



ASX ANNOUNCEMENT

31 October 2022

ASX: G1A

ACTIVITIES REPORT FOR QUARTER ENDED 30 SEPTEMBER 2022

HIGHLIGHTS:

- **Abra Project 87% complete at end of the Quarter (14% of construction works completed during the Quarter). Project focus remains on underground access to the orebody and completion of the processing plant and remaining surface infrastructure.**
- **Underground development achieved 771m advance during the Quarter remaining on schedule with the decline reaching 1,300mRL. The decline is 13m below the top of the orebody and 250m below the surface.**
- **Overall processing plant construction has reached 93% complete. Plant engineering and drafting work is 100% complete and site construction work is 90% complete.**
- **All key overseas supplied equipment has arrived on site.**
- **Completed oversubscribed placement to raise A\$17.2M.**
- **US\$25M final debt drawdown was completed under the Taurus Debt Facilities.**
- **Cash balance at Quarter-end A\$60.5M.**

GALENA MINING LTD. (“Galena” or the “Company”) (ASX: G1A) reports on its activities for the quarter ended 30 September 2022 (the “Quarter”), primarily focused on construction of its 60%-owned Abra Base Metals Mine (“Abra” or the “Project”) located in the Gascoyne region of Western Australia.

ABRA BASE METALS MINE (60%-OWNED)

Abra comprises a granted Mining Lease, M52/0776 and surrounding 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**” the Abra Project joint-venture entity), which in turn is 60% owned by Galena, with the remainder owned by Toho Zinc Co., Ltd. (“**Toho**”) of Japan.

Abra is fully permitted and under construction. First production of its high-value, high-grade lead-silver concentrate is currently scheduled for the first quarter of 2023 calendar-year.

GALENA MINING LTD.

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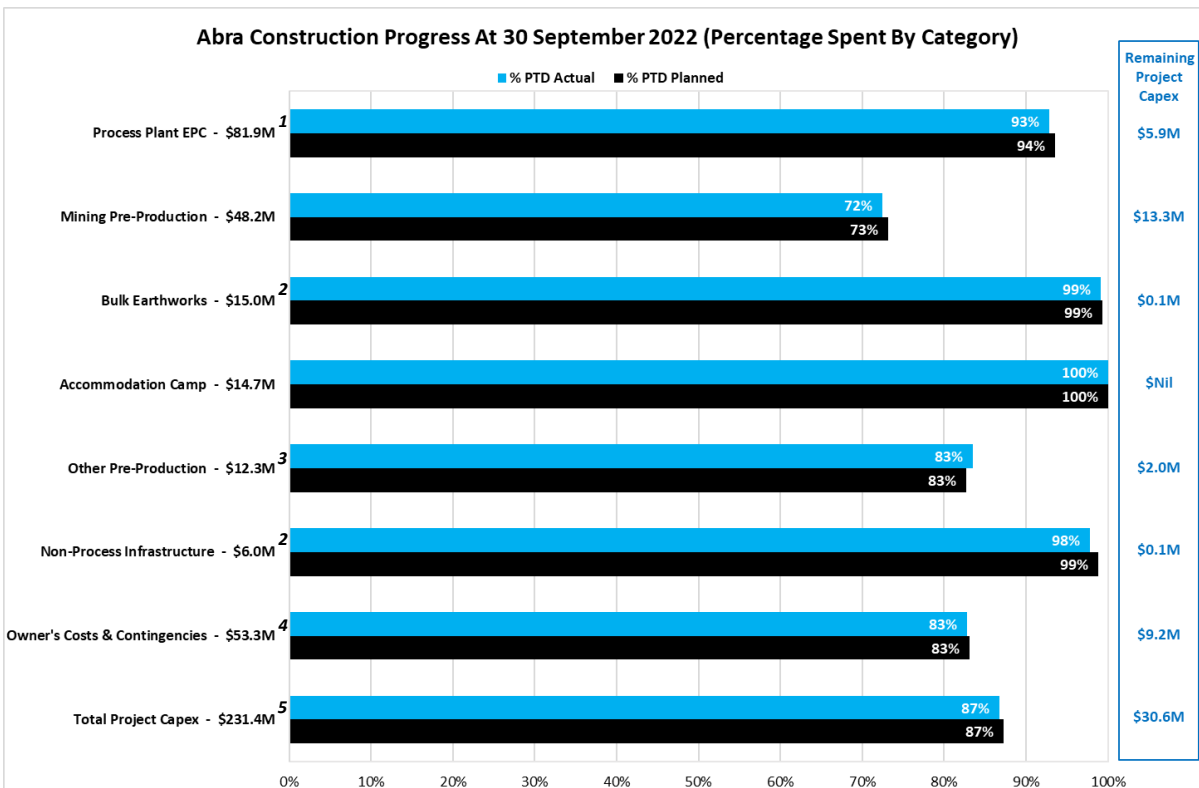
Project construction / development

During the Quarter Abra Project construction works continued, reaching the 87% completion mark at the end of the Quarter (see Galena ASX announcement of 17 October 2022).

Abra Base Metals Mine construction / development progress to completion¹

Progress within the Quarter	Total cumulative progress as at Quarter-end
14%	87%

Notes: 1. Based on completed proportion of total forecast project development capital expenditure.



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 remains ahead of the most recent planned work schedule. (2) TSF and NPI construction works were intentionally delayed until the finalisation of designs and award of construction contracts and have now recommenced. (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 September 2022, a total of \$200.7M had been spent and the total remaining project capex was \$30.6.

Figure 1. Progress of various Abra construction packages as at Quarter-end.

Abra construction works conducted during the Quarter were comprised of site civil and earthworks, underground mine development, processing plant construction and ongoing front-end engineering design and procurement, including:

Underground mining – During the Quarter, a further 771 metres of development was completed and at Quarter-end total development reached 2,470 metres consisting of 1,729 metres of decline development and 741 metres of other lateral development. The decline reached 1,300mRL, 13 metres below the top of the Abra orebody and 250 metres below the surface. The decline is approximately 75 metres laterally from the ore body and the first ore body access drive has commenced.

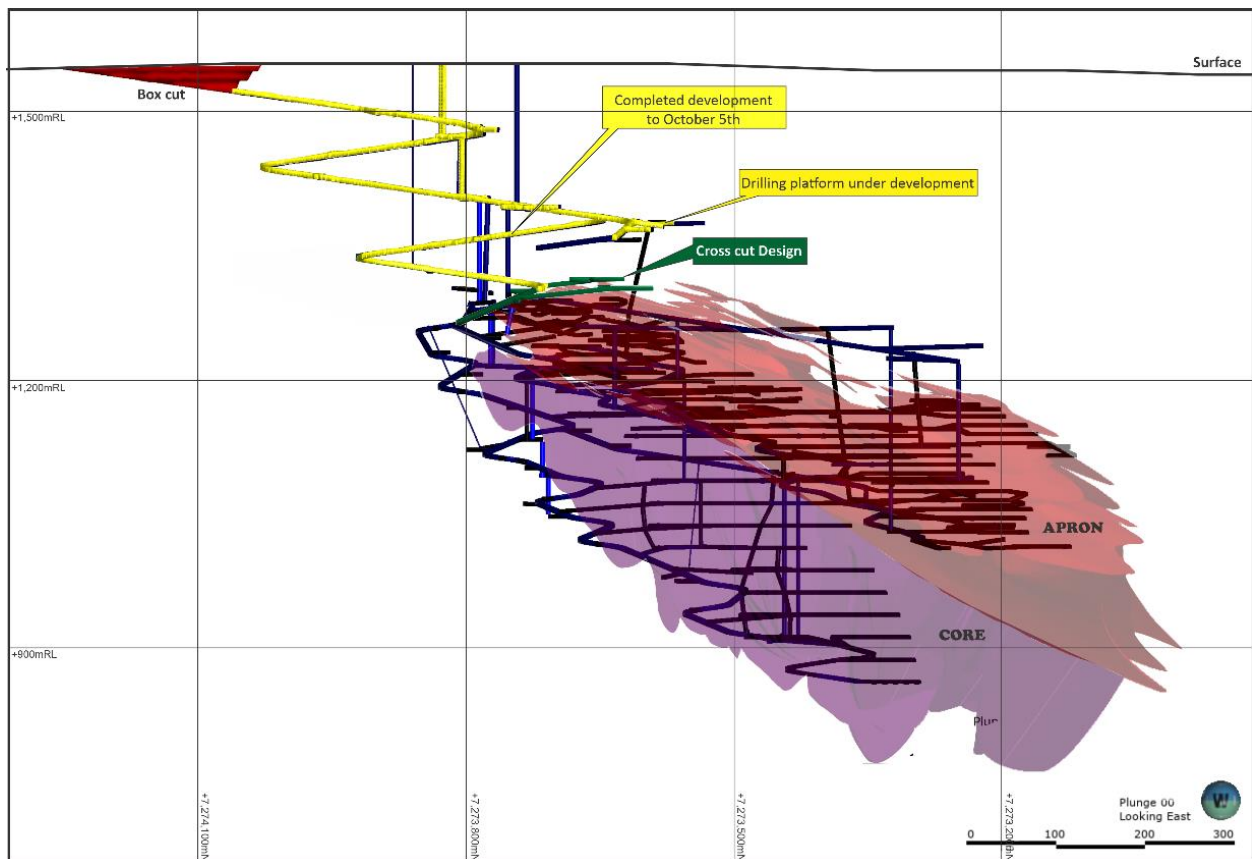


Figure 2. Underground mine development as at Quarter-end (highlighted in yellow).

Grade control and infill drilling – Underground drilling at Abra commenced in June after the mobilisation of the first Swick Mining Services underground drill rig. During the Quarter, a total of 44 drill holes were completed for 6,951 metres. These drill holes are grade control holes and are designed to provide a greater level of detail of the mineralisation grade and thickness within the mining areas planned to be mined during the first half of the 2023 calendar year. Figure 3 below shows the drilling completed from the underground drilling platforms to date. Assays for 14 drill holes were received during the Quarter and further assays are pending for the remaining drillholes. The drilling results seen to date align with the information associated with the original surface drilling and some new mineralised areas have also been identified requiring further work.

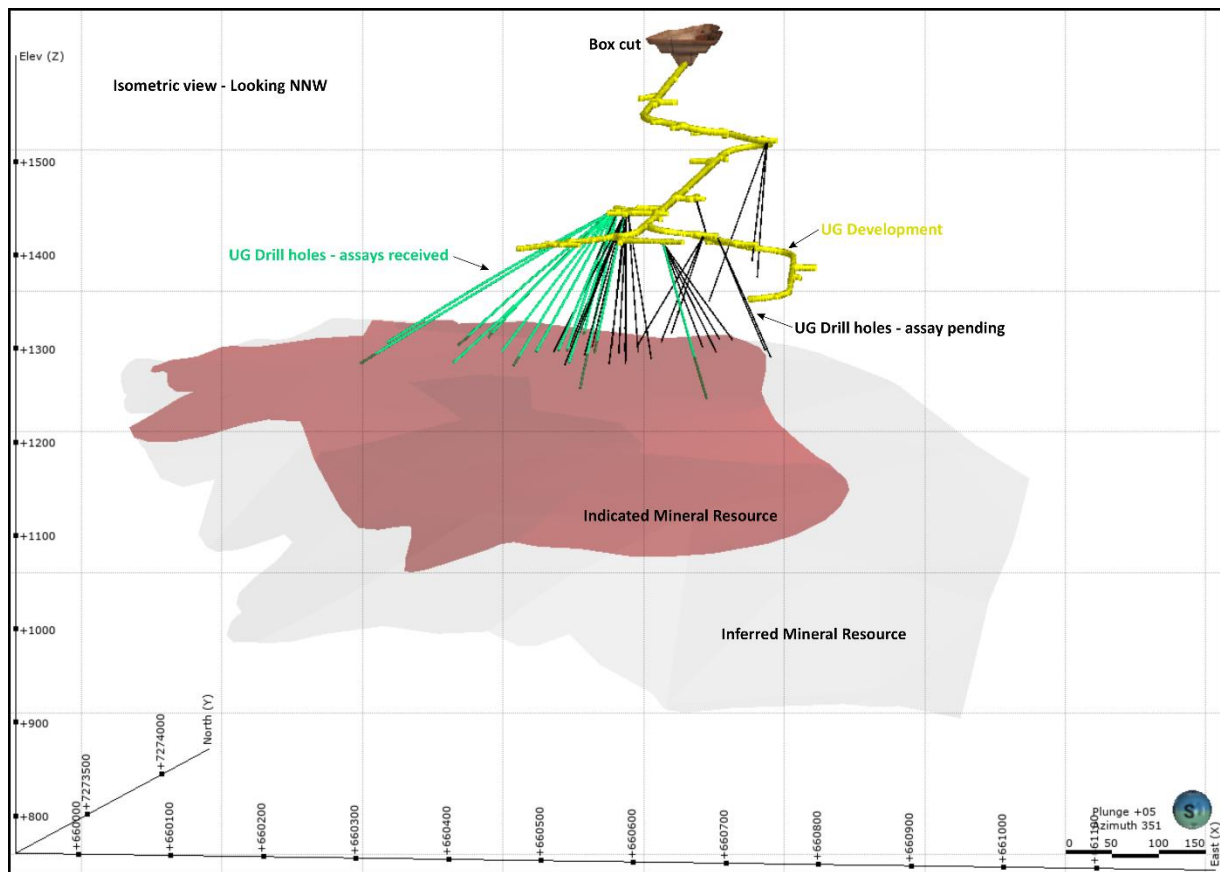


Figure 3. Underground grade control drilling completed in the upper Apron part of the Abra deposit which relates to the planned production area for mining in 2023.

Processing plant and associated infrastructure works – By the end of the Quarter, the engineering, procurement, and construction (“EPC”) contract works being conducted by GR Engineering Services Ltd. (“GR Engineering”) were 93% complete (based on earned value). Final design and drafting reached 100% completion and procurement activities were approximately 95% complete. Actual on-site construction continued to progress on schedule with 18% completed during the Quarter to reach 90% completion by Quarter-end. A total of 2,650m³ of concrete had been poured for the plant (98% complete) and structural steel installation already up to 482 tonnes (87% complete). Other significant installations include mechanical (73% complete), piping (48% complete) and electrical (36% complete). All key overseas supplied equipment has arrived on site.

Paste-fill plant – During the Quarter, Paste-fill plant equipment refurbishment work continued in Perth and by the end of the Quarter most of the major equipment had been delivered to site for installation (66% complete).

Power plant – Pacific Energy Limited (“**Pacific Energy**” previously Contract Power) continued construction of the 10MW natural gas fired power station and integrated 6MW solar array (overall 97% complete). The first LNG gas delivery occurred in the second week of October. Commissioning is progressing well with initial site energisation of some sections of the site on Thursday, 20 October.

Figures 4-12 (below) show recent photographs of the progress of the Abra Project construction.



Figure 4. Abra processing plant progress in early October with TSF and village seen in the background (Photo – 14 October 2022).



Figure 5. Work progress at the main Abra plant and infrastructure area looking West (Photo – 14 October 2022).



Figure 6. Work progress at the main Abra plant and infrastructure area looking South with mine box-cut and paste plant construction site in the background (Photo – 14 October 2022).



Figure 7. Completed TSF (stage 1) with Abra plant in background and showing mine dewatering evaporation (Photo – 14 October 2022).



Figure 8. Processing plant showing, milling, flotation, and concentrate sections (Photo – 14 October 2022).



Figure 9. Processing plant concentrate section including thickeners and concentrate storage shed (Photo – 14 October 2022).



Figure 10. 16,000 solar panels installed in solar farm, ready for commissioning in October.



Figure 11. Abra underground decline development (Photo 30 September 2022).



Figure 12. Underground pump station (Photo 30 September 2022).

Safety and environment

During the Quarter, 196,136 employee and contractor work hours were recorded at the Abra site. Abra had two Restricted Work Injuries in the Quarter, the first was an injury where an excavator operator fell on their elbow after dismounting it causing a bursitis. In the second injury a fitter caught their left index finger between the pulley and gear box drive of conveyor one main drive system.

During the quarter Abra recorded 16 required site isolations for Covid-19 (12 isolations in July, 3 in August and 1 in September).

Commercial initiatives in support of Abra development – project financing debt

In November 2020, 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.
- 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 completed its final drawdown in the amount of US\$25 million and the Taurus Debt Facilities are now fully drawn (see *Galena ASX announcement of 23 September 2022*).

The Taurus Debt Facilities are secured against Abra Project assets and over the shares that each of Galena and Toho own in AMPL.

JILLAWARRA PROJECT (100%-OWNED NON-ABRA PROSPECTS)

Galena's non-Abra prospects located in the Jillawarra Project area consist of Woodlands, Manganese Range, Quartzite Well and Copper Chert, which comprise more than 60 kilometres of continuous strike directly 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 conducted minor exploration activities within the Jillawarra exploration licences. The exploration team is currently focused on processing and logging the underground drill holes from the Abra deposit and assisting with the geological interpretation updates and ramp up work associated with the construction of the Abra mine.

CORPORATE

A\$17.2 million placement

On 26 July 2022, the Company accepted binding commitments for a placement of 137,200,000 new shares at an issue price of \$0.125 per share ("**Placement Shares**"), to raise \$17.2 million before costs ("**Placement**").

Proceeds from the Placement will be used to provide AMPL a temporary unsecured reserve facility ("**URF**"). The URF will be \$30 million, contributed \$18 million by Galena and \$12 million by the Company's joint-venture partner Toho. The URF will be made available during the critical commissioning and initial ramp-up stages of the Abra mine, up until the Project Completion tests are satisfied under the Taurus Debt Facilities (anticipated to be 2H CY2023). Its purpose will be to provide a working capital and cost buffer for AMPL to draw in the event of unforeseen circumstances and costs such as weather-related road or port closures or other events. Any drawn amounts will become unsecured shareholder loans to AMPL whilst undrawn amounts will be returned to each of Galena and Toho in their respective 60:40 share.

71,400,000 of the shares issued under the Placement fell within the Company's 15% placement capacity under ASX Listing Rule 7.1, with settlement occurring on 2 August 2022. The remaining 65,800,000 shares under the Placement were issued on 21 September 2022 following shareholder approval at a general meeting held on 13 September 2022.

The Placement was significantly oversubscribed and well supported mainly by existing stakeholders. The Company's largest shareholder and strategic investor Mr Timothy Andrew Roberts, subscribed for 35,318,665 Placement Shares for ~A\$4.41 million.

Taurus, the provider of the Taurus Debt Facilities to AMPL and a key stakeholder in the ongoing success of the Project, subscribed for 30,007,862 Placement Shares for ~A\$3.75 million.

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\$218k 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. Several measures have been implemented to protect employees and contractors working on the Project, in line with recommended Government guidelines and procedures.

Procedures during the Quarter included site access pre-screening with personnel/visitors taking rapid antigen tests (“**RAT**”) or loop-mediated isothermal amplification tests (“**LAMP**”) prior to flights to Abra, together with recommended isolation procedures for those that are already on site, who receive non-negative RAT results. During the Quarter, 16 COVID-19 related isolations were required at Abra.

Changes in Government guidelines and / or general business operability because of the ongoing COVID-19 pandemic have the potential to impact Abra and the Company. Such impacts could include (but are not limited to) delays to Project development initiatives and / or the incurring 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\$60.5 million in cash comprised of cash at bank and term deposit balances.

Outlook

Company activities are centred around full construction of the Abra Base Metals Mine to achieve first production in the first quarter of 2023 calendar year.

Upcoming value adding Abra and corporate milestone workstreams include:

- Ongoing construction focus on the Abra processing plant infrastructure work being done by GR Engineering Services (GRES). Estimated site plant construction works is forecast to be 100% complete by the end of December. Dry and wet commissioning is set to commence during the December quarter with ore commissioning to commence in Q1, 2023.
- Continued development of the Abra decline and installation of associated mine infrastructure to progress access to the orebody and commence ore development. Work will continue with grade control drilling and detailed evaluation of that drilling and assay results. Some additional resource definition drilling and exploration drilling may occur as the quarter progresses. Mine primary ventilation, pumping and second egress ladderways will continue to be installed during the December quarter.

- Completion of all non-process infrastructure, including the gas fired power station and integrated solar farm. The site hybrid LNG/solar power station was commissioned in the first half of October with power connected to some parts of the site on 20 October.
- Continue detailed operations preparedness planning for production and ramp-up stage of the project is ongoing. This includes recruitment, training, and identification of key tasks to be completed.

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

Galena Mining Ltd.

Anthony (Tony) James
Managing Director

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

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About Abra Base Metals Mine

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).

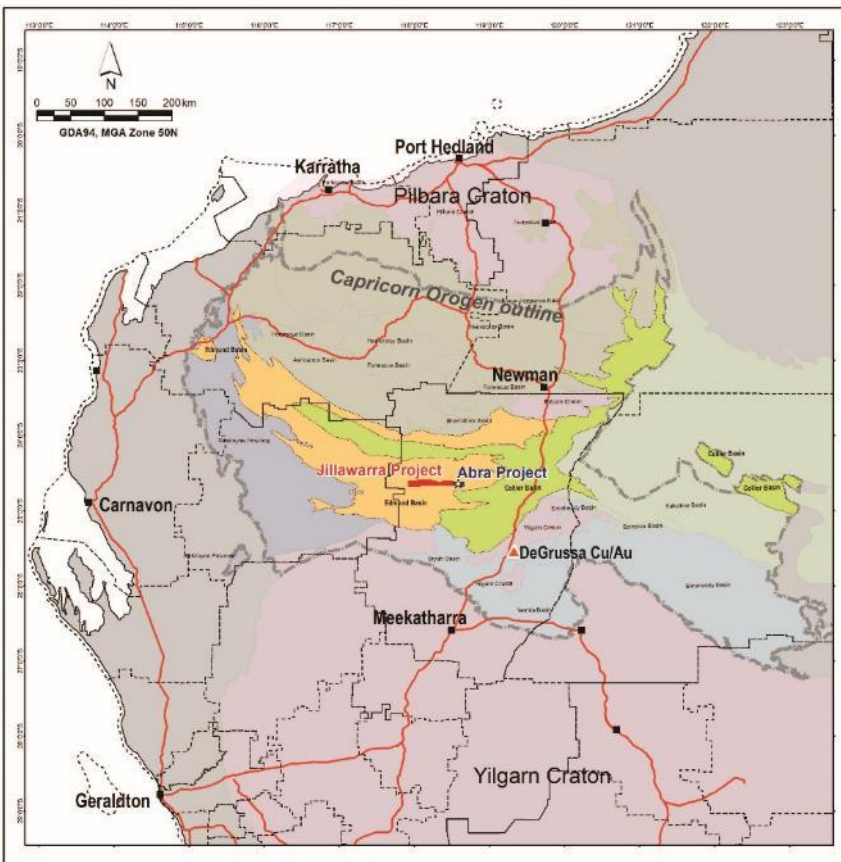
Galena completed an outstanding definitive / bankable feasibility study (“FS”) (see *Galena ASX announcement of 22 July 2019*) for development of an underground mine and processing facility to produce a high-value, high-grade lead-silver concentrate. A ‘final investment decision’ to complete the Project 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.

Abra Location



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 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(34,921)	(34,921)
(c) production	-	-
(d) staff costs	(1,763)	(1,763)
(e) administration and corporate costs	(557)	(557)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	99	99
1.5 Interest and other costs of finance paid	(3,061)	(3,061)
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	(40,203)	(40,203)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(175)	(175)
(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 (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) equity investments	-	-
	(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	(175)	(175)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	17,150	17,150
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1,132)	(1,132)
3.5	Proceeds from borrowings	36,603	36,603
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)	-	-
3.10	Net cash from / (used in) financing activities	52,621	52,621
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	48,220	48,220
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(40,203)	(40,203)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(175)	(175)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	52,621	52,621

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	60,464	60,464

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	60,439	48,195
5.2	Call deposits	25	25
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)	60,464	48,220

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**

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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 <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	169,608	169,608
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	169,608	169,608

7.5 **Unused financing facilities available at quarter end** -

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:

- 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)	(40,203)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(175)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(40,377)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	60,464
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	60,464
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.50

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:

No, the construction progress at Abra Base Metals Mine ("Abra" or "Project") has reached 87% complete as at 30 September 2022 and project development expenditure is expected to decrease significantly in the December 2022 quarter as construction nears completion. Furthermore, Abra's first production and revenue from lead concentrate sales is expected in the March 2023 quarter.

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:

Yes, the Company completed a share placement of \$17M before costs on 21 September 2022. Proceeds from the share placement will be used to provide Abra a temporary unsecured reserve facility ("URF"). The URF of \$30M will comprise \$18M from the Company and \$12M contributed by the joint-venture partner CBH Western Australia Pty Ltd ("CBHWA"). The URF will provide a funding buffer during the critical initial commissioning and ramp-up stages of the Project. The \$12M contribution to the URF from CBHWA is expected to be received in the December 2022 quarter. In addition, Abra's first production and revenue from lead concentrate sales is expected in the March 2023 quarter.

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:

Yes, the Directors are satisfied there are reasonable grounds to believe that, having regard to the Company's position and available financing options, the operations and business objectives will continue to be met.

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: 31 October 2022

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.