

ASX ANNOUNCEMENT

18 July 2022

ASX: G1A

KEY EQUIPMENT ARRIVES AS ABRA REACHES 73% COMPLETE

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 73% complete as of 30 June 2022. Significant equipment arrivals over the last month include the remaining mill equipment, secondary and tertiary cone crushers, and the remaining LNG tanks. The completion of the installation of 16,000 solar panels also delivers another significant construction milestone.

Managing Director, Tony James commented, ***“Construction activities are rapidly progressing with concrete poured at 2,378m³ (95% complete) and structural steel installation already up to 237 tonnes (42% complete). Arrival of key overseas supplied equipment being the remaining mill equipment, secondary and tertiary cone crushers, and LNG tanks has certainly reduced risk and energised the remaining work programs.***

Decline mining delays occurred over 12 days in June, when the decline intercepted an un-grouted drill hole, which produced water, requiring an increase in pumping capacity. This was quickly rectified, and the mine plans were updated to keep the mining schedule aligned with the plant construction and commissioning timeframe. Underground grade control drilling continued in June in preparation for ore mining as planned”.



Figure 1 – Abra mine construction site (photo: 28 June 2022)

Update on Abra Project progress

Overall progress continues to remain in line for Project completion followed by first commercial production in Q1 CY2023. The processing plant engineering, procurement and construction has reached 79% complete. Remaining items on the key equipment order list shown in Table 1 which are currently not received are the flotation cells and the regrind mill. The flotation cells are completed and are waiting shipping from China and the regrind mill is currently shipping from Germany and is expected in Melbourne by 12th August. The regrind mill is being shipped to Melbourne so that Glencore Technology can finalise assembly with some Australian components. The arrival of key items since the last update has enabled GR Engineering to consolidate their remaining work schedules and plans.

Mine decline development was delayed in June for 12 days when the west decline intercepted an un-grouted diamond drill hole forcing an upgrade in the mine dewatering capacity. A total of 128m was developed prior to the delay, taking the west decline down to 1,357mRL which is 44m vertically above the orebody. During the delay the mine installed its primary ventilation fan on the surface and upgraded the underground power reticulation. Once this work was completed, the hole was plugged, and mining resumed.

A revised mining plan has been completed and put in place to ensure that following this development delay, mining targets remain in line with the plant completion and commissioning timeframe.

In surface bulk earthworks, good progress was made on the tailing's storage facility ("TSF") during June. The final works package associated with the remaining non-processing infrastructure is progressing as planned.

Owners' costs and contingencies remain within budget.

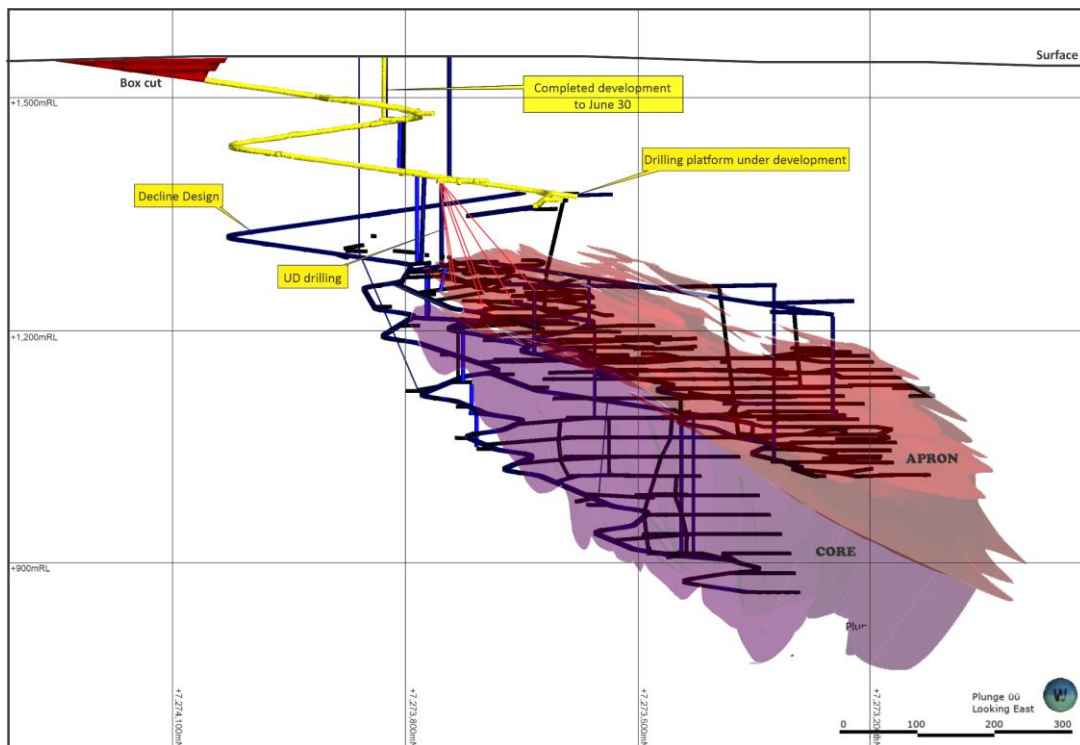


Figure 2 - Progress of the Abra underground mine development to the 1 July (yellow).

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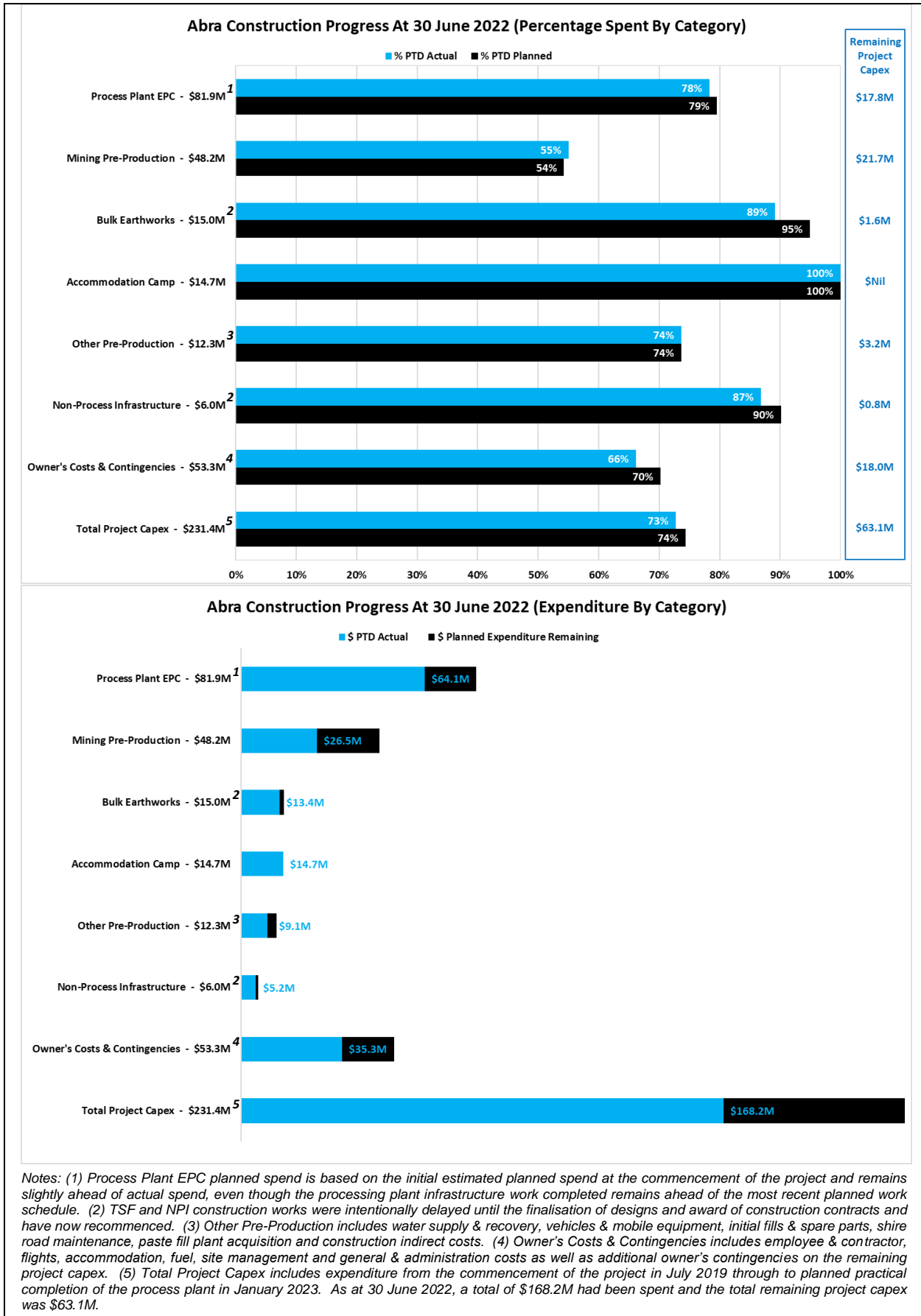


Figure 3 - Progress of various Abra construction packages by % and \$ spend.

| 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 |
| Cone Crushers | Metso-Outotec | France | 19 Aug 21 | 16 Mar 22 | 7 July 22 |
| Flotation Cells | Metso Outotec | China | 18 Aug 21 | 1 Jul 22 | 12 Aug 22 ¹ |
| Thickener | Metso-Outotec | China | 18 Aug 21 | 25 Mar 22 | On Site |
| Slurry Analyser | Metso-Outotec | Finland | 18 Aug 21 | 10 Jan 22 | On Site |
| Grinding Mill | CITIC-HIC | China | 23 Jul 21 | 20 Jun 22 | 11 Jul 22 |
| Filter | Ishigaki | Japan | 26 Jul 21 | 28 Apr 22 | On Site |
| Regrind Mill | Glencore | Germany | 23 Sep 21 | 15 Jun 22 | 1 Sep 22 ² |
| LNG Storage Tanks | AMG Cryogenics | China | 15 Jun 21 | 28 Apr 22 | Perth |

Table Notes – All items with strike through have been delivered (1) Flotation cells ready for shipping from China. (2) Regrind Mill ETA Melbourne 13 August for final assembly by Glencore Technology.

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



Figure 4 – Processing plant construction, mill, flotation, thickening and concentrate sections (photo: 12 July 2022).



Figure 5 – Abra crushing & Screening sections steel erection (photo: 12 July)



Figure 6 – Mill bearing lubrication equipment (photo: 12 July).



Figure 7 – Mill drive train sole plates (Photo taken 12 July 2022).



Figure 8 – Thickeners.

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Figure 9 – Ball mill gear & pinion.



Figure 10 – Mill section.

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Figure 11 – Flotation cells waiting shipping.



Figure 12 – Flotation cell drives waiting shipping.

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Figure 13 – Abra underground, decline development.



Figure 14 – Abra site installed solar panels.

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

For further information contact:

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About Abra Base Metals Project & Location

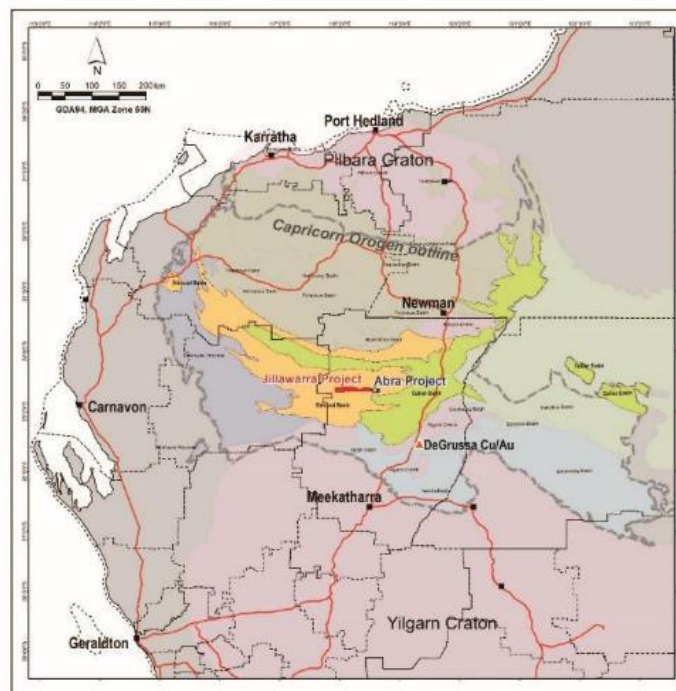
60% owned by Galena, the Abra Base Metals Mine (“Abra” or the “Project”) is a globally significant lead-silver project located in the Gascoyne region of Western Australia (between the towns of Newman and Meekatharra, approximately 110 kilometres from Sandfire’s DeGrussa Project).

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.



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