



ASX ANNOUNCEMENT

13 November 2020

ASX: G1A

TOHO INVESTMENT RECEIVED – ABRA DEVELOPMENT CONTINUES

GALENA MINING LTD. (“Galena” or the “Company”) (**ASX: G1A**) announces Abra Mining Pty Limited (“**AMPL**”), the joint-venture company for the Abra Base Metals Project (“**Abra**” or the “**Project**”) has received a further cash investment from Toho Zinc Co., Ltd. (“**Toho**”) and has issued additional shares to Toho’s wholly-owned subsidiary CBH Western Australia Pty Ltd (“**CBHWA**”) in accordance with the previously announced Investment Agreement. The monies received incorporate a A\$20 million investment sub-tranche of the remaining A\$60 million final Toho investment into AMPL (see *Galena ASX announcement of 12 November 2020*) being invested in accordance with the achievement of milestones related to the Taurus Debt Facilities.

Based on the shares outstanding following Toho’s latest investment, AMPL is now owned 77.28% by Galena and 22.72% by Toho.

Having received the latest investment by Toho and with the Taurus Debt Facilities in place, AMPL is in a robust financial position to continue construction works at Abra. Preparatory construction works, including the final installation of the remaining 200 camp units and other ancillary buildings, and further enabling works will now be commenced prior to Christmas, with a view to commencing the procurement / construction phase of Abra’s plant and deploying the underground mining contractor in Q1 / Q2 of the 2021 calendar year. Based on the current schedule, first production of high-value, high-grade lead-silver concentrate at the Project will commence within 2022.

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

For further information contact:

Galena Mining Ltd.,

A handwritten signature in blue ink, appearing to read 'Alex Molyneux'.

Alex Molyneux
Managing Director

About Abra Base Metals Project

77.28% owned by Galena, the Abra Base Metals Project (“**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 a mine and processing facility with a 16-year life producing a high-value, high-grade lead-silver concentrate containing approximately 95kt of lead and 805koz of silver per year after ramp-up. Based on a pre-development capital expenditure estimate of A\$170 million, the FS modelled a pre-tax net present value for Abra (at an 8% discount rate) of A\$553 million and an internal rate of return of 39%.¹

Note: 1. Information relating to the production target and financial information derived from the production target is extracted from the ASX announcement of 22 July 2019. Galena confirms that that all material assumptions underpinning the production target, or forecast financial information derived from a production target, in that announcement continue to apply and have not materially changed.

Abra JORC Mineral Resource estimate^{1, 2}

Resource classification	Tonnes (Mt)	Lead grade (%)	Silver grade (g/t)
Measured	-	-	-
Indicated	16.7	8.5	24
Inferred	24.4	6.5	14
Total	41.1	7.3	18

Notes: 1. See Galena ASX announcement of 17 October 2019. Galena confirms that it not aware of any new information or data that materially affects the information included in Galena’s ASX announcement of 17 October 2018 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

