



ASX ANNOUNCEMENT

20 December 2021

ASX: G1A

ABRA CONSTRUCTION OVER 30% 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 32% complete on the 30th of November. Remaining Project development expenditure currently stands at \$156M as of 30th November 2021 (comprising \$122M remaining pre-development capital expenditure and \$34M in owners' costs and contingencies), which is funded by approximately \$174M cash and undrawn facilities (30 November 2021 figures). Award of all major contracts associated with the Project currently stands at 95%.

Key equipment orders and supply from overseas vendors has been confirmed with ball mill, concentrate filter and flotation cells expected to arrive on site in May, July and August 2022 respectively. These orders and follow-up form part of the GR Engineering Services Limited (“GRES”) contract and they have been very active in locking in this equipment for the Abra Project early.

Managing Director, Tony James commented, ***“Construction progress at Abra has reached a milestone at 32% complete. Civil works associated with key infrastructure including the new airstrip and the underground decline development have made excellent progress. We expect the airstrip and associated infrastructure to be completed in December and the underground development has reached 291m from the portal against a plan of 246m. The decline has progressed through the transitional ground into fresh rock. Timing of key equipment supply from overseas has also been confirmed.*”**

The Abra team and all the contractors who have enabled us to reach this milestone should all be very proud of what we have achieved over the last 3 months. We are set up really well to have a strong construction year in 2022 and we look forward to continuing the excellent progress we are making.”

Update on Abra Project progress

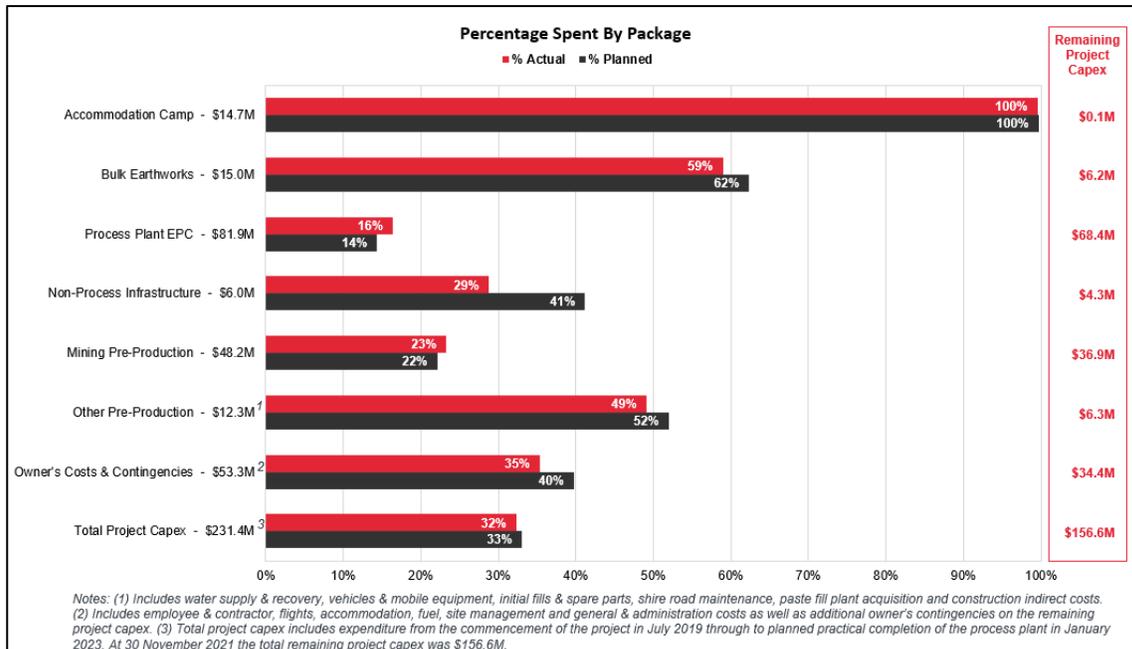


Figure 1 - Shows the progress of the various Abra construction packages.

Description	Manufacturer	Source Country	Order Date	Completion Date	Forecast On Site Date
Jaw Crushers	Metso Outotec	China	19 Aug 21	10 Jan 22	21 Feb 22
Cone Crushers	Metso Outotec	Finland	19 Aug 21	16 Mar 22	27 Apr 22
Flotation Cells	Metso Outotec	China	18 Aug 21	01 Jul 22	12 Aug 22
Thickener	Metso Outotec	China	18 Aug 21	31 Mar 22	12 May 22
Slurry Analyser	Metso Outotec	Finland	18 Aug 21	10 Jan 22	21 Feb 22
Grinding Mill	CITIC HIC	China	23 Jul 21	04 Apr 22	30 May 22
Filter	Ishigaki	Japan	26 Jul 21	31 May 22	12 Jul 22
Regrind Mill	Glencore	Germany	23 Sep 21	29 Jun 22	03 Aug 22
LNG Storage Tanks	AMG Cryogenics	China	15 Jun 21	28 Apr 22	05 Jul 22

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

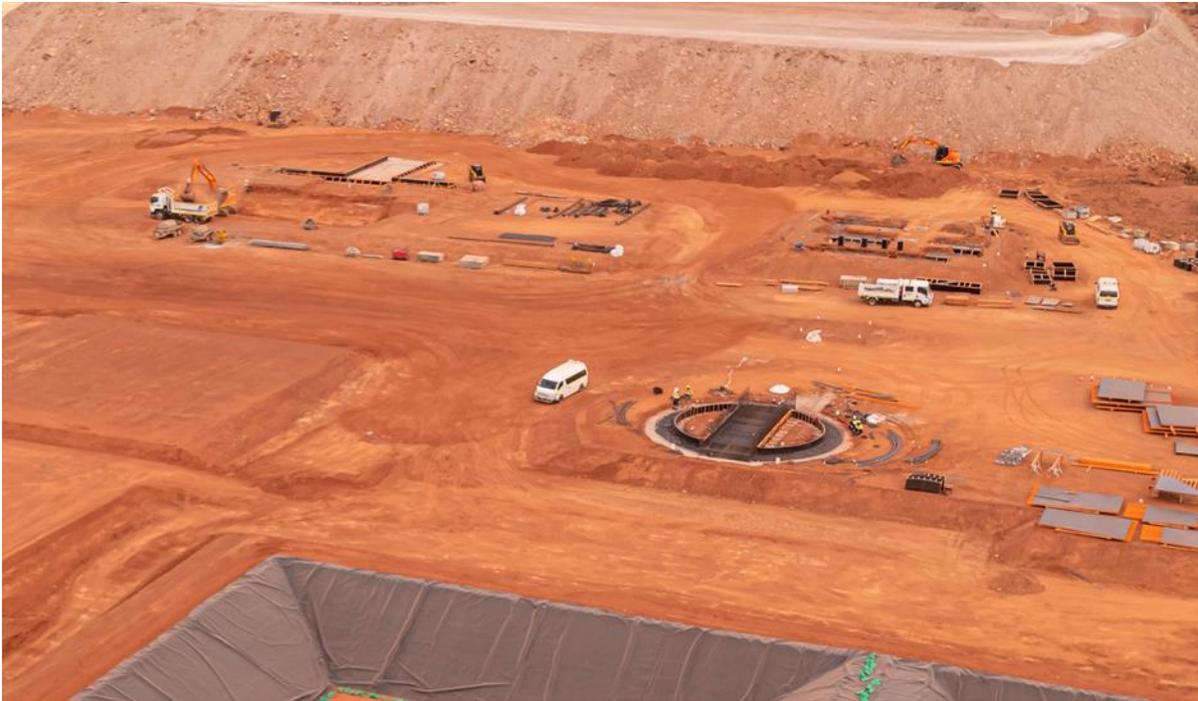


Figure 2 – Civil construction progress with crushing/screening plant foundations. Completed raw and freshwater dams in the foreground.



Figure 3 – Construction offices and mine administration buildings in place. Completed plant site earthworks in the foreground and storm water event pond in the background.



Figure 4 – Construction of Abra airstrip and associated infrastructure scheduled for completion in December 2021.



Figure 5 – Underground decline has progressed 291m project to date against a plan of 246m.



Figure 6 – Abra concentrate filter frame assembly (Ishigaki, Japan).



Figure 7 – Abra ball mill head end inspection (CITIC-Heavy Industries Co. Ltd., China).

Pre-development expenditure

The original Abra project Feasibility Study (“**FS**”) was completed in July 2019 (ASX: 22 July 2019), forecasting pre-production capital expenditure of approximately A\$170M. The FS was based on the theoretical assumption at the time for the commencement of mining in November 2019, with a mine development and production plan based on the 2018 Mineral Resource estimate (ASX: 18 December 2018).

Since work commenced on the Abra project beginning in 2018 several additional drilling programs and Mineral Resource estimates have been completed leading to revised project development schedules, mining schedules and operating plans. Several Project delays occurred during the financing stages of the project, which was also impacted on several fronts by the COVID-19 pandemic.

In September 2020 the overall Project expenditure requirement was updated to \$215M incorporating additional owners' costs and contingencies, increased owners' costs also occurred during the delay in the final investment decision (“**FID**”) for the Project (ASX: 23 September 2020).

Following a recent review, the Company now revises the total Project expenditure requirement to \$231M, based on successfully making FID in June 2021 and considering subsequent updates of major contracts, including the engineering procurement and construction contract for Abra’s plant and associated infrastructure with GRES and the underground mining services contract with Byrnescut Australia Pty Ltd. As at 30th November 2021, the remaining Project development expenditure stands at \$156M, comprising \$122M remaining pre-development capital expenditure and \$34M for owners costs and additional contingencies.

Funding available as at 30 November 2021 was approximately \$174M comprising: \$63M cash; and \$111M of undrawn debt facilities (A\$ equivalent of US\$80M undrawn under the Taurus Debt Facilities – see *Galena ASX announcements of 12 November 2020 and 15 June 2021 for more information on the terms of the Taurus Debt Facilities*).

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

For further information contact:

Galena Mining Ltd.

Anthony (Tony) James

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.

Abra location

