



ASX ANNOUNCEMENT

8 July 2020

ASX: G1A

GALENA SUCCESSFULLY RAISES \$12 MILLION TO ADVANCE ABRA

HIGHLIGHTS:

- Placement was well oversubscribed
- Participation by existing and a number of new high-quality institutional investors
- Existing strategic investor, Tim Roberts subscribed for ~20%
- Provides a strong financial platform on which to complete the Abra debt financing process, undertake optimisation drilling on the Abra Project, and drill the newly interpreted target for gold and copper mineralisation

GALENA MINING LTD. (“Galena” or the “Company”) (ASX: G1A) announces it has accepted binding commitments for a placement of 57,150,000 new shares at an issue price of \$0.21 per share (“**Placement Shares**”), to raise \$12 million before costs (“**Placement**”).

Managing Director, Alex Molyneux commented, ***“The strong institutional support for the Placement is a testament to Abra’s appeal as a low risk, high return base and precious metals project. We look forward to progressing optimisation works parallel with the debt financing process before mining commences.”***

The Placement was significantly oversubscribed and well supported by existing and new investors including high-quality institutional investors. The Company’s largest holder and strategic investor Mr Timothy Andrew Roberts, subscribed for 11,150,000 Placement Shares to maintain his pro-rata shareholding at approximately 20%.

Proceeds from the Placement will be used to: (i) undertake optimisation drilling (including infill) and optimisation works at the Abra Base Metals Project in advance of commencement of underground mining; (ii) drill the newly interpreted gold and copper zone at Abra for the first time; and (iii) maintain a strong working capital position.

Hartleys Limited and Petra Capital Pty Ltd acted as Joint Lead Managers and Joint Bookrunners to the Placement and will receive 5.67% capital raising fees on funds raised.

FURTHER PLACEMENT DETAILS

The shares issued under the Placement will fall within the Company's 15% placement capacity under ASX Listing Rule 7.1 and additional 10% placement capacity under ASX Listing Rule 7.1A. A total of 38,408,303 shares will be issued pursuant to Listing Rule 7.1 and 18,741,697 shares will be issued pursuant to Listing Rule 7.1A. Settlement is scheduled to occur on Thursday, 16 July 2020.

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

For further information contact:

Galena Mining Ltd.,

A handwritten signature in blue ink, appearing to read 'Alex Molyneux'.

Alex Molyneux
Managing Director

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 statement 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.

About Abra Base Metals Project

86.16% owned by Galena, the Abra Base Metals Project (“**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 a mine and processing facility with a 16-year life producing a high-value, high-grade lead-silver concentrate containing approximately 95kt of lead and 805koz of silver per year after ramp-up. Based on a pre-development capital expenditure estimate of A\$170 million, the FS modelled a pre-tax net present value for Abra (at an 8% discount rate) of A\$553 million and an internal rate of return of 39%.¹

Note: 1. Information relating to the production target and financial information derived from the production target is extracted from the ASX announcement of 22 July 2019. Galena confirms that that all material assumptions underpinning the production target, or forecast financial information derived from a production target, in that announcement continue to apply and have not materially changed.

Abra JORC Mineral Resource estimate^{1, 2}

<u>Resource classification</u>	<u>Tonnes (Mt)</u>	<u>Lead grade (%)</u>	<u>Silver grade (g/t)</u>
Measured	-	-	-
Indicated	16.7	8.5	24
Inferred	24.4	6.5	14
Total	41.1	7.3	18

Notes: 1. See Galena ASX announcement of 17 October 2019. Galena confirms that it not aware of any new information or data that materially affects the information included in Galena’s ASX announcement of 17 October 2018 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

