ASX ANNOUNCEMENT

16 May 2022 **ASX: G1A**

ABRA CONSTRUCTION 63% COMPLETE AT END OF APRIL

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 63% complete on 30 April 2022. Construction achievements during the month include completion of the first 1,000m of decline development and the commencement of the mining the first underground diamond drill chamber. Both GR Engineering Services Ltd. ("**GR Engineering**") and Contract Power Australia Pty. Ltd. have made excellent progress at the processing plant and the power station sites.

Managing Director, Tony James commented, ***"During April we were fortunate to have only 10 COVID-19 isolation cases on site, which has had limited impact on construction works. It's a credit to the site team on how they have navigated the pandemic-related challenges to date. By the end of April, the decline has reached the 1,380mRL level which is now 67m vertically above the orebody. It's also pleasing to see the development of the first underground diamond drilling drives.***

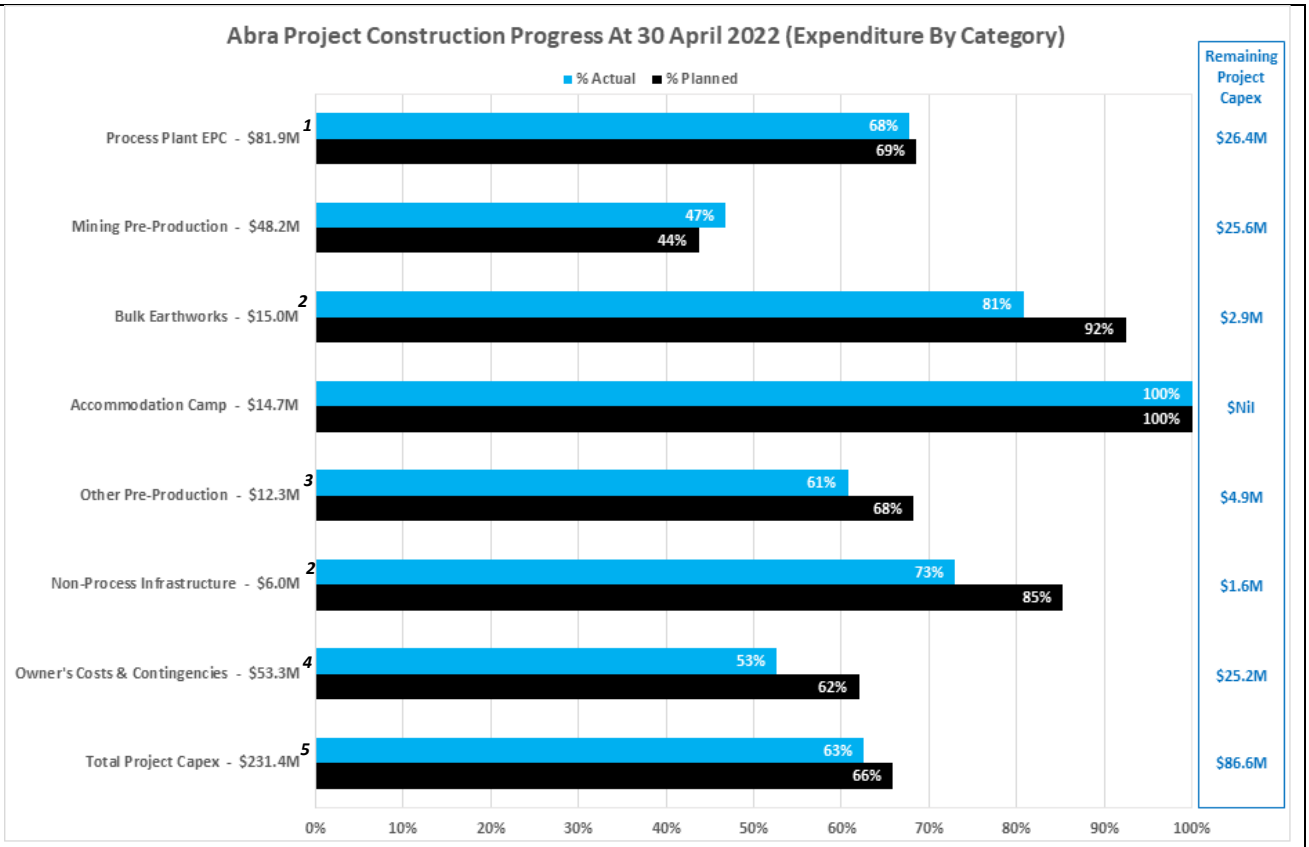
At the processing plant a total of 1,527m^3 (61%) of concrete has been poured on track to reach overall design volume of 2,500m^3 on schedule. The construction of the fine ore bin is nearing completion and structural steel arriving on site is being installed".

Figure 1 – Lifting of the primary jaw crusher and fine ore bin top into position.

Figure 2 – Shows work progress on site from November 2021 through to April 2022.

Update on Abra Project progress

Overall progress continues to remain in line with Project schedule for the production critical areas of mining and processing. The processing plant engineering, procurement and construction has reached 68% complete by project spend. Underground development continues to be ahead of plan and the first underground drilling drives have been mined. In bulk earthworks, the tailings storage facility ("**TSF**") work was suspended whilst a technical review was completed on the proposed TSF design, investigating the material suitability and availability for dam wall construction. A revised TSF has been designed and works have been awarded and for resumption in the second half of May for completion well in advance of plant commissioning. The final works package associated with the remaining non-processing infrastructure, which is not production critical has been finalised and that work has commenced. This includes the remaining buildings and the drill-core processing and storage facility. Owners' costs and contingencies remain under budget.



Notes: (1) Process Plant EPC planned spend is based on the initial estimated planned spend at the commencement of the project and remains slightly ahead of actual spend, even though the processing plant infrastructure work completed is slightly ahead of the most recent planned work schedule. (2) TSF and NPI construction works have been intentionally delayed until the finalisation of designs and award of construction contracts. (3) Other Pre-Production includes water supply & recovery, vehicles & mobile equipment, initial fills & spare parts, shire road maintenance, paste fill plant acquisition and construction indirect costs. (4) Owner's Costs & Contingencies includes employee & contractor, flights, accommodation, fuel, site management and general & administration costs as well as additional owner's contingencies on the remaining project capex. (5) Total Project Capex includes expenditure from the commencement of the project in July 2019 through to planned practical completion of the process plant in January 2023. As at 30 April 2022, a total of $144.8M had been spent and the total remaining project capex was $86.6M.

Figure 3 - Shows the progress of the various Abra construction packages.

Underground mine development has reached the 1,380mRL which is 170m below the surface and 67m above the orebody. The decline is currently heading in a southerly direction and the development of the first underground drilling platforms occurred during April. These drilling platforms will enable commencement of grade control drilling in the first production levels of the mine. When this drilling commences, opportunity may arise to enable Abra to carry out some further resource definition and exploration drilling. Raise-bore drilling has resumed with the second leg of the primary ventilation rise currently being back-reamed to a 6m diameter rise. The installation of the primary exhaust fan is currently scheduled for late-May. Figure 4 below shows the mine development completed to the end of April.

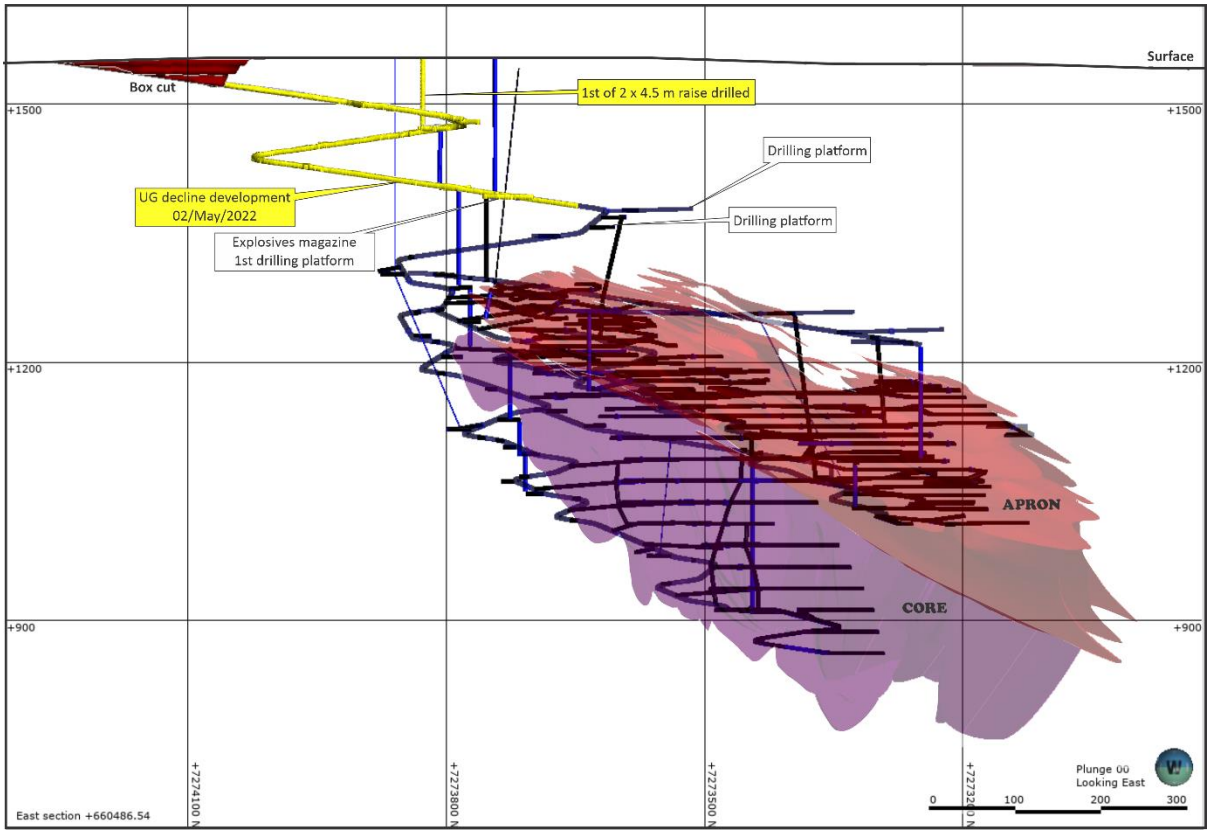


Figure 4 - Shows the progress of the Abra underground mine development to the 2nd of May (yellow).

Abra has been advised of revised delivery times for some of the overseas equipment supply for the processing plant. None of these delivery changes are expected to cause any overall construction schedule delays.

The construction of the secondary and tertiary cone crushers has been completed and these have commenced shipping. The arrival date for these crushers has now been revised to 25th June. The primary Jaw crusher has arrived on site. The thickener arrival date has slipped from the last advice and is now expected to arrive on 19th May. The overall grinding mill package shipment date comprising of 4 separate shipments remains as previously indicated. Shipment 1 (sole plates) and shipment 2 (lubrication system) have arrived on site. Shipment 3 has been divided into 2 shipments as some of this shipment remains at the Shanghai port. The mill gear guard, feed chute and gear box are currently in transit and is expected to arrive in Fremantle on the 29th May. The mill shells, heads and liners are still at the Shanghai port and Abra is advised that shipment is likely in May. The mill girth gear and pinion are the last of the mill packages to be shipped from Citic and these will be shipped from Qingdao and are expected to arrive on the 16th of June. The mill motor has arrived in Perth and is waiting transportation to site.

GR Engineering are working the timing of the various mill shipment changes into their work plans. However, the mill installation had a 3-month timeframe buffer in the original schedule, which is why recent delivery adjustments aren't causing potential construction delay concerns relating to the grinding section of the plant.

Description	Manufacturer	Source Country	Order Date	Completion Date	Forecast On Site Date
Jaw Crushers	Metso Outotec	China	19 Aug 21	10 Jan 22	On Site[1]
Cone Crushers	Metso Outotec	France	19 Aug 21	16 Mar 22	25 June 22[2]
Flotation Cells	Metso Outotec	China	18 Aug 21	01 Jul 22	12 Aug 22
Thickener	Metso Outotec	China	18 Aug 21	25 Mar 22	19 May 22[3]
Slurry Analyser	Metso Outotec	Finland	18 Aug 21	10 Jan 22	Perth[4]
Grinding Mill	CITIC HIC	China	23 Jul 21	20 Jun 22	07 Jul 22[5]
Filter	Ishigaki	Japan	26 Jul 21	28 Apr 22	29 May 22[6]
Regrind Mill	Glencore	Germany	23 Sep 21	15 Jun 22	06 Sep 22
LNG Storage Tanks	AMG Cryogenics	China	15 Jun 21	28 Apr 22	Perth[7]

Table Notes – (1) Jaw crusher arrived on site (2) Cone crushers originally scheduled for arrival 27th April are manufactured and now scheduled to arrive 25th June following updated shipping advice (3) Thickener previously revised schedule to arrive on 12th May has again changed to 19th May (4) Slurry analyser has arrive in Perth waiting transport to site. (5) Mill equipment shipping lot 1 (sole plates) have arrived on site. Lot 2 (lubrication systems) have arrived on site. Lot 3A (gearbox, gear guard and feed chute) shipping ETA Fremantle 29th May. Lot 3B (Mill shells, heads & liners) are currently at Shanghai port with shipping TBA. Lot 4 (Girth gear) ETA Fremantle 16th June. Mill motor has arrived in Perth transport yard. (6) Filter now scheduled to arrive on site earlier than previously expected on 29th May. (7) The first of the LNG storage tanks has arrived on site with the remaining 2 tanks in Perth waiting transport to site.

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

Figure 5 – Crusher concrete complete.

Figure 6 – Arrival of primary crusher feeder.

Figure 7 – Crushing screening area steelwork.

Figure 8 – Concentrate thickener area with concentrate shed in the background.

Figure 9 – Conveyor truss fabrication in Perth.

Figure 10 – Flotation cell fabrication.

Figure 11 – Ball mill motor arrival Perth.

Figures 12 – New mill girth gear nearing completion.

Figure 13 – Post-hole drilling and piling prior to commencement of solar panel installation.

Figure 14 – Arrival on site of first LNG tank (10 May 2022).

Figure 15 – Abra camp landscaping.

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

For further information contact:

Galena Mining Limited

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.