



ASX ANNOUNCEMENT

17 February 2021

ASX: G1A

EXECUTION OF ABRA POWER PURCHASE AGREEMENT

GALENA MINING LTD. (“Galena” or the “Company”) (**ASX: G1A**) announces that Abra Mining Pty Limited (“**AMPL**”), the joint-venture company for the Abra Base Metals Project (“**Abra**” or the “**Project**”) has executed a Power Purchase Agreement (“**PPA**”) with Contract Power Australia Pty Ltd (“**Contract Power**”).

Under the terms of the PPA, Contract Power will build, own and operate an integrated hybrid power generation facility combining a 10MW natural gas fired power station, a 6MW solar array, 2MW of battery energy storage and a 900KI LNG storage and regasification facility. Power will be purchased by Abra under the PPA for an initial term of 16-years (extendable).

Managing Director, Alex Molyneux commented, ***“We’re pleased to partner with Contract Power on a clean, cost-effective power solution for Abra. Integrating solar with relatively clean natural gas instead of diesel achieves a marked reduction in Abra’s carbon footprint compared to alternatives considered in the tender process. Pleasingly, the design also offered the most cost-effective solution, in-line with our Feasibility Study estimates.”***

A Western Australian-based company wholly-owned by Pacific Energy Ltd, Contract Power specialises in the design, construction and operation of remote power stations for the mining and government sectors. With the ability to incorporate the latest in diesel, gas, renewable and battery storage technologies, Contract Power seeks to optimise energy efficiency for its off-grid clients, whilst minimising carbon emissions. Contract Power has operated power stations around Australia under turnkey build-own-operate arrangements since 1999, and recent projects include: 56MW gas fired power station for Mineral Resources Limited’s Wodgina lithium project; 18MW gas fired station for Capricorn Resources’ Karlawinda project; 18MW gas and diesel power station at Wiluna Mining Corporation’s Wiluna Gold project; and the currently under construction Esperance renewables hub consisting of a 22MW gas power station fully integrated with two 4.5MW wind turbines, 2MW of battery storage and 4MW of solar.

Contract Power’s Managing Director, Mr Leon Hodges stated that ***“We are very pleased to be working with Galena on this important project and look forward to rewarding their confidence by delivering a world-class hybrid power station. Contract Power’s combined LNG and renewables integration capability has allowed our design team***

GALENA MINING LTD.

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to maximise solar penetration as high as the economics and technology allows, providing the Abra project with the highest reliability and lowest cost of power on an unsubsidized basis.”

The PPA remains subject to the condition of AMPL proceeding to final investment decision for the Project.

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

About Abra Base Metals Project

77.28% 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}

Resource classification	Tonnes (Mt)	Lead grade (%)	Silver grade (g/t)
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.

About Pacific Energy

Pacific Energy owns and operate around 40 power stations (with contracted capacity of over 500MW) through the KPS and Contract Power brands. They provide electricity to remote mines and townships as well as the National Electricity Market (NEM) using multiple fuel technologies including gas, diesel, dual fuel, hydro and renewables. Specialist hybrid solutions such as Stand-Alone Power Systems, microgrids and battery energy storage systems are provided for government utilities and private industry by Pacific Energy subsidiary Hybrid Systems Australia

Abra location

