

ABRA DECEMBER PRODUCTION UPDATE

GALENA MINING LTD. (“Galena” or the “Company”) (ASX: G1A) is pleased to provide preliminary production numbers for the Abra Base Metals Mine (“Abra”) for the month of December 2023 and the December quarter (subject to final reconciliation). Production levels during December show further improvement with new record highs achieved in several production areas including concentrate production, processed ore tonnes and mine development.

Abra Mining Pty Ltd (“AMPL”) made the first debt repayment of US\$4.5M on its Taurus Debt Facilities in December 2023. Based on the mine’s performance during the 2023 ramp-up year to the end of December and continuing technical evaluation work being undertaken on the production outlook for 2024, AMPL has commenced discussions with key stakeholders as part of a strategic review of operations with an initial focus on better matching the capital structure of AMPL to Abra’s expected performance. These discussions are ongoing and are anticipated to be concluded during 1H 2024. The market will be kept informed regarding the progress of these discussions.

DECEMBER HIGHLIGHTS

- The following production metrics were achieved in December (subject to end of month reconciliations):
 - New monthly record ore processed of ~122kt (i.e., >1.45Mtpa implied annualised production rate compared to original design annualised throughput of 1.3Mtpa).
 - Ore mined of ~101kt at 5.6% Pb (~58kt at 5.5% Pb of Stope ore and ~43kt at 5.8% Pb of development ore. ~21kt at 2.1% Pb low-grade from mine development was also processed during the month). The grade improvement seen in development ore came from the addition of new core-vein headings. Processed ore grade will continue to improve with increased levels of stope production in the mill feed (targeting 80% of monthly ore production).
 - New monthly record for underground development of ~947m (compared to previous best month in September 2023 when 807m was achieved).
 - December lead concentrate shipment departed from Geraldton containing 9,622t on 15 December 2023. Next shipment is scheduled for 11 January 2024.
- Expected December quarter mining and processing production estimates (subject to final end of month reconciliations):
 - Processing ~358kt at 4.7% Pb (Inclusive of low-grade top-up feed material).
 - ~25kt of lead concentrate produced.
 - Mining ~280kt at 5.6% Pb ore and ~2,440m of development.

Managing Director, Tony James commented, ***“In December, Abra has achieved the best production month year to date. Processing throughput continued to improve, and the processing plant consistently reached levels above the original design criteria of 1.3Mtpa. Mining and specifically stoping has not reached the levels required to match the plant which resulted in low-grade material being used as supplement feed lowering the overall processing grade.*”**

Production schedules have been based on the monthly requirement of +800m lateral development being achieved. Not achieving this consistently in 2023 has had a detrimental affect with limited access to higher grade ore reserves.

The mining performance and grade is expected to continue to improve in 2024 with depth, additional work areas and higher stope production quantities. New technical evaluation work is currently underway which will form the basis of the 2024 outlook and ongoing discussions with key stakeholders based on the latest understanding of the orebody and other key performance indicators.

During December, underground development has accessed several high-grade core veins on the 1210mRL level which is confirming the latest geological information and understanding of that part of the orebody and its importance. During December the mined development grade was higher than the stoping grade for the first time”.

Figures 1 – 4 below show preliminary production metrics for Abra on a quarter-by-quarter basis. The December quarter figures are still subject to final reconciliation.

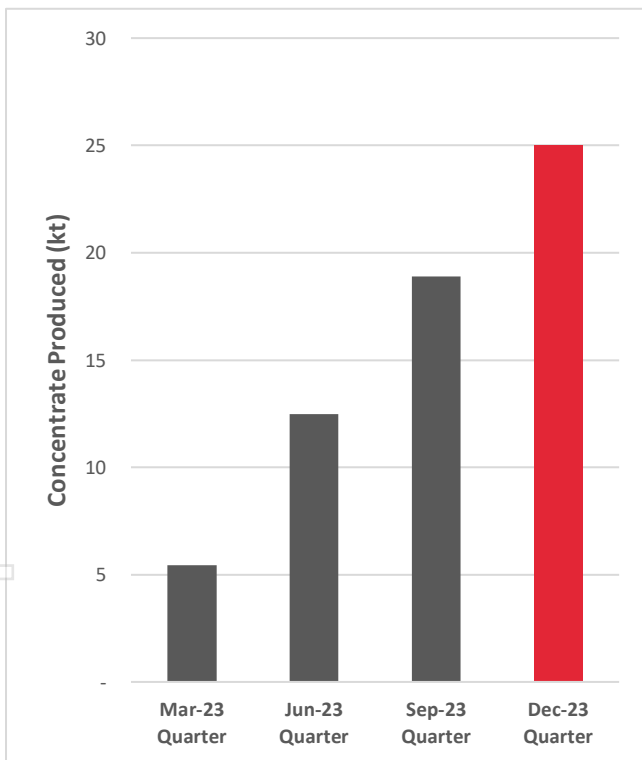


Figure 1 – Abra concentrate produced.

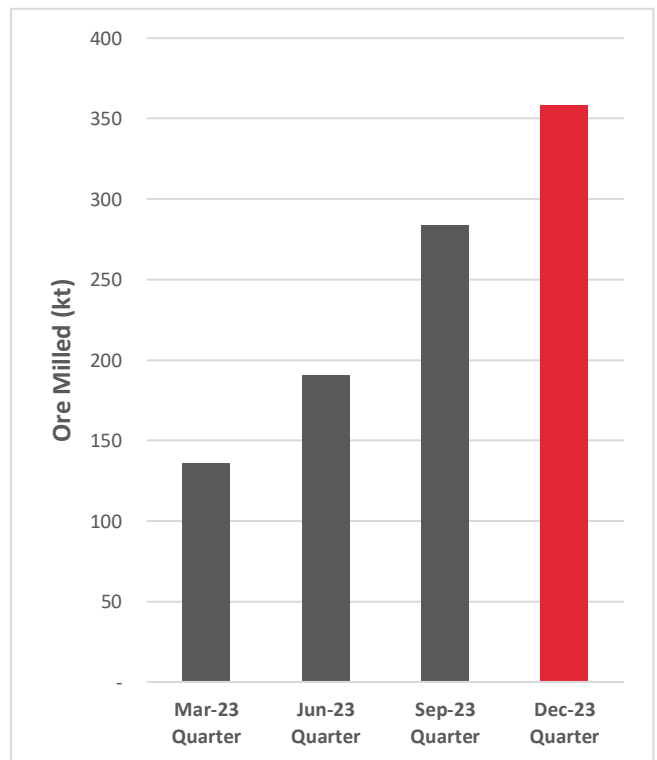


Figure 2 – Abra ore milled.

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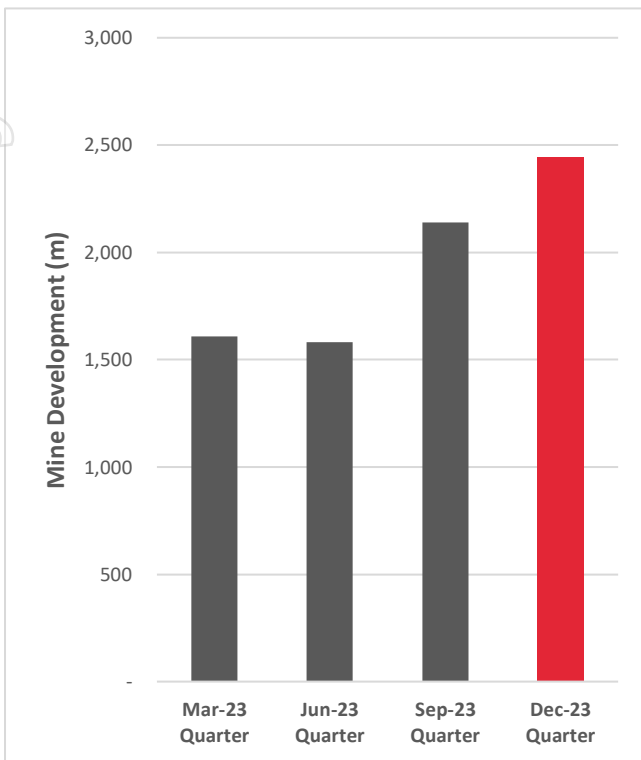


Figure 3 – Abra underground mine development.

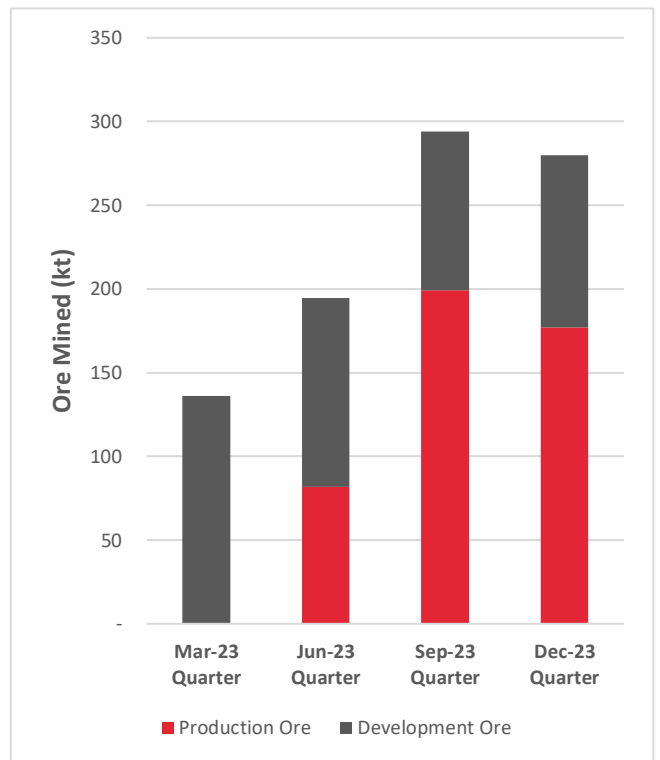
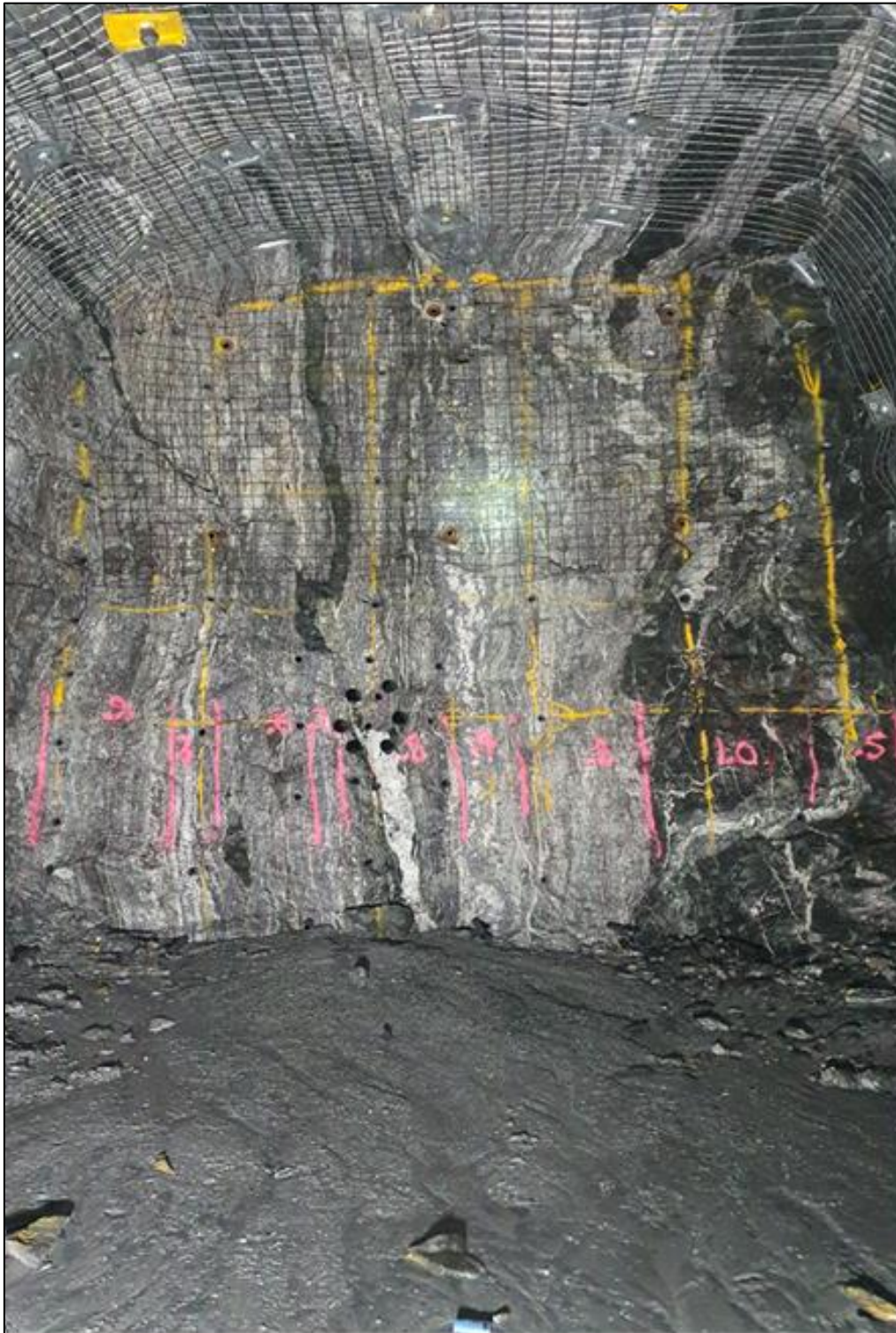


Figure 4 – Abra underground mine production.

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1210 ACC1 OD4 Face 5

Figure 5 – shows a high-grade core-vein on the newly developed 1210mRL level.

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

Galena Mining Ltd.

Anthony (Tony) James
Managing Director

FORWARD LOOKING STATEMENTS

This document contains certain 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 document 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. There can be no assurance that actual outcomes will not materially differ from these forward-looking statements.

The Company believes that it has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any production targets and financial estimates, based on the information contained in this announcement. Reference is made to the Abra Base Metals Mine (“**Abra**” or the “**Project**”) Feasibility Study (“**FS**”) (ASX: 22 July 2019), Updated Mine Plan (ASX: 25 July 2022) and Revised Production Guidance (ASX: 11 April 2023). A summary of the FS and Updated Mine Plan material assumptions was published by Galena Mining Limited (“**Galena**”) on the 22 July 2019 and 25 July 2022, respectively. All material assumptions underpinning the production target, or the forecast financial information continue to apply and have not materially changed.

COMPETENT PERSONS STATEMENTS

The information in this report related to the Abra July 2023 Mineral Resource is based on work completed by Mr Angelo Scopel BSc (Geol), MAIG, an employee of Abra Mining Pty Ltd and Ms Lisa Bascombe BSc (Geol), MAIG, an employee of Abra Mining Pty Ltd. Mr Scopel is responsible for data review, QAQC, and the geological model. Ms Bascombe is responsible for the resource estimation, classification, and reporting.

Mr. Scopel and Ms. Bascombe 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 Ms Bascombe consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report to which this statement is attached that relates to exploration results and drilling data is based upon information compiled by Mr Angelo Scopel BSc (Geol), MAIG, a fulltime 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 the matters based on this information in the form and context in which it appears.

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 shipped in the first quarter of 2023 calendar year.

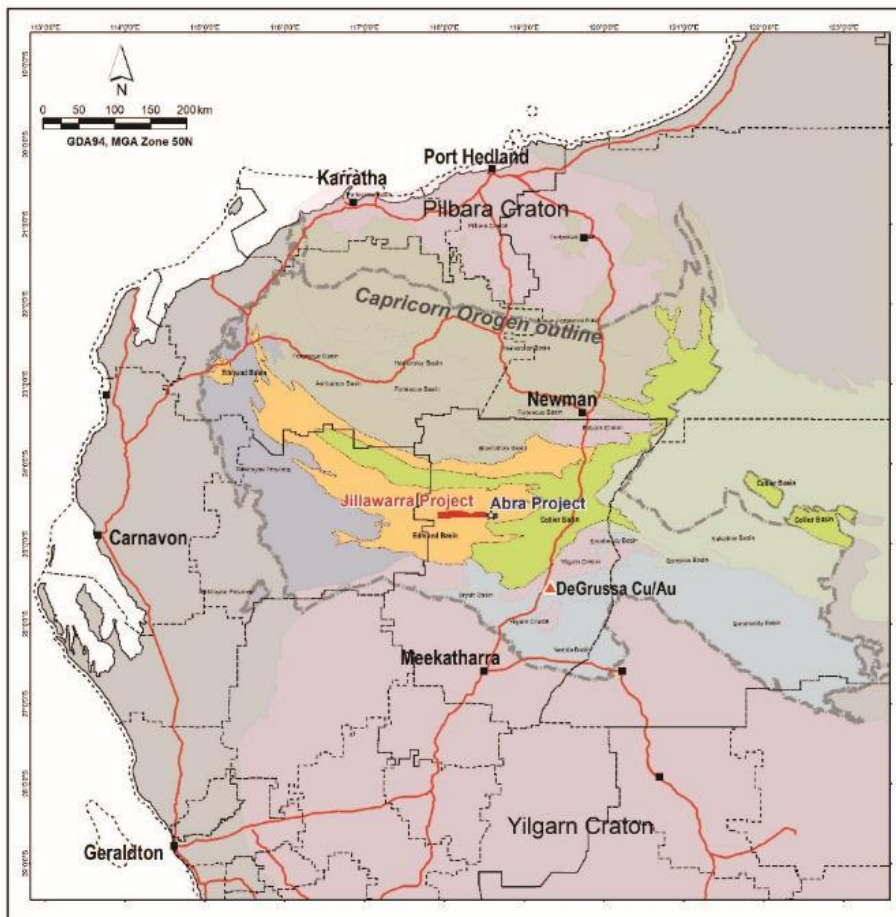
2023 Mineral Resource Update (July 2023 MRE) (see Galena ASX announcement of 7 August 2023)

Abra JORC Mineral Resource estimate at 5% Pb cut-off grade (July 2023 MRE)^{1, 2}

Resource classification	Tonnes (Mt)	Lead grade (%)	Silver grade (g/t)
Measured	0.3	7.3	32
Indicated	16.2	7.3	19
Inferred	16.9	6.9	15
Total	33.4	7.1	17

Notes: 1. See Galena ASX announcement of 7 August 2023. Galena confirms that it not aware of any new information or data that materially affects the information included in Galena’s ASX announcement of 7 August 2023 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



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