

**ASX ANNOUNCEMENT**

**30 January 2020**

**ASX: G1A**

**CONSTRUCTION OF ABRA BOX-CUT COMMENCED**

**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 commenced construction of the box-cut for the Abra underground mine.

Managing Director, Alex Molyneux commented, ***“This first mine development step is an important milestone in our schedule to begin realising Abra’s tremendous potential in 2021.”***

Construction of the box-cut is expected to take approximately two to three months, after which development of the underground mine decline can commence. The box-cut works, being carried out by a third-party mining contractor involve blasting, mining and removal of approximately 65,000 bank cubic metres of material to create a pit averaging approximately 45 metres wide (east-west), 190 metres long (north-south) and 25 metres deep. The southern wall of the completed box-cut excavation will house the location for the main portal for the Abra underground mine decline.

Figure 1: Image of first box-cut blast



Source: Galena.

The Board of Directors of Galena Mining Limited authorized this announcement for release to the market.

For further information contact:

**Galena Mining Ltd.,**



**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%.<sup>1</sup>

*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<sup>1, 2</sup>**

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

*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**

