

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 JUNE 2023

GALENA MINING LTD. (“Galena” or the “Company”) (ASX: G1A) reports on its activities for the quarter ended 30 June 2023 (the “Quarter”), primarily focused on the ongoing production ramp-up of both the underground mine and the processing plant to achieve steady-state production in the second half of 2023, at its 60%-owned Abra Base Metals Mine (“Abra” or the “Project”) located in the Gascoyne region of Western Australia.

HIGHLIGHTS

- Strong recovery achieved with May and June physicals following limited activities in April due to rainfall events. Ore mined of 194,644t at 5.4% Pb grade and 16.9g/t Ag grade and processed 190,258t at 5.1% Pb grade and 19.0g/t Ag grade for the Quarter.
- Second and third in-specification lead concentrate shipments of ~5kt each completed in the Quarter, doubling revenue from the previous quarter to ~A\$20.4 million.
- July month to date on track to achieve first positive monthly operating cash flows with over 90% of the next ~9-10kt concentrate shipment produced and committed shipment set for loading between 28 July and 4 August.
- Underground development achieved 1,583m advance during the Quarter with the decline reaching 1,234mRL (312m vertically below the surface). Underground stope production achieved 81,592t at 6.3% Pb grade. Pb grade is slowly improving and will continue to do so in the coming months as new work areas are established and the ratio of stoping ore to development ore increases to required production levels.
- Cash balance at Quarter-end of A\$19.3 million.
- Galena completed an oversubscribed placement to provide additional working capital funding for the Abra ramp-up.
- September quarter mining plans set to achieve over 2,000m development and over 250,000t stope production expecting to process over 300,000t of ore as next quarter ramp-up milestones. Targeting ~25-30kt of lead concentrate shipments expected to generate positive operating cash flows.

Managing Director, Tony James commented, *“We made a strong recovery from no production in April to set new project highs in both May and June, and we expect to achieve first positive operating cash flows in July. The plant is showing its capacity to process everything put in front of it so far and the focus remains on increasing mine production levels. The key to the mine reaching the levels required is good planning and execution. With the mine plans at 90% grade control status through to January 2024 we see the pathway well laid out to achieve our targets. Some very strong technical work has been completed to increase our confidence in hitting our targets.”*

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 and 40% owned by Toho Zinc Co., Ltd. (“**Toho**”) of Japan.

Abra is fully permitted, and construction of the processing plant and surface infrastructure was completed in December 2022. First production of its lead-silver concentrate occurred in January 2023 with first product shipment achieved in March 2023.

Review of operations

Abra Base Metals Mine Performance Summary (100% Basis)	Units	Sep 2022 Quarter	Dec 2022 Quarter	Mar 2023 Quarter	Jun 2023 Quarter	FY2023 YTD
Safety						
TRIFR ¹	/Mwhrs	14.6	11.0	12.5	12.4	12.4
NIFR ¹	/Mwhrs	16.4	11.0	12.5	12.4	12.4
Concentrate Sales²						
Lead Concentrate Sold	t			5,002	10,057	15,059
Payable Lead Sold ³	t			3,105	6,363	9,468
Payable Silver Sold ³	oz			27,339	42,396	69,735
Mining						
Total Ore Mined	t		17,925	136,008	194,644	348,577
Total Mined Grade - Lead	%		4.3	4.8	5.4	5.1
Total Mined Grade - Silver	g/t		20.0	20.6	16.9	18.4
Processing						
Total Ore Milled	t			135,666	190,258	325,924
Mill Feed Grade – Lead	%			4.4	5.1	4.8
Mill Feed Grade - Silver	g/t			22.0	19.0	20.3
Concentrate Produced	t			5,425	12,468	17,893
Lead in Concentrate Produced	t			3,492	8,305	11,797
Silver in Concentrate Produced	oz			34,232	65,060	99,292
Costs						
C1 Costs ⁴	A\$M			22.7	25.6	48.3
All-in Sustaining Costs ⁵	A\$M			29.2	32.3	61.5
Project Capital Expenditure ⁶	A\$M	32.5	33.3	-	-	65.8
Metal Price and Currency						
Average Lead Price Received ²	US\$/t			2,088	2,133	2,118
Average Lead Price Received ²	US\$/lb			0.95	0.97	0.96
Average Lead Price Received ²	A\$/lb			1.41	1.47	1.45
Average Exchange Rate	A\$:US\$			0.67	0.66	0.66

Notes:

- Total Recordable Injury Frequency Rate (“**TRIFR**”) and Notifiable Incident Frequency Rate (“**NIFR**”) are the 12-month moving average at the end of each quarter calculated per million work hours.
- Concentrate sales and average lead price received initially based on provisional invoices and subsequently updated with final invoices, including final assays and quotational period adjustments.
- Payable lead and silver based on 95% metal payability subject to standard deductions (i.e., 3 units for lead and 50g/t for silver).
- C1 costs include mining costs, processing costs, site general and administration costs, transport, logistics and shipping costs, and treatment and refining charges, adjusted for inventory movements and net of silver by-product credits.
- All-in sustaining costs include C1 Costs plus royalties, corporate general and administration costs, sustaining capital and capitalised mine development costs. All-in sustaining costs exclude growth capital and exploration costs.
- Abra Project construction works were completed by the end of the December 2022 quarter (see Galena ASX announcements of 10 January 2023 and 13 January 2023).

During the Quarter, new quarter high mining and processing production levels were achieved. This achievement also takes into account the limited activities in April 2023 due to the rainfall issues affecting access to the Abra mine site.

In June, a mine development record was set with 646m of lateral and vertical development achieved during the month. A third Jumbo commenced in the mine in June with the aim of increasing the mine's monthly development rates to 800m per month during the September quarter.

The mine delivered 194,644t (April: 31,915t, May: 81,014t and June: 81,715t) at 5.4% Pb grade to the plant during the Quarter, including stope production ore of 81,592t at 6.3% Pb grade. The higher development ore during the Quarter is consistent with the ramp-up of mine production as new stoping areas are established. In general, mine production in the Quarter was also affected by congestion in the available work areas, production delays associated with upgrading secondary ventilation networks and loader availability. These impediments were continually rectified during the quarter.

The plant effectively processed all the ore delivered from the mine during the Quarter with 190,258t processed (April: Nil, May: 102,719t and June: 87,539t). 12,468t of concentrate was produced containing 8,070t Pb and 63,122oz Ag. Plant availability in May was 99% and in June 86%. A flotation blower (compressor) breakdown caused the lower availability in June. The plant was able to operate consistently at the 150dmt/hr level during the Quarter.

The mine call grade for ore processed during the Quarter was estimated at 5.4% Pb, which is approximately 0.3% Pb higher than the reconciled processing grade of 5.1% Pb.

Considerable technical improvements were achieved during the Quarter with detailed resource modelling and mine planning work completed. A new Mineral Resource Estimate ("MRE") is expected to be finalised in the coming weeks which will include all the recent underground drilling and revised geological modelling. This work will lead into a new Ore Reserve estimate and 2024 budget completion in the December quarter. Three month rolling mine plans have been established and the mine planning for the remainder of 2023 is well advanced with 90% of that plan built on grade control drilling down to a 12.5x12.5m spacing.

Safety and environment

During the Quarter, 162,682 employee and contractor work hours (March 2023 Quarter: 173,863 hours) were recorded at the Abra mine. A significant rainfall event caused road closures and limited Abra mine site access in April 2023 resulting in a reduction in work hours compared to the previous quarter.

Both the site's TRIFR and NIFR calculated on a 12-month moving average at the end of each quarter were 12.4 injuries per million work hours. During the Quarter, Abra had one medical treated injury and two restricted work injuries.

Abra continues to focus on the prevention of incidents and management of risks for employees and contractors, including hazard reporting and other safety systems to assist with continuous improvement of safety. A strong focus remains on forward looking safety initiatives.

Concentrate sales

During the Quarter, 10,057t (March 2023 quarter: 5,002t) of lead concentrate was sold containing 6,363t of payable lead and 42,396oz of payable silver at an average lead price received of US\$0.97/lb (A\$1.47/lb), generating revenue of approximately A\$20.4 million (March 2023 quarter: A\$9.8 million).

Mining and geology

A new site record for lateral development of 646m was achieved in June and a total of 1,583m of development was completed during the Quarter. At Quarter-end total mine development reached 7,319m consisting of 2,409m of decline development, 4,173m of lateral development and 737m of vertical development. The decline reached 1,234mRL, being 312m vertically below the surface.

Ore drive development continued progressing on the 1280mRL and 1260mRL levels and capital development continued in the Abra Main and Central declines, and the 1280mRL primary services drive. The new Abra Central decline is being developed on the southern side of the orebody to gain access to the 1260mRL to 1250mRL levels on the central and eastern side of the mine. This decline will also enable new drill platforms to be established for multiple parts of the mine including Core lodes and recently discovered mineralisation outside of the MRE.

A total of 194,644t of ore was delivered to the ROM pad from the mine for processing during the Quarter, including 113,052t from development and 81,592t (42%) from stoping. Stopping occurred on the 1300mRL, 1280mRL and 1260mRL levels. A total of six different stopes were in production with two of those stopes being completed by the end of the Quarter. As the mine progresses into a more balanced production profile, stoping will account for approximately 70% of the mine production. At the end of June, a total of 1,728t of ore remained stockpiled on the ROM pad for processing in the September quarter.

During the Quarter, the 1390mRL Return Air Rise (“RAR”) #2 raise bore hole (6m diameter) was finished to complete the primary return air circuit from surface to 1280mRL. The smaller raise drill completed drilling and casing the second paste hole (reserve hole) from the surface to the 1365mRL level.

Other infrastructure work underground including rising main pipework, paste lines and pump station continued in the Quarter and the 1280mRL primary pump station was commissioned.

Mining and processing grade is slowly improving and will continue to do so in the coming months as new work areas are established and the ratio of stoping ore to development ore increases to required production levels.

During the Quarter, a total of 63 (11,663m) underground diamond holes were completed for grade control and resource definition drilling providing greater confidence in mine planning. The underground drilling program continued to focus on grade control to the western part of the upper apron and drilling the planned core stopes to be mined in the last quarter of 2023. Additional resource definition drilling into the newly identified second Jaspilite dome is also scheduled for the next quarter along with some copper exploration drilling.

In June, updates to the Abra mineralisation lodes and structural model were completed. Work is underway for the update to the Abra MRE and lithological model. The updated MRE is expected to be completed early in the next quarter.

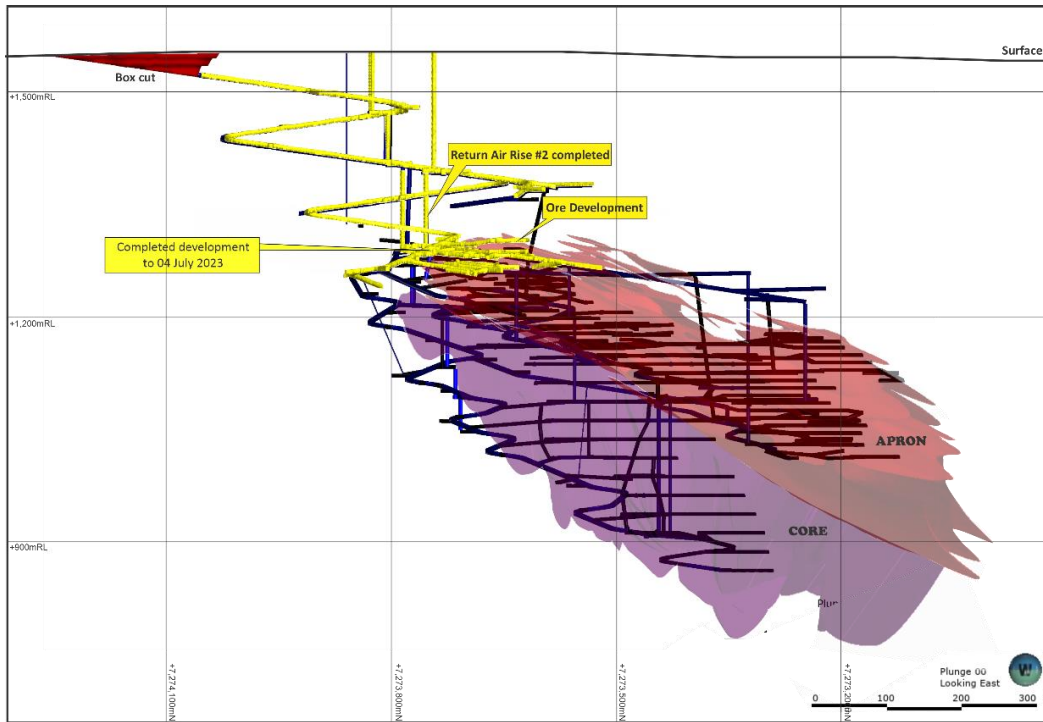


Figure 1 – Underground mine development as at Quarter-end (highlighted in yellow) in relation to the entire orebody.

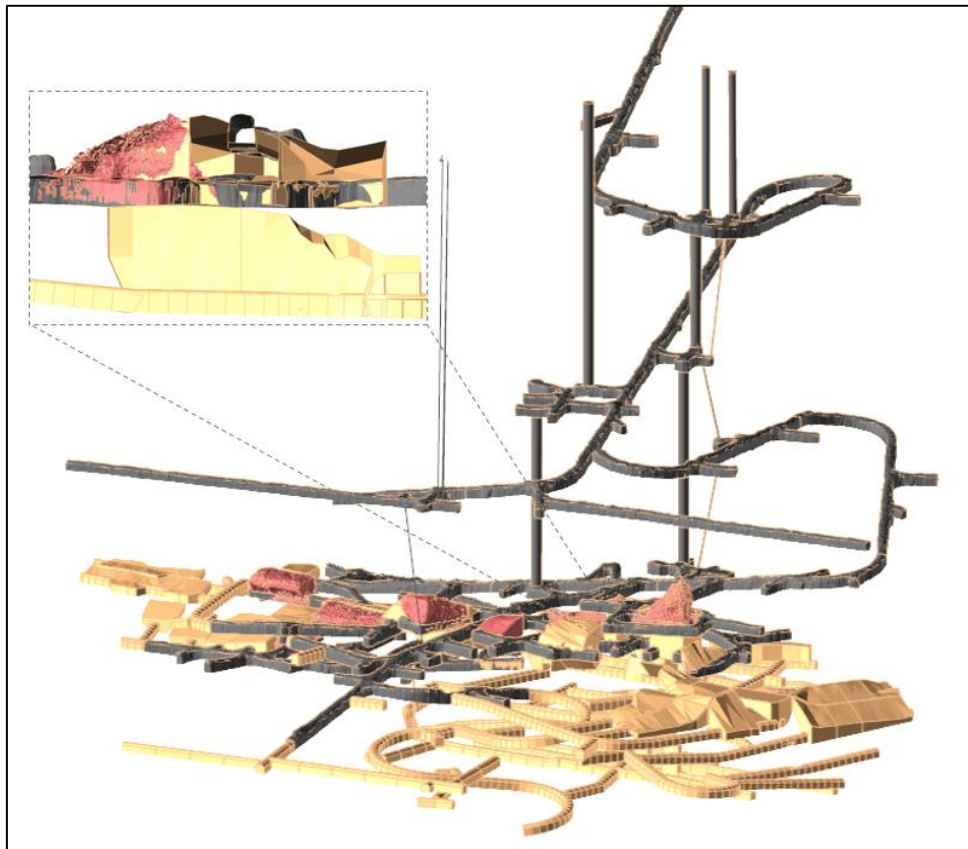


Figure 2 – Shows the detail of the Abra underground development and stoping completed to date (in red) along with the planned development and stoping to be completed out to January 2024 (light brown). Insert shows in greater detail the location of the first Core stope that is on the 1260mRL level, which is planned to be mined in September 2023.

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Processing

Several processing milestones were achieved in the June quarter, including new records for quarterly throughput, recovery and lead concentrate produced. Abra also completed its second and third in-specification lead concentrate shipments of approximately 5kt each during the Quarter, doubling revenue from the previous quarter to approximately A\$20.4 million.

The Abra processing plant recommenced ore treatment on 3 May 2023 following the rainfall downtime that occurred during April 2023. Other than a planned maintenance shutdown at the beginning of June, the plant operated continuously through to the end of the Quarter and was able to process all the ore mined during the Quarter. The plant's instantaneous throughput rate was maintained at 150dmt/hr and a new record total of 190,258t of ore was processed in the Quarter producing 12,468t of lead concentrate. The reconciled feed grade for the Quarter was 5.1% Pb and 19.0g/t Ag compared to mine call grades of 5.4% Pb and 16.9g/t Ag.

Lead metal recovery continued to improve, increasing from 61.6% in the March quarter to 86.1% in the June quarter. Ongoing improvement is expected to be achieved in metal recoveries with longer more consistent run times and improving feed head grade as stoping increases in the mine's production profile.

Processing plant performance is consistent with process flow-sheet design and throughput rates in each section of the plant is being achieved.

Costs

C1 costs of A\$25.6 million (March 2023 quarter: A\$22.7 million) and all-in sustaining costs of A\$32.3 million (March 2023 quarter: A\$29.2 million) for the Quarter were in line with previous guidance (see *Galena ASX announcement of 20 April 2023*).

Exploration

During the Quarter, no surface exploration activities were completed within the Abra JV exploration licences.

The assay results from the exploration diamond drillhole drilled at Lamplight Prospect in March 2023 are still to be received.

With the development of the Abra mine the geological understanding of the Abra deposit and the surrounding targets has increased significantly. Specifically, the importance of the Jaspilite cap (Red Zone Cap) sitting directly above the mineralisation providing a physical barrier to the hydrothermal fluids is significant. The morphology of the Red Zone Cap has now been examined in relation to the adjacent prospects, including Sultan, Genie, and Jasmine. Figure 3 below shows the results of the investigation based on the modelling data available. This work shows the tremendous advantage to ongoing exploration work at Abra and Galena's 100%-owned Jillawarra Project with the increase knowledge gained from physical access to the Abra orebody 230m below surface.

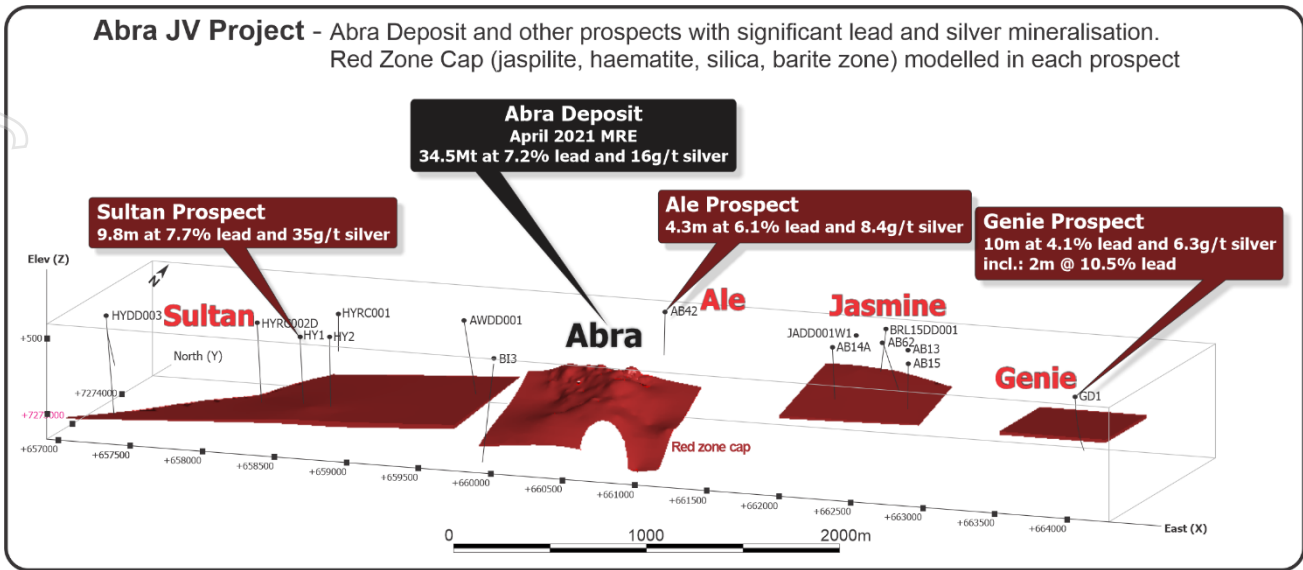


Figure 3 – Geological model of the Red Zone (Jaspilite) Cap and significant lead and silver mineralisation intercepts within Abra, Ale, Genie, and Sultan Prospects.

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.
- Fifteen quarterly repayments from 31 December 2023 to 30 June 2027.

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 applies to amounts drawn under the Cost Overrun Facility.

The Taurus Debt Facilities have been fully drawn (see Galena ASX announcement of 23 September 2022) and 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 60km 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, no exploration activities were completed within the Jillawarra exploration licences.

CORPORATE

A\$20 million share placement

On 20 April 2023, the Company accepted binding commitments for a placement of 133,333,334 fully paid ordinary shares (“**New Shares**”) at an issue price of A\$0.15 per share to raise A\$20 million before costs (“**Placement**”).

The Placement comprised the issue of 133,333,334 New Shares via two tranches, comprising:

- 92,885,303 New Shares (A\$13.9 million) issued within the Company’s 15% placement capacity under ASX Listing Rule 7.1 (Tranche 1); and
- 40,448,031 New Shares (A\$6.1 million) issued following shareholder approval at a meeting of shareholders on 9 June 2023 (Tranche 2).

Proceeds from the Placement (net of expenses) will be used to provide AMPL with additional working capital funding during the ramp-up period of the Abra mine.

Cash position

As at 30 June 2023, the Company, together with its subsidiaries had approximately A\$19.3 million (31 March 2023: A\$20.7 million) in cash comprised of cash at bank and term deposit balances.

Figure 4 below, provides a summary of the group cash flows for the Quarter. Increased revenue is expected to be generated from concentrate shipments in the next quarter as production at the Abra mine continues to ramp-up.

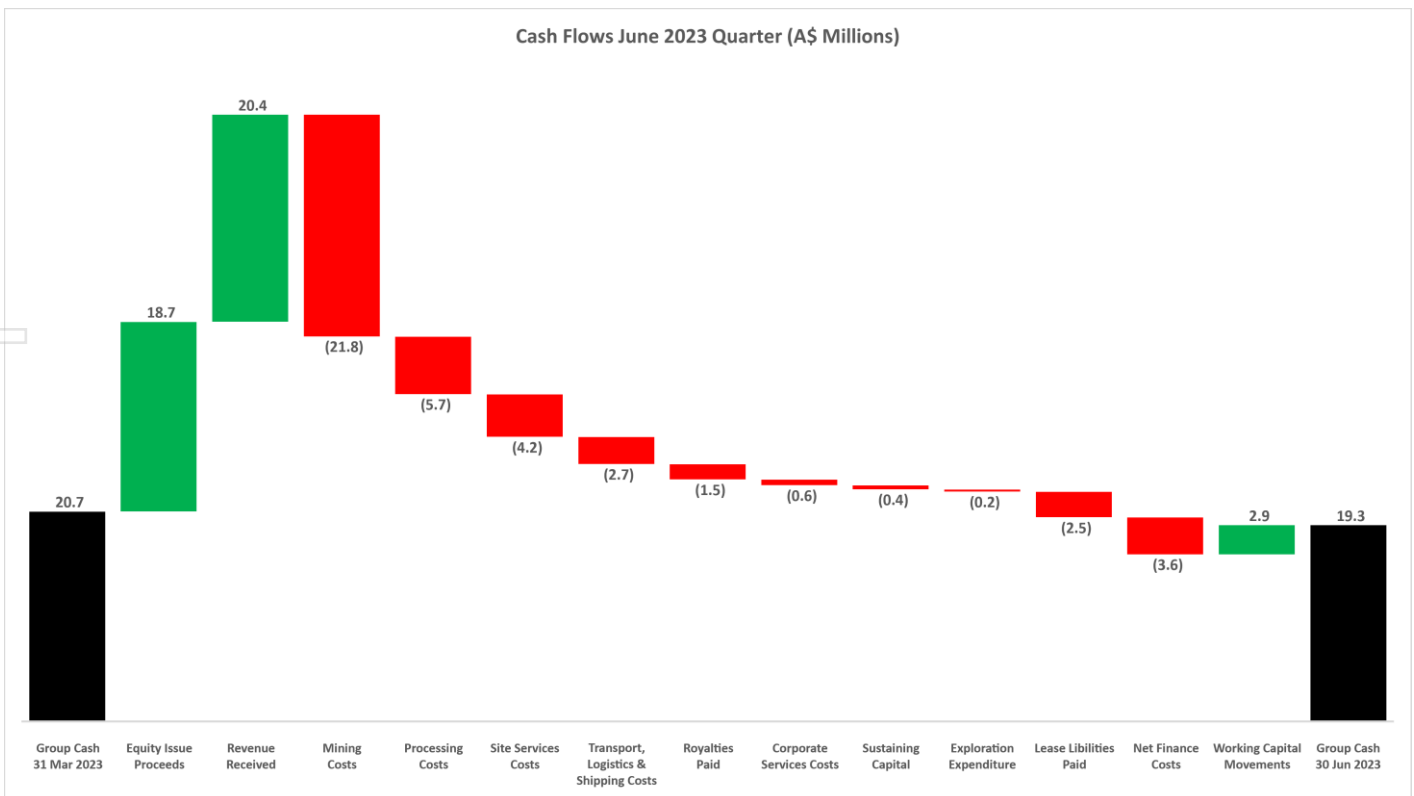


Figure 4 – Group cash flows for the Quarter.

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\$224k and includes payments to directors for fees, salaries, and consulting costs for the Quarter.

OUTLOOK

Key focus areas and corporate milestone workstreams for the September 2023 quarter include:

- Achieve the production ramp-up plan (*see guidance provided in Galena ASX announcement of 20 April 2023*) including ongoing concentrate shipments to achieve and maintain positive cash flows from operations during the September quarter. September quarter mining and processing plans have been completed to achieve this and the guidance for CY2023 production (CY2023 50-60kt Pb production and 325-425koz silver production).
 - Mining over 2,000m of development and over 250,000t of stope ore. Commission the paste plant and paste fill first stope in August 2023.
 - Processing over 300,000t of ore.
 - Targeting ~25-30kt of lead concentrate shipments expected to generate positive operating cash flows in the September quarter.
- Completion of specific technical works as follows:
 - Finalisation and publication of 2023 MRE.
 - Complete and publish 2023 Ore Reserve update.
 - Complete work associated with 2024 budget.
 - Ongoing grade control drilling and model updates to continue to improve mine planning confidence.
- Complete construction of the next stage of the tailings storage facility ("TSF").

Figures 5-10 (below) show recent photographs of the Abra Project.



Figure 5 – Galena’s Chairman, Adrian Byass, inspecting Abra’s processing plant with Abra’s General Manager, George Macpherson, and Processing Manager, Greg Sheppard (Photo 11 July 2023).



Figure 6 – Galena and Abra management inspecting a stope (Stope 1) underground at Abra following the quarterly review meeting on site (Photo 13 July 2023).



Figure 7 – Galena Managing Director, Tony James, inspecting the fully commissioned primary pumping station underground at Abra (Photo 13 July 2023).



Figure 8 – Picture showing core mineralisation on the right and Apron mineralisation on the left (Photo 13 July 2023).



Figure 9 – Underground truck hauling ore out of Abra decline (Photo 13 July 2023).



Figure 10 – Abra aerial view (Photo 13 July 2023).

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 statements 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	0	100
Australia	WA	TEANO	L52/240	0	100

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 110km from Sandfire’s DeGrussa Project).

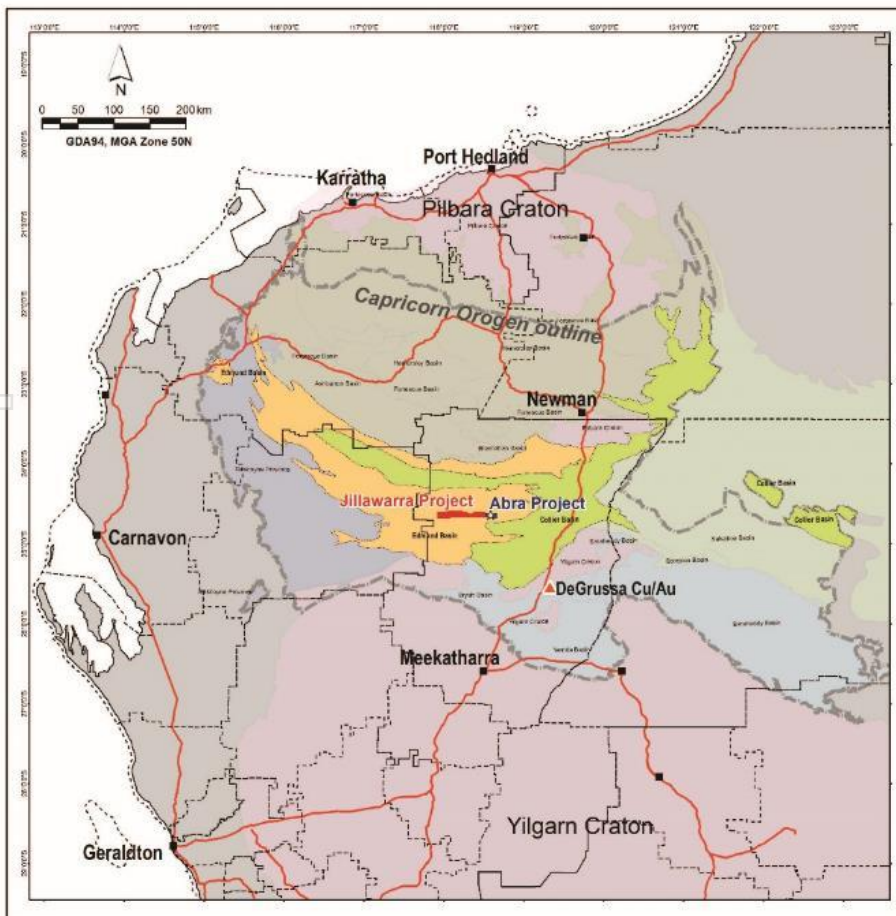
Galena completed an outstanding definitive / bankable feasibility study (“FS”) (see Galena ASX announcement of 22 July 2019) for development of an underground mine and processing facility to produce a high-value, high-grade lead-silver concentrate. A ‘final investment decision’ to complete the Project was made in June 2021 and construction was completed in December 2022 with first concentrate produced 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 June 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	20,390	28,669
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(1,334)	(69,253)
	(c) production	(28,972)	(39,766)
	(d) staff costs	(4,763)	(15,296)
	(e) administration and corporate costs	(412)	(1,663)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	89	669
1.5	Interest and other costs of finance paid	(3,661)	(13,781)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Royalties and FX)	(932)	(932)
1.9	Net cash from / (used in) operating activities	(19,593)	(111,353)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(183)	(244)
	(d) exploration & evaluation	(242)	(637)
	(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 (12 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	(425)	(881)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	20,000	48,220
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	(1,320)	(2,452)
3.5	Proceeds from borrowings	-	48,603
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	18,680	83,357
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	20,681	48,220
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(19,593)	(111,353)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(425)	(881)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	18,680	83,357

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	19,343	19,343

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	19,343	20,656
5.2	Call deposits	-	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)	19,343	20,681

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**

224

-

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	165,933	165,933
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	165,933	165,933

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)	(19,593)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(242)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(19,835)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	19,343
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	19,343
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.98

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 Company's Abra mine is ramping up to commercial production with increased revenue expected from lead concentrate sales in the coming quarters.

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:

No, the Company's Abra mine is ramping up to commercial production with increased revenue expected from lead concentrate sales in the coming quarters.

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 that there are reasonable grounds to believe that, having regard to the Company's position, cash generated from operations 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: 24 July 2023

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.