

ASX ANNOUNCEMENT

23 July 2021

ASX: G1A

ACTIVITIES REPORT FOR QUARTER ENDED 30 JUNE 2021

HIGHLIGHTS:

- **Final investment decision (FID) made to complete full development of Abra Mine, with first production scheduled for Q1 CY2023**
- **Cash balance as at Quarter-end A\$96.2M following final A\$40M investment tranche received from Abra Joint Venture partner, Toho Zinc of Japan, and first US\$30M drawn under the Taurus Project Debt Facilities**
- **Early stage / enabling construction works continued during the Quarter with a further 2% of the Project being completed, taking cumulative Project completion to 17%**
- **Achievement of 2020 Abra drilling objectives announced together with updated Mineral Resource estimate**
- **Managing Director role transitioned to Mr Tony James, a Mining Engineer with considerable project development and operational experience in Western Australia**

GALENA MINING LTD. (“Galena” or the “Company”) (**ASX: G1A**) reports on its activities for the quarter ending 30 June 2021 (the “Quarter”), largely focused on advancing its 60%-owned Abra Base Metals Project (“Abra” or the “Project”) located in the Gascoyne region of Western Australia.

ABRA BASE METALS PROJECT (60%)

Abra comprises a granted Mining Lease, M52/0776 and is surrounded by the 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**”), which in turn is 60% owned by Galena, with the remainder owned by Toho Zinc Co., Ltd. (“**Toho**”) (pursuant to an Investment Agreement and Shareholders Agreement with Toho).

Abra is fully permitted and a final investment decision to complete full development of the Project was made in June 2021. First production of its high-value, high-grade lead-silver concentrate is currently scheduled for the first quarter of 2023 calendar-year.

Project construction / development

During the Quarter Abra Project early construction works continued.

Abra Base Metals Project construction / development progress to completion¹

Progress within the Quarter	Total cumulative progress as at Quarter-end
2%	17%

Notes: 1. Based on completed proportion of total forecast project development capital expenditure excluding owners team costs.

Construction tasks conducted during the Quarter were comprised of preconstruction and enabling works, including:

- Mine box-cut ground support works were completed to the portal excavation stage. During April and May, shotcreting company Incycle Construction Pty Ltd applied fibrecrete to the lower walls of the box-cut. This rock surface coverage work was then followed by the installation of cable bolts above the Portal access location and fully grouted rockbolts.
- The installation of the remaining 200 rooms and other ancillary buildings of the 280 room Abra mine village was completed and commissioned in April by contractor McNally Group Pty Ltd. The mine village has modern new accommodation units and other central facilities including dry and wet mess buildings; village administration buildings, sports and gym facilities, laundries and a medical centre).
- General site clearing of the mine’s surface infrastructure and process plant areas were completed in April, along with the final construction of the run-of-mine (ROM) pad.

Other Abra Project development activities undertaken during the Quarter included completing detailed design and engineering for the tailings storage facility (“**TSF**”) and aerodrome. Contracts were finalised for the earthworks activities for the TSF, aerodrome and processing facility.

Figures 1-4 (below) show various photos of Abra Project progress taken during the Quarter.



Figure 1. Box-cut with ground support works.

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Figure 2. Completed 280 room Abra accommodation village.



Figure 3. Cleared site of Abra's future processing plant (picture taken from the top of the ROM pad).



Figure 4. Abra ROM pad.

Completed Project works include: construction and commissioning of a 280-unit mine site village; mining of the box-cut; box-cut ground support works; ROM pad preparation; installation of production water infrastructure (bores, pumps, storage and water reticulation); installation of site communications; and various site clearing, roadworks and civil works. As a result, Abra is largely prepared for the deployment of key contractors for the construction of the plant and ancillary infrastructure, and deployment of the underground mining contractor. In addition, 90% of contracts (by value) covering the Project's remaining full development works are executed or awarded.

Among the key contracts, an engineering, procurement and construction contract has been executed with GR Engineering Services Limited for the supply of Abra's 1.2 million tonne per annum lead sulphide flotation process plant and ancillary infrastructure. The underground mining services contract has been awarded to a tier one Australian mining contractor.

Safety and environment

During the Quarter, 13,943 employee and contractor work hours were recorded at Abra. No recordable injuries were reported.

No environmental reportable incidences or exceedances were recorded during the Quarter.

Abra Project final investment decision (“FID”)

On 15 June 2021, Galena announced that FID had been made for the Abra Base Metals Project, with first production of its high-value, high-grade lead-silver concentrate scheduled for the first quarter of 2023 calendar year.

The FID decision confirms Abra is poised to join the ranks of high margin Australian base metals producers by authorising the main construction activities. Procurement of certain long-lead time items has commenced. The underground mining contractor is expected to initiate the portal and decline development by the end of the third quarter of 2021 calendar year and physical on-site plant construction is expected to commence in the fourth quarter of 2021 calendar year.

2020 Abra Drilling Program and Mineral Resource estimate update

On 28 April 2021, Galena announced the achievement of the key objectives from the 2020 Abra Drilling Program and a subsequently completed updated JORC Code 2012 Mineral Resource estimate (“**April 2021 Resource**”) for the Project, independently prepared by Optiro Pty Ltd (“**Optiro**”).

The completed 2020 Abra Drilling program included 57 drill-holes totalling 24,834 cumulative linear meters and was designed to achieve three specific objectives. These objectives were mainly focussed on the original Mineral Resource estimate and potential grade and continuity risk of certain areas within that estimate, and they were:

- i. Lead-silver orebody infill drilling – Some infill drilling that had previously been planned to take place from underground once the decline was in place was pulled forward into the 2020 Abra Drilling Program. This aimed to further tighten the drill-hole spacing over the first four years of proposed production to 20 by 20 metres and up to 30 by 30 metres or better, compared with a more variable drilling density of up to 40 by 40 metres and up to 60 by 60 metres in that area previously.
- ii. Drilling into selected lead-silver ‘metal rich’ zones – Some drill-holes successfully targeted selected areas within the Abra lead-silver mineralisation where higher concentrations of metal (in both grade and thickness) were projected from previous drilling campaigns, in particular drill-hole AB147, which became the best high-grade lead-silver drill-hole ever at Abra, and the follow-up drill-holes that were added to the program in its vicinity.
- iii. Gold-copper exploration – Some of the drilling, in particular drill-hole AB195 successfully targeted the newly interpreted gold and copper drilling targets to the south and south east of the lead-silver mineralisation and at depth.

The April 2021 Resource incorporated the new information from the 2020 Abra Drilling Program and is presented in Table 1 below.

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.

The April 2021 Resource has some significant advantages over its predecessor (October 2019 Resource) including:

- i. Increased predictability – Optiro was able to confirm a substantial increase in the predictability of the April 2021 Resource model vs. the October 2019 Resource. Near-to-final Apron Zone domain shapes were prepared based on the new geological interpretation prior to receipt of the final drilling assays from the last 12 drill-holes in February and it was found that the model was extremely predictive with respect to estimating the position and tenor of individual Apron Zone lodes in the position of the additional drill-holes as their data was made available for inclusion in the model.
- ii. Indicated material is more consolidated around the shallower, northern area of the deposit – The Apron Zone is now largely Indicated in the area that was previously Inferred between the two northern limbs of Indicated in the October 2019 Resource. Furthermore, additional Core Zone Indicated material has generally occurred in the upper Core Zone on the north eastern side, directly under metal-rich stacked Apron Zone lodes (also generally Indicated). These changes have consolidated Indicated shapes on the northern side of the deposit. The upper extent of this material has also moved closer to surface by 14 metres.
- iii. Increased confidence within Indicated material – The drilling density within the Indicated Mineral Resource outline is much higher for the April 2021 Resource than for the October 2019 Resource. For example, the area covered by 30 x 30 metre or better spacing has more than quadrupled. Increased drilling density of 40 x 40 metre or better spacing covers most of the northern half of the deposit where the first years of the updated mine plan are to be scheduled.

Commercial initiatives in support of Abra development – project financing debt

Prior to the Quarter, 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.
- Arrangement fee of 2.5% (already paid) and commitment fee of 2.0% on undrawn amounts.
- 1.125% net smelter return royalty.
- No mandatory hedging.
- Early repayment allowed without penalty.

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 will apply to amounts drawn under the Cost Overrun Facility.

During the Quarter, AMPL received the first drawdown under the Project Finance Facility in the amount of US\$30 million, leaving US\$80 million undrawn under remaining facilities.

The Taurus Debt Facilities are secured against Abra Project assets and over the shares that each of Galena and Toho own in AMPL, and additional drawdowns remain subject to satisfaction of customary conditions precedent.

Commercial initiatives in support of Abra development – Toho Transaction

Prior to the Quarter, Galena executed definitive agreements with Toho setting out the terms for Toho’s investment of A\$90 million in tranches for a 40% ownership interest in Galena’s previously wholly-owned subsidiary, AMPL (the “**Toho Transaction**”). During the Quarter the A\$40 million final investment tranche was received from Toho (with A\$50 million having been received in 2019 and 2020).

Exploration

During the Quarter, a full review of the prospects around Abra and other exploration targets was concluded defining five high-priority targets that have the potential to host similar base and precious metals mineralisation as for Abra.

Amongst the work completed during the Quarter, a downhole geophysical survey was concluded for the deepest drill-hole ever drilled at Abra (AB195) to identify any potential conductive source associated with massive sulphide mineralisation, particularly in the interpreted copper-gold zone. The downhole geophysical survey included electromagnetic, magnetic susceptibility, magnetic and conductivity surveys. A significant magnetic conductive source was identified that is still being interpreted by the company’s consultant geophysicists.

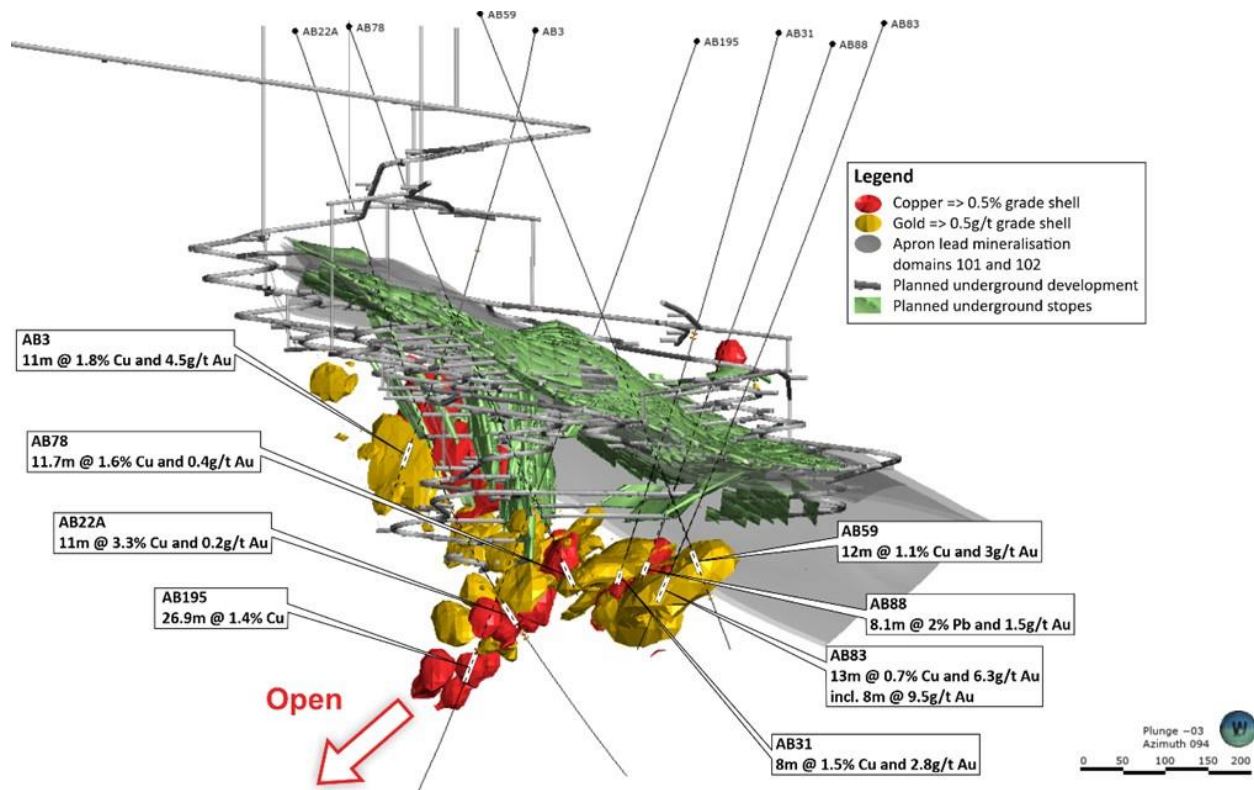


Figure 5. 3D view of Abra including interpreted copper-gold zone and drill-hole AB195.

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NON-ABRA PROSPECTS

Galena's non-Abra prospects consist of Woodlands, Manganese Range, Quartzite Well and Copper Chert, which comprise more than 76 kilometres of continuous strike 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, the Company concluded the review and targeting exercise for the Jilawarra Project exploration targets focusing on developing the prospects with the highest potential to host base and precious metals mineralisation as shown in Figure 6 (below), using the learnings from the geological and mineralisation modelling of Abra following the 2020 Abra Drilling Program and preparation of the April 2021 Resource.

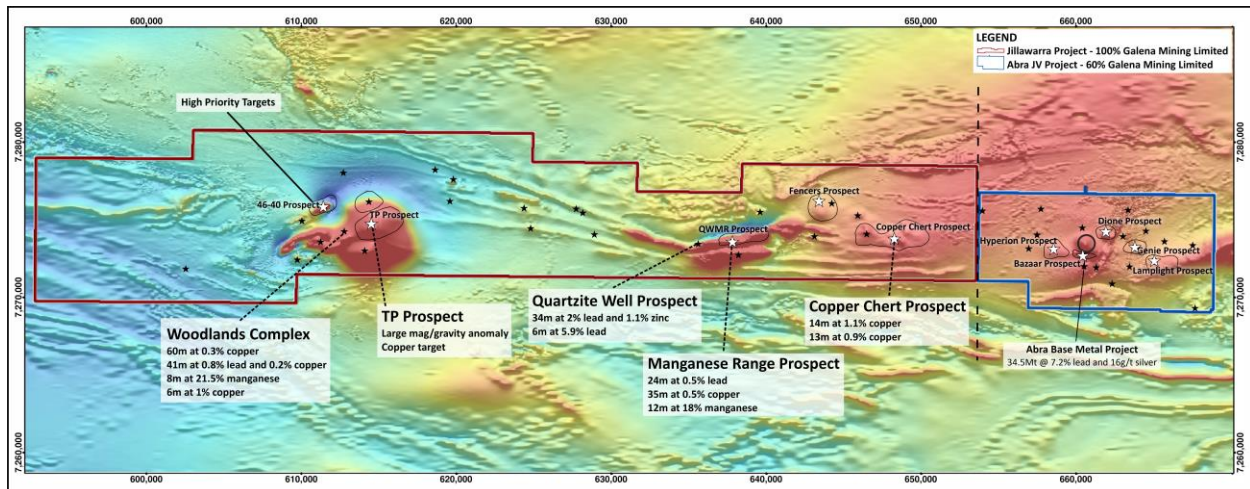


Figure 6. Jilawarra and Abra Project exploration targets.

The review concluded during the Quarter resulted in a work program being designed (including exploration drilling on the E52/1413 tenement) with physical exploration works to take place in the fourth quarter of the 2021 calendar year.

CORPORATE

Management transition

With Abra's accelerated progress towards production, Galena announced on 25 June 2021 the transitioning of its Managing Director role to Anthony (Tony) James, a previously serving Non-Executive Director.

Mr James is a Mining Engineer with considerable senior underground operational and project development experience. He joined Galena's board in October 2018 and has been actively involved in Abra Project development initiatives, having also served on the board of directors of AMPL since the establishment of the active joint-venture with Toho in 2019.

Mr James has been actively involved in both technical and corporate initiatives for the Company since the second half of 2018. Prior to Galena, Mr James' experience includes having previously worked as Managing Director of various ASX-listed companies, including: Carbine Resources;

Atherton Resources; and Mutiny Gold. At Atherton Resources he achieved a favourable outcome for shareholders which culminated in a cash takeover by Auctus Minerals. At Mutiny Gold he led the implementation of a revised development strategy for the Deflector copper-gold deposit in WA prior to the merger of that company with Doray Minerals. Currently, Mr James serves as a Non-Executive Director of Apollo Consolidated, Wiluna Mining and Medallion Metals. Since his appointment of Managing Director of Galena, Mr James has retired from his position as non-Executive director of Wiluna Mining to be effective from 31st July 2021. Prior to Mr James' Managing Director and Non-Executive Director roles, he held a number of senior executive positions with international gold producer Alacer Gold, including President of its Australian operations. He also played a key role in Avoca Resources' initial growth and success, leading the feasibility, development and operation of its Higginsville Gold Mine.

The Company's prior Managing Director, Alex Molyneux remains a Director with responsibility for corporate development initiatives and strategic relationships.

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\$306k and includes payments to directors for fees, salaries and consulting costs for the quarter.

IMPACT OF COVID-19

Abra is a fly-in-fly-out ("**FIFO**") site in the Gascoyne Region of Western Australia, with flights to site originating from Perth Airport in Perth. A number of measures have been implemented to protect employees and contractors working on the Project, in line with recommended Government guidelines and procedures.

Changes in Government guidelines and / or general business operability as a result of the ongoing COVID-19 pandemic have the potential to impact Abra and the Company. Such impacts could include (but not limited to) delays to Project development initiatives and / or the incursion of extra costs.

The boards of both Galena and AMPL continue to monitor the evolving COVID-19 situation and how it might impact the Company's operations and strategy.

OUTLOOK

Cash position

As at the end of the Quarter, the Company, together with its subsidiaries had approximately A\$96.2 million in cash comprised of cash at bank and term deposit balances.

Outlook

Having made FID during the Quarter, upcoming activities are largely centred around construction of the Abra Base Metals Project to achieve first production in the first quarter of 2023 calendar year.

Upcoming value-adding Abra and corporate milestone workstreams include:

- Mobilisation of the underground mining contractor and commencement of decline development
- Commencement of onsite construction of the liquid natural gas storage facility and site power station
- Commencement of initial non-processing infrastructure including TSF, aerodrome, mining workshops and first stage buildings
- Commencement of onsite construction of the process plant
- Key procurement and overall construction milestones
- Various stages of project commissioning

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

Galena Mining Ltd.

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 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.

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	Erivilla	L52/206	0	100
Australia	WA	Teano	L52/207	0	100
Australia	WA	Teano	L52/210	0	100
Australia	WA	Three Rivers	L52/214	100	100

* Pending renewal

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About Abra Base Metals Project

60% 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 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	16.9	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.

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Abra location



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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")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(8,231)	(14,218)
(c) production	-	-
(d) staff costs	(539)	(1,822)
(e) administration and corporate costs	(517)	(1,489)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	28	132
1.5 Interest and other costs of finance paid	(986)	(7,090)
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	(10,245)	(24,487)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(14)	(14)
(d) exploration & evaluation	(158)	(7,442)
(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 (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) equity investments	40,000	67,200
	(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	39,828	59,744
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	12,002
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	860	1,160
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(748)
3.5	Proceeds from borrowings	39,422	39,422
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)	50	50
3.10	Net cash from / (used in) financing activities	40,332	51,886
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	26,281	9,053
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(10,245)	(24,487)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	39,828	59,744
4.4	Net cash from / (used in) financing activities (item 3.10 above)	40,332	51,886

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	96,196	96,196

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	96,171	26,206
5.2	Call deposits	25	75
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)	96,196	26,281

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**

306

-

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.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	146,215	39,877
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	146,215	39,877
7.5 Unused financing facilities available at quarter end		106,338
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)	(10,245)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(158)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(10,403)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	96,196
8.5 Unused finance facilities available at quarter end (Item 7.5)	106,338
8.6 Total available funding (Item 8.4 + Item 8.5)	202,534
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	19.47
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. 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?	
Answer:	
N/A	
2. 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?	
Answer:	
N/A	
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:	
N/A	

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: 23 July 2021

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.