

ASX ANNOUNCEMENT
21 July 2022

ASX: G1A

ABRA INITIAL PRODUCTION GUIDANCE

HIGHLIGHTS

- **Abra Project construction is now 75% complete – Galena confirms first concentrate production remains on-target for Q1 2023 and provides initial production targets based on latest mine plan**
- **CY2023 mill throughput expected to be 0.8-1.0Mtpa resulting in ramp-up year lead production of 53-68kt**
- **Following ramp-up, life of mine average annual production expected to average 93,000 tonnes of lead and 553,000 ounces of silver, with lead 'C1' direct cash cost of US\$0.50/lb**
- **Plant processing throughput and mine plan increased to 1.3Mtpa in the current mine plan (vs. 1.2Mtpa in 2019 Feasibility Study)¹**

GALENA MINING LTD. ("Galena" or the "Company") (**ASX: G1A**) is pleased to provide initial production guidance for its 60% owned Abra Base Metals Mine ("Abra" or the "Project") having achieved the construction milestone of 75% complete. The guidance for the CY2023 ramp-up year and future life of mine averages are based on the most recently updated mine plan incorporating updated mine designs and the latest cost information.

Managing Director, Tony James commented, ***"With first concentrate production on target for the March 2023 quarter, we provide this update on near-term and life of mine plan and targets. During the construction period of the project, we have worked very closely with our partner Toho Zinc and our key service providers to reach the 75% build mark. For the remainder of 2022 we plan to safely complete the mine construction and commission Abra as a world-class lead-silver mine."***

The guidance provided today is based on the knowledge and confidence gained from additional drilling, Mineral Resource estimation, and advancing construction at Abra, and preparation for commissioning ahead of a planned safe and efficient start-up.

Grade control drilling commenced in June 2022 and ongoing drilling and evaluation over the next 3 months will likely offer further opportunity for additional optimisation of the mine plan.

The forecast life of mine production now averages 93,000tpa lead metal production and 553,000ozpa silver. An 8% increase in mine and mill production is offset by a 6% reduction in lead grade to produce slightly less metal in direct comparison to the 2019 Feasibility Study ("FS")¹. A suitable ramp up profile has been adopted for the CY2023 prior to reaching steady state production which is anticipated to occur in the December quarter 2023.

Note: 1 – Refer to ASX announcement "Galena Delivers Outstanding Feasibility Study for Abra Base Metals Project" dated 22 July 2019.

Table 1 below outlines the current expected production forecast for CY2023 and the Updated Life of Mine outcomes in direct comparison the FS completed in 2019.

Key Outcomes ¹	Updated Mine Plan Production Guidance CY2023	Updated Mine Plan Average Annual Steady State	2019 Feasibility Study Average Annual Steady State
Initial Mine Life		13 Years	16 Years
Mill Throughput	0.8-1.0 Mtpa	1.3 Mtpa	1.2 Mtpa
Lead Grade Mined	7.6%	7.6%	8.1%
Silver Grade Mined	16.6 g/t	16.6 g/t	20.2 g/t
Lead Metal Production	53-68 ktpa	93 ktpa	95 ktpa
Silver Metal Production	325-425 kozpa	553 kozpa	805 kozpa
Lead C1 Direct Cash Cost ²	US\$0.55-0.65/lb	US\$0.50/lb	US\$0.44/lb
Average Annual EBITDA	A\$45-55M	A\$100M	A\$114m
Lead Metal Price ³	US\$0.90/lb	US\$0.90/lb	US\$0.92/lb
Exchange rate – US\$ per A\$ ³	0.68	0.68	0.70

Table Notes

1. Key outcomes and metrics shown reference 100% of Project. Abra Project is owned 60% by Galena & 40% by Toho Zinc.
2. Includes a by-product credit for net silver revenue of US\$0.04/lb (A\$0.06/lb).
3. Current lead metal price and exchange rate.

Table 1- Updated Abra key operating and financial metrics.

The Abra mine construction is progressing as planned. Progress reached 73% complete as of 30 June 2022 and has since past 75% complete. Processing plant construction activities reached 79% complete with concrete civils passing 95% complete and structural steel passing 42% complete. During June and early July several key equipment items arrived on site and the only remaining items coming from overseas are the flotation cells and the regrind mill. These items are currently in shipping with the flotation cells expected to arrive on 12 August and the regrind mill expected to arrive on 1 September. Figures 1 to 4 included in this announcement provide additional photographs of the Abra work completed to date.



Figure 1 - Abra site with solar farm and village in background (looking west).



Figure 2 - Abra processing plant construction (looking south).



Figure 3 - Abra box-cut (looking south).



Figure 4 - Abra crushing and screening sections.

DISCLAIMER

Forward looking statements

The contents of this initial production guidance and updated mine plan contains forward-looking statements which are identified by words such as, 'estimates', 'targets' or 'expects' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions, and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance, or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Cautionary Statement

With the Abra Project construction reaching 75% complete, several key steps are still required to be completed to bring the mine into production. Investors should note that if there are delays associated with those steps, outcomes may not yield the expected results (including the timing and quantum of estimated revenues and cashflows).

The economic outcomes associated with the updated mine plan presented in this release are based on certain assumptions made for commodity prices, concentrate treatment and recovery charges, exchange rates and other economic variables, which are not within the companies control and are subject to change from time to time. Changes in such assumptions may have a material impact on the economic outcomes (including the timing and quantum of estimated revenues and cashflows).

To bring the Abra mine into production, additional capital may be required. Investors should note that any failure to procure the required additional capital may result in a delay, change in nature and scale, or even suspension of the Project.

The updated mine plan is presented in direct comparison to FS completed in July 22 (See *Galena ASX announcement of 22 July 2019*). FS cautionary statements referring specifically to that work is outlined in that announcement and investors should reference those statements in considering that work.

Galena completed an outstanding definitive / bankable 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 and anticipated to reach first commercial production in the first quarter of 2023.

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

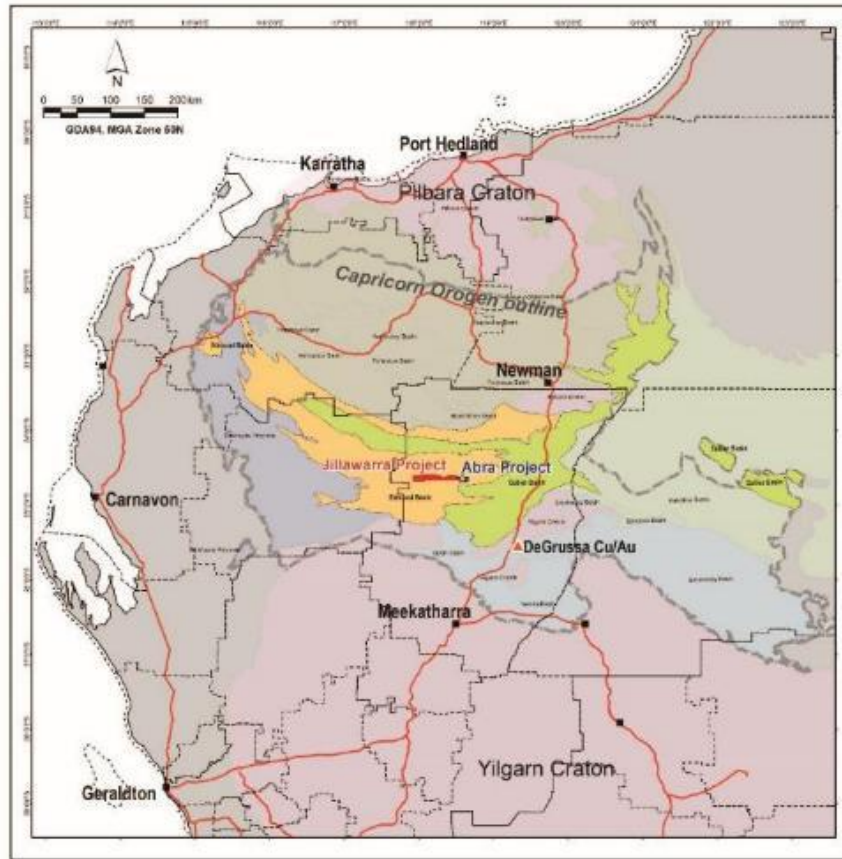
Notes:

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.

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).



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

For further information contact:

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