramp-up plan including ongoing concentrate shipments.
- Increase mining activities to expected levels of production following reduced activities because of rainfall delays in March/April (reduction in consumables due to road closures). Continue all Abra underground mining activities including ore development and stoping. Multiple stopes are planned to be mined to achieve the revised ramp-up plan in the updated guidance. In May, three stopes are scheduled to be completed of which the first stope has been drilled out ready for blasting and extraction. Work will continue with underground drilling for ongoing grade control, resource definition and exploration purposes. Complete all outstanding infrastructure work that wasn't completed in the March quarter.
- Continue all mine planning and optimisation work with ongoing increase in confidence of ore body grades and orientation.
- Conclude the settlement of Tranche 1 of the Placement and settlement of Tranche 2 following shareholder approval.

Figures 4-9 (below) show recent photographs of the Abra Project.



Figure 4 – First concentrate shipment (Photo 25 March 2023).



Figure 5 – Qube Logistics Services transferring the Rotabox™ containers to the ship for unloading (Photo 24 March 2023).



Figure 6 – Closeup view of the Rotabox™ system at work with the lifting and transfer of concentrate to the ship hold. Once inside the ship hold, the lifting mechanism rotates the container to place the concentrate in the hold (Photo 24 March 2023).



Figure 7 – Charlie Kempson (Abra Commercial and Marketing Manager) and Zane Wilson (Qube Geraldton Port Manager) overseeing the first shipment (Photo 24 March 2023).



Figure 8 – Ashburton Downs Road, Gascoyne River Crossing (Photo 14 April 2023).



Figure 9. – Ashburton Downs Road, Gascoyne River Crossing (Photo 24 April 2023).

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

Galena Mining Ltd.

Anthony (Tony) James
Managing Director

COMPETENT PERSON'S STATEMENT

The information in this report to which this statement is attached that refers to exploration results, drilling and geophysical data is based upon information compiled by Mr Angelo Scopel (BSc. Geology, MAIG), an employee of Galena Mining. Mr Scopel has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves. Mr Scopel consents to the inclusion in the report of matters based on this information in the form and context in which it appears.

The information in this report related to the Abra April 2021 Resource is based on work completed by Mr Angelo Scopel BSc (Geol), MAIG, a fulltime employee of Galena Mining and Mr Mark Drabble B.App.Sci. (Geology), MAIG, MAusIMM, Principal Consultant at Optiro Pty Ltd. Mr Scopel was responsible for data review and QAQC, and Mr Drabble was responsible for the development of the geological model, resource estimation, classification, and reporting. Mr Scopel and Mr Drabble have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves. Mr Scopel and Mr Drabble consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

NO NEW INFORMATION

This report contains references to exploration results and Mineral Resource estimates, all of which have been cross-referenced to previous announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant announcements and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

FORWARD-LOOKING STATEMENTS

The contents of this announcement reflect various technical and economic conditions at the time of writing. Given the nature of the resources industry, these conditions can change significantly over relatively short periods of time. Consequently, actual results may vary from those in this announcement.

Some statements in this announcement regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs, and financial performance. Forward-looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "predict", "foresee", "proposed", "aim", "target", "opportunity", "could", "nominal", "conceptual" and similar expressions.

Forward-looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied on as guarantee of future performance. Forward-looking statements may be affected by a range of variables that could cause actual results to differ from estimated results and may cause the Company's actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward-looking statements. So, there can be no assurance that actual outcomes will not materially differ from these forward-looking statements.

APPENDIX 1 – TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

Country	Location	Project	Tenement	Change in Holding (%)	Current Interest (%)
<u>Tenements owned by Galena or wholly-owned subsidiaries:</u>					
Australia	WA	Jillawarra	E52/1413	0	100
Australia	WA	Jillawarra	E52/3575	0	100
Australia	WA	Jillawarra	E52/3581	0	100
Australia	WA	Jillawarra	E52/3630	0	100
Australia	WA	Jillawarra	E52/3823	0	100
<u>Tenements owned by Galena's 60%-owned subsidiary Abra Mining Pty Limited:</u>					
Australia	WA	Abra	M52/0776	0	100
Australia	WA	Abra	E52/1455	0	100
Australia	WA	Abra	G52/0286	0	100
Australia	WA	Abra	G52/0292	0	100
Australia	WA	Abra	L52/0121	0	100
Australia	WA	Abra	L52/0194	0	100
Australia	WA	Abra	L52/0198	0	100
Australia	WA	Teano	L52/205	0	100
Australia	WA	Ervilla	L52/206	0	100
Australia	WA	Teano	L52/210	0	100
Australia	WA	Three Rivers	L52/214	0	100
Australia	WA	TEANO	L52/240	0	100

ABOUT ABRA BASE METALS MINE

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).

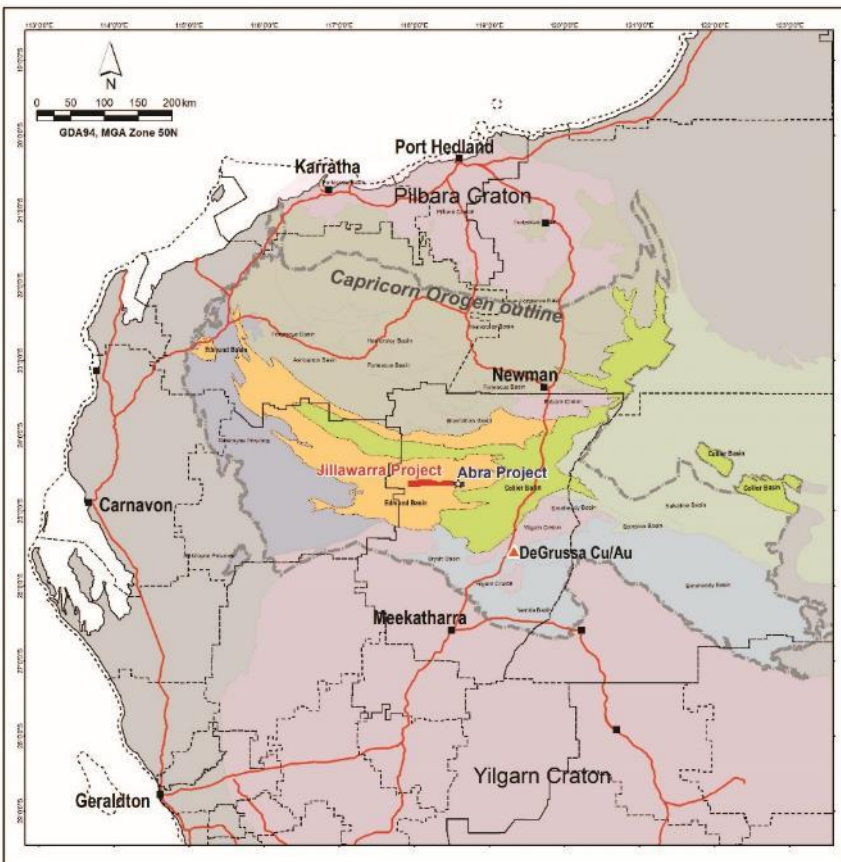
Galena completed an outstanding definitive / bankable feasibility study (“FS”) (see *Galena ASX announcement of 22 July 2019*) for development of an underground mine and processing facility to produce a high-value, high-grade lead-silver concentrate. A ‘final investment decision’ to complete the Project was made in June 2021 and construction was completed in December 2022 with first concentrate produced 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.

ABRA LOCATION



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Galena Mining Limited

ABN

63 616 317 778

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,279	8,279
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(7,337)	(67,919)
(c) production	(10,794)	(10,794)
(d) staff costs	(6,400)	(10,533)
(e) administration and corporate costs	(328)	(1,252)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	190	579
1.5 Interest and other costs of finance paid	(3,704)	(10,120)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(20,094)	(91,760)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(61)	(61)
(d) exploration & evaluation	(146)	(395)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) equity investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(207)	(456)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	17,206
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(1,132)
3.5	Proceeds from borrowings	-	48,603
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	64,677
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	40,982	48,220
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(20,094)	(91,760)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(207)	(456)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	64,677

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	20,681	20,681

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	20,656	40,957
5.2	Call deposits	25	25
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	20,681	40,982

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

222

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments to directors, including non-executive directors for fees, salaries and consulting costs for the quarter.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	163,689	163,689
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	163,689	163,689
7.5 Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
US\$110 million secured project financing debt facilities provided by Taurus Mining Finance Fund No2 L.P., comprising: <ul style="list-style-type: none"> • US\$100 million, 69-month term loan with fixed interest of 8.0% per annum; and • US\$10 million cost overrun facility with fixed interest of 10.0% per annum. 		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(20,094)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(146)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(20,240)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	20,681
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	20,681
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.02
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions: <ol style="list-style-type: none"> Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> <p>Answer:</p> <p>No, construction at the Abra Base Metals Mine ("Abra" or "Project") was completed in December 2022 and production ramp-up has commenced. Abra received its first revenue from lead concentrate sales in the March 2023 quarter and additional revenue from the next planned lead concentrate shipments is expected in the June 2023 quarter.</p> </div> Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> <p>Answer:</p> <p>Yes, on 20 April 2023, the Company announced that it has accepted binding commitments for a placement of 133,333,334 fully paid ordinary shares at an issue price of \$0.15 per share to raise A\$20 million before costs. In addition, further revenue from lead concentrate sales is expected in the coming quarters.</p> </div>

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, the Directors are satisfied there are reasonable grounds to believe that, having regard to the Company's position and available financing options, the operations and business objectives will continue to be met.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2023

Authorised by: By the Board of Galena Mining Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.