

ASX ANNOUNCEMENT

13 December 2022

ASX: G1A

ABRA CONSTRUCTION AT 97% COMPLETE – FIRST ORE STOCKPILED FOR JANUARY PROCESSING

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 97% complete as of 30 November 2022. Processing plant commissioning is progressing quickly with practical completion now expected in December 2022. Ore currently being mined from underground is being stockpiled in readiness for processing to begin in January 2023. Concentrate production will commence January 2023.

Managing Director, Tony James commented, ***“Record underground development in November with delivery of the first 9,000t of ore to the ROM pad along with successful plant commissioning to date puts Abra on the verge of a quick transition into production. Recruitment and other operational readiness activities are well advanced in preparation for January production”.***



Figure 1 – First material being tipped into the crusher during commissioning (Photo 26 November).



Figure 2 – Crushing and screening plant commissioning (Photo 26 November).

The following link will show a short video of the Abra crusher commissioning.

https://youtube.com/shorts/iSG58MiW_3o

Update on Abra Project progress

Overall progress continues as planned, with first concentrate production expected in Q1 CY2023, following ore commissioning in January 2023. Practical completion of the processing plant is now expected ahead of schedule in December 2022. The processing plant engineering, procurement and construction has reached 99% complete. Piping and electrical works have made significant progress and at the end of November were 96% and 92% complete, respectively. Mechanical items installation is almost complete at 99%.

In November, the first material was crushed and screened as part of the staged commissioning process. The crushing plant ran at design capacity and all commissioning milestones were successfully achieved. Dry commissioning also progressed in most areas of the plant including water and air services, tailings and concentrate thickening, grinding and reagents. Dry commissioning of the remaining areas will be completed in December. Water commissioning commenced in the tailings and concentrate thickening areas of the plant and the remaining areas are expected to be wet commissioned by the end of December. The remaining commissioning schedule is unchanged from the last update and is shown below in Table 1.

Plant Section	Commissioning	October 22	November 22	December 22	January 23
Crushing & Screening	Dry	✓			
	Wet		✓		
	Ore				
Grinding	Dry		✓		
	Wet				
	Ore				
Flotation & Re-grind	Dry		✓		
	Wet				
	Ore				
Concentrate Filtering & Storage	Dry				
	Wet				
	Ore				

Table Notes – Commissioning stages defined as: Dry – Initial energisation, individual component testing and process flow alignment, Wet – Individual component and sub section testing with test material and liquids, Ore – Sub section testing with ore and total process flow sheet integration. All commissioning stages with a green tick have been completed.

Table 1 – High level commissioning plan for the Abra processing plant.

Underground development continued during November with a new record of 462m being achieved over the month. Development was focussed on the 1290mRL mine services area and the mining of the first 60m of ore drives. A total of 9,000t of ore has been stockpiled on the ROM pad in preparation for ore commissioning and start-up in January 2023. The decline has reached 1,276mRL which is 274m below the surface and 37m below the original top of the orebody (1313mRL). Underground drilling has continued to consolidate the mining areas planned and has confirmed mineralisation up to 1330mRL. During December several ore drives will commence on the 1285 and 1300mRL levels which is expected to deliver the required ore for plant commissioning in January.

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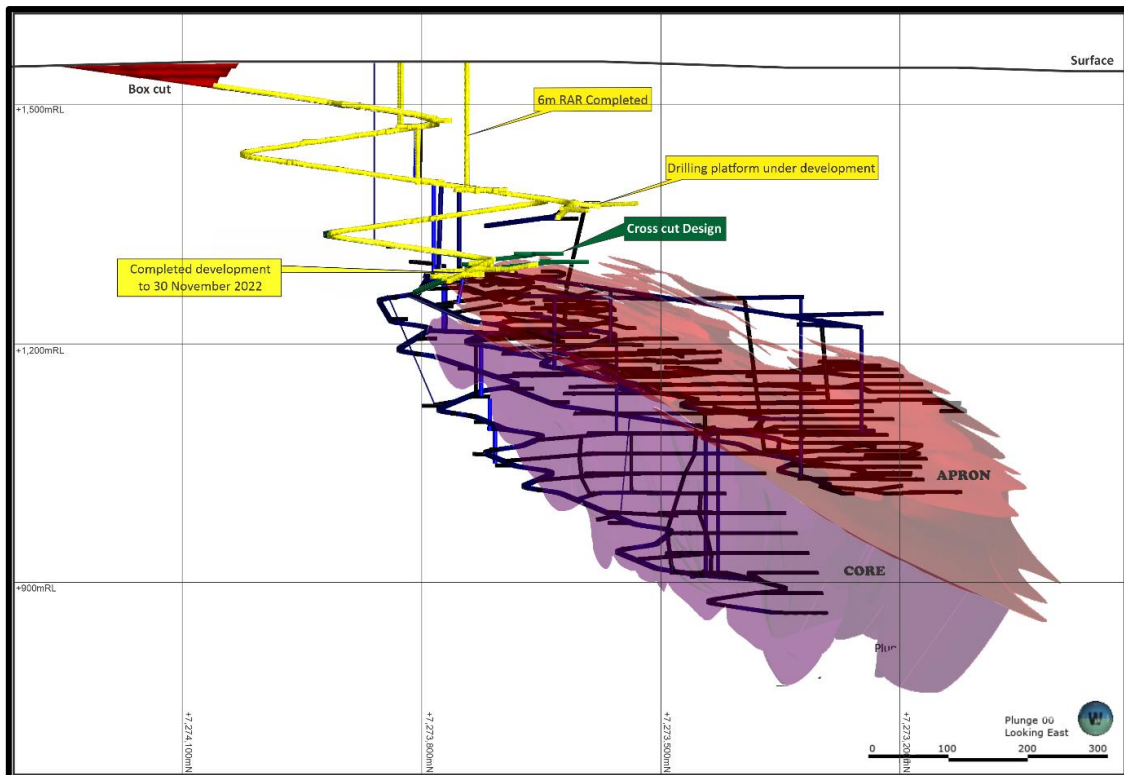


Figure 3 – Progress of the Abra underground mine development to 30 November (yellow).

Grade control and infill diamond drilling continued during November and 34 new holes were completed for a total of 4,338m. To date, 16,243m of underground drilling has been completed. Assays received in November continue to build on the confidence in the geological interpretation of what is an extremely exciting and technically interesting mineralised system. Work continues on the evaluation of the results and mine plans and designs are being continually reviewed as part of the mining execution plans.

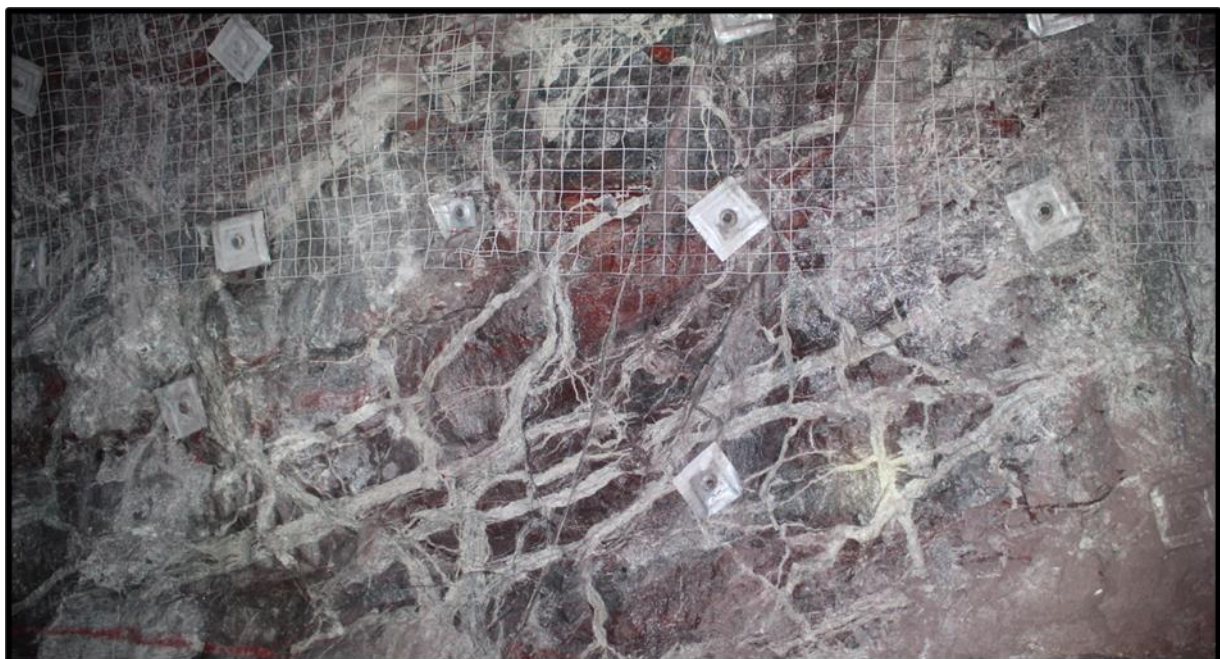


Figure 4 – Image of the ore face underground in 1300 mRL access drive showing various orientations of the barite/carbonate veins.

Figure 5 below shows the Abra construction progress as at 30 November 2022.

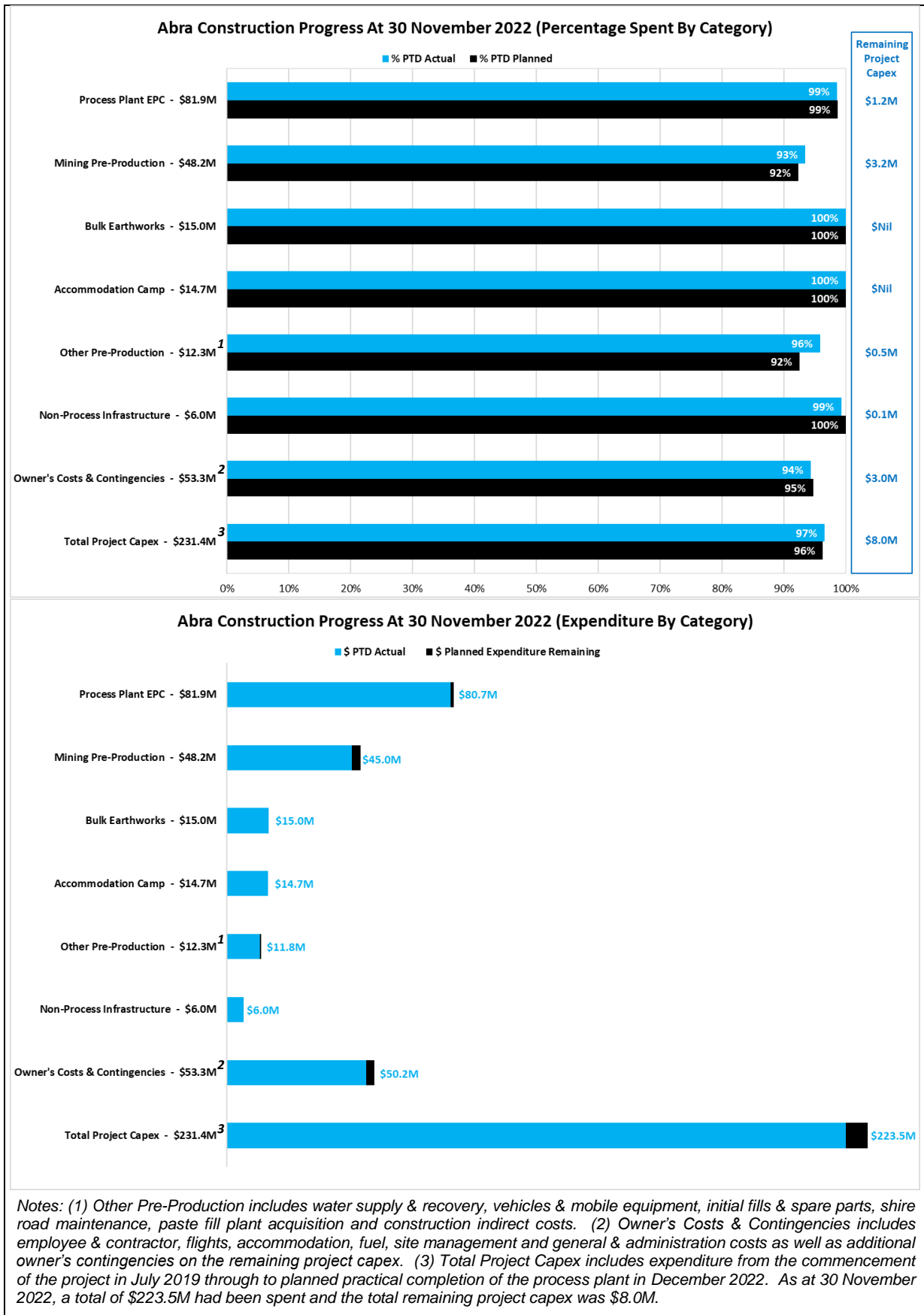


Figure 5 - Progress of various Abra construction packages by % and \$ spend.

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Figure 6 – Aerial photo of the Abra processing plant (Photo 18 November).



Figure 7 – Aerial photo of the Abra solar farm and power station with the Abra processing plant in the background (Photo 18 November).

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Figure 8 – Inspecting first material through the crusher.



Figure 9 – Fine ore bin filled with inert waste.

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Figure 10 – Ball mill circuit with concentrate shed in the background.



Figure 11 – Raw water and process water dams filling up.

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Figure 12 – Concentrate thickener full of water.



Figure 13 – Concentrate shed Dust Extractor.

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Figure 14 – Paste Plant Structural Steel being erected.



Figure 15 – Water services area pump installation.

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Figure 16 – Laboratory demountable buildings landed into position.



Figure 17– Processing plant office buildings and changerooms.

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Figure 18 – Concentrate shed tank wiring installation.



Figure 19 – Underground escapeway ladders arriving on site.

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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

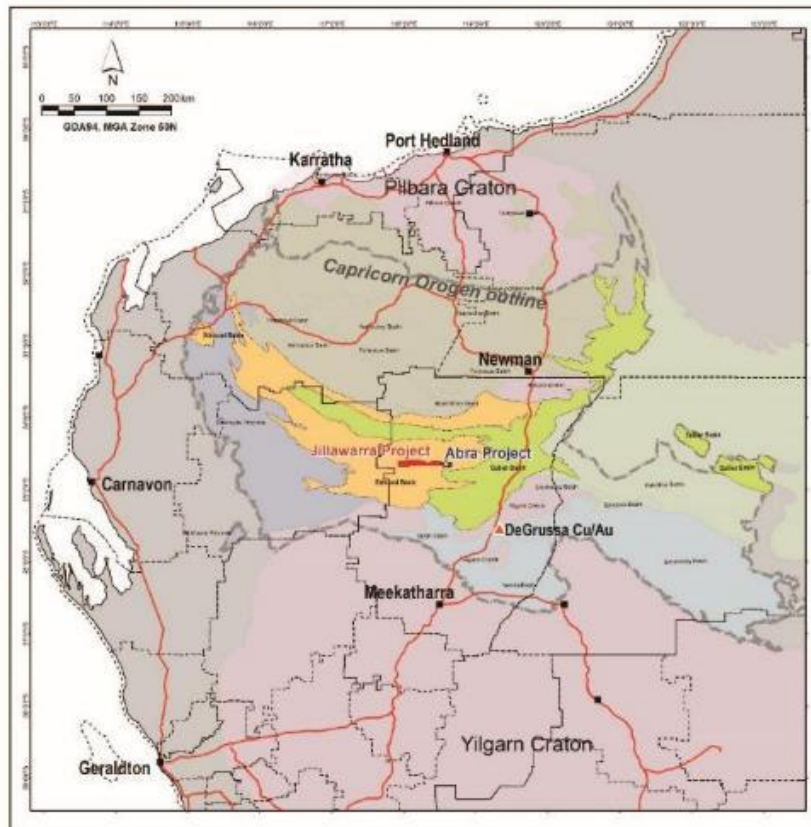
60% owned by Galena, the Abra Base Metals Mine (“Abra” or the “Project”) is a globally significant lead-silver project located in the Gascoyne region of Western Australia (between the towns of Newman and Meekatharra, approximately 110 kilometres from Sandfire’s DeGrussa Project).

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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