



ASX ANNOUNCEMENT

28 January 2021

ASX: G1A

ACTIVITIES REPORT FOR QUARTER ENDED 31 DECEMBER 2020

HIGHLIGHTS:

- Finalised US\$100M in project financing debt facilities for the development of the Abra Base Metals Project, made up of:
 - US\$100M Project Finance Facility; and
 - US\$10M Cost Overrun Facility
- Received an A\$20M investment tranche from Toho into AMPL
- Recommenced preparatory construction and site enabling works, with Project development works 12% complete at the end of the Quarter
- Successfully concluded the 2020 Abra Drilling Program with a total of 57 completed diamond drill-holes (~25km of drilling), taking total cumulative drilling on Abra to over 100km
- At the date of this report, assays have been published for 34 drill-holes, including the following highlights:
 - Five holes had cumulative significant lead-silver intersections >50m
 - Best high-grade lead-silver drill hole ever at Abra (hole AB147), with >86m of cumulative significant intersections, including:
 - 17.5m at 9.6% lead and 34g/t silver from 266.2m
 - 20.9m at 7.3% lead and 20g/t silver from 288.1m
 - 35.5m at 15.1% lead and 22g/t silver from 321.8m
 - 8.9m at 17.1% lead and 26g/t silver from 366.2m
 - One of the last drill-holes drilled in the Program (AB195) was drilled to target the interpreted copper and gold zone – Assays remain pending for that hole but it passed through an approximately 45m zone of visual intermittent massive and disseminated copper-bearing chalcopyrite mineralisation from a down-hole depth of 752m
 - A number of holes targeting lead-silver coincidentally extended into copper and gold mineralisation, with notable significant intersections including:

GALENA MINING LTD.

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- **3.0m at 2.0% copper, 2.3g/t gold and 29g/t silver from 401.6m in AB174**
- **6.0m at 1.8% copper and 1.3g/t gold from 391.8m in AB179**
- **4.9m at 1.0 g/t gold and 24g/t silver from 424.2m in AB166**

GALENA MINING LTD. (“Galena” or the “Company”) (**ASX: G1A**) reports on its activities for the quarter ending 31 December 2020 (the “Quarter”), largely focused on advancing its 77.28%-owned Abra Base Metals Project (“Abra” or the “Project”) located in the Gascoyne region of Western Australia.

ABRA BASE METALS PROJECT (77.28%)

Abra comprises a granted Mining Lease, M52/0776 and is surrounded by the 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**”), which in turn is currently 77.28% owned by Galena, with the remainder owned by Toho Zinc Co., Ltd. (“**Toho**”) (pursuant to an Investment Agreement and Shareholders Agreement with Toho).

Abra is fully permitted and commenced initial construction works in September 2019.

Project construction / development

Following finalisation of the US\$110 million Taurus Debt Facilities and receipt of a further A\$20 million investment tranche from Toho, construction tasks at Abra were recommenced in December 2020.

Abra Base Metals Project construction / development progress to completion¹

<u>Progress within the Quarter</u>	<u>Total cumulative progress as at Quarter-end</u>
-	12%

Notes: 1. Based on completed proportion of total forecast project development capital expenditure excluding owners team costs.

Construction tasks recommenced towards the end of the Quarter comprise of preconstruction and enabling works, including:

- Installation of the remaining 200 camp units and other ancillary buildings to complete the 280-unit Abra mine site village.
- Clearing and earthworks involving preparation of sites for the ROM pad, future processing plant, settlement pond and others.
- The construction of an explosives magazine (now complete as at the date of this report).
- Roadworks.

The Company continues to target the commencement of the procurement / construction phase of Abra’s plant and deployment of the underground mining contractor in the first half 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.

Figures 1-4 (below) show the current state of progress on the initiatives commenced during the Quarter.



Figure 1. ROM pad preparation.



Figure 2. Site of future processing plant (view from ROM pad).



Figure 3. Installation of camp facilities including administration offices, storage and gym.



Figure 4. Completed explosives magazine.

Safety and environment

During the Quarter, 33,327 employee and contractor work hours were recorded at Abra. No recordable injuries were reported.

No environmental reportable incidences or exceedances were recorded during the Quarter.

2020 Abra Drilling Program

On 4 August 2020, Galena announced the commencement of drilling at Abra for the 2020 Abra Drilling Program. The Program was initially planned to consist of approximately 15,000 metres to 18,000 metres of drilling with three objectives: lead-silver orebody infill; drilling into selected prospective 'metal rich' zones for potential life of mine plan optimisation; and copper-gold exploration.

At the start of the Quarter, three drill-rigs were operating and had completed 8,028 metres. A fourth drill-rig was added on 12 November 2020, then the Program wound down for conclusion on 16 December 2020. By the end of the Program, 57 diamond core drill-holes were successfully completed for a total of 24,832 cumulative linear metres. Total completed drilling at Abra is now approximately 100.5km, of which more than two-thirds has been completed under Galena's ownership since late-2017.

One of the reasons the 2020 Abra Drilling Program was expanded was the outstanding success of drill-hole AB147 (reported on 19 October 2020), which encountered 86.1 metres of combined down-hole cumulative thickness of significant intersections and is considered to be the best high-grade lead-silver drill-hole in Abra's history. Importantly, AB147 was targeting a prospective 'metal rich' zone not currently in the early years of the mine plan used for the Feasibility Study, in this case a relatively shallow zone on the northeastern limb of the Indicated portion of Abra's Mineral Resource (see Figure 5 below). AB147 indicated the existence of a potentially mineable domain approximately 30 metres closer to the surface than the shallowest currently planned mining zone. The relative shallowness of this area and proximity to early decline development makes it a target for optimisation of the early years of the mine plan and potentially improves risk in that period. Based on the success of drill-hole AB147 and then subsequent follow-up success of drill-holes added to the Program around it, an additional 16 drill-holes were added to the 2020 Abra Drilling Program in that area. The added drill-holes cover an area approximately 100 metres (north-south) by 200 metres (east-west), extending outside of the Indicated Resource area modelled for the Apron Zones 101 and 102 lode in the October 2019 Resource, into the Inferred area between the two northern limbs of the Indicated Resource boundary (see Figure 5 below).

As at the date of this report, assays for 34 holes from the 2020 Abra Drilling Program have been published (16 were announced within the Quarter on 19 October 2020 and 18 November 2020, and 18 were announced subsequent to Quarter-end on 22 January 2021). Five holes reported so far had cumulative significant lead-silver intersections in excess of 50 metres, including:

- 'Best high-grade lead-silver drill hole ever' at Abra (hole AB147), with 86.1 metres of cumulative significant intersections, including:
 - 17.5m at 9.6% lead and 34g/t silver from 266.2m;
 - 20.9m at 7.3% lead and 20g/t silver from 288.1m;
 - 35.5m at 15.1% lead and 22g/t silver from 321.8m; and
 - 8.9m at 17.1% lead and 26g/t silver from 366.2m

- AB174, where outstanding intersections included: 32.3m at 13.8% lead and 34g/t silver from 352.7m
- AB167, where outstanding intersections included:
 - 22.8m at 7.5% lead and 24g/t silver from 277.1m; and
 - 20.1m at 8.9% lead and 18g/t silver from 338.7m
- AB172, where outstanding intersections included:
 - 24.3m at 10.9% lead and 24g/t silver from 288.5m; and
 - 9.9m at 18.1% lead and 31g/t silver from 342.3m
- AB170, where outstanding intersections included:
 - 16.6m at 9.2% lead and 25g/t silver from 352.7m; and
 - 17.0m at 6.5% lead and 10g/t silver from 374.0m

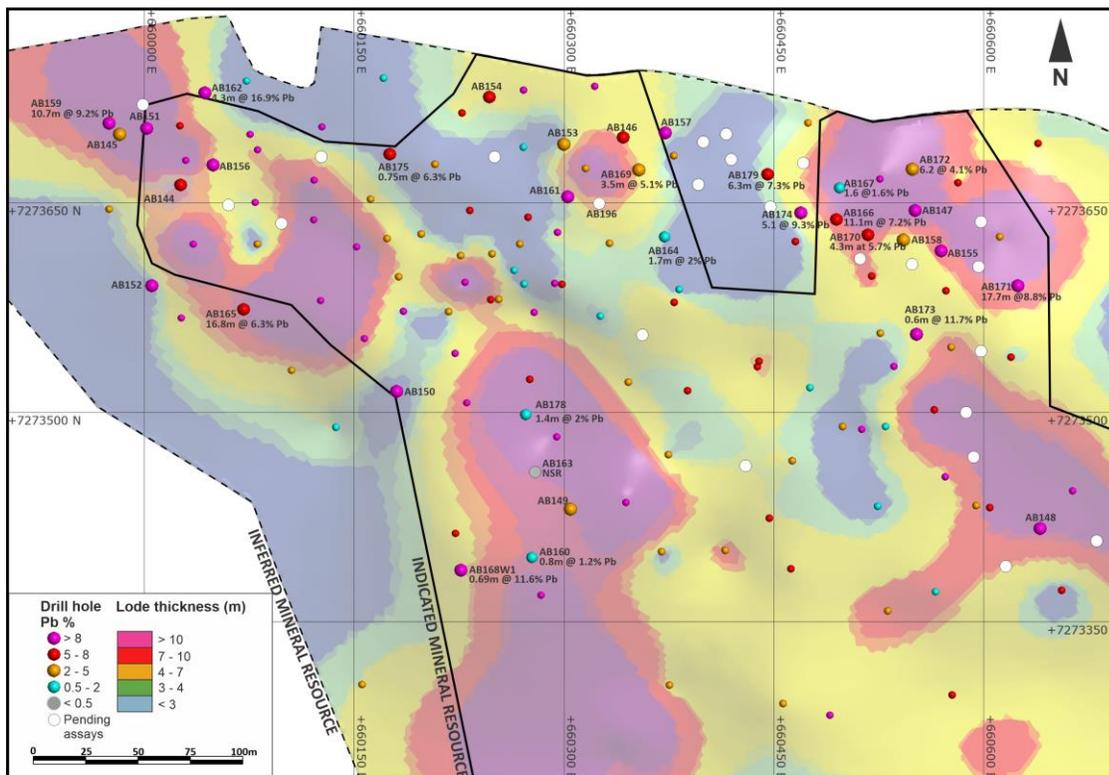


Figure 5. Plan view of Abra Apron Zone 102 lode showing drill-hole pierce point, coloured according to the lead grade range, for the historical (small points) and 2020 Abra Drilling Program drill-holes (large points), over the mineralisation domain thickness contour map. A second mineralisation domain, Apron Zone 101, is positioned immediately underneath Apron Zone 102 and it extends across the deposit. Smaller mineralisation domains also occur within the apron domain, mostly within the eastern part of the deposit.

One of the last drill-holes drilled in the Program (AB195) was drilled to target the interpreted copper and gold zone underneath the lead-silver mineralisation at Abra. Assays remain pending for that hole but it passed through an approximately 45 metre zone of visual intermittent massive and disseminated copper-bearing chalcopyrite mineralisation from a down-hole depth of 752 metres. However, a number of holes drilled to target lead-silver mineralisation, already reported as at the date of this report coincidentally encountered significant intersections of copper and / or gold.

The most significant copper and / or gold intersections reported from the Abra 2020 Drilling Program so far include:

- 3.0m at 2.0% copper, 2.3g/t gold and 29g/t silver from 401.6m in drill-hole AB174
- 6.0m at 1.8% copper and 1.3g/t gold from 391.8m in drill-hole AB179
- 4.9m of 1.0g/t gold and 24g/t silver from 424.4m in drill-hole AB166

For further information regarding results for the 34 drill-holes from the 2020 Abra Drilling Program where assays have been published please see Galena’s ASX announcements of 19 October 2020, 18 November 2020 and 22 January 2021.

Following completion of the Program, the drilling density at Abra has been substantially improved, particularly across the shallower northern area of the deposit. For example, the area covered with thirty by thirty metre or better drill-hole spacing has grown approximately five-fold. Figure 6 and Figure 7 (below) show the drilling density prior to the Program and at completion.

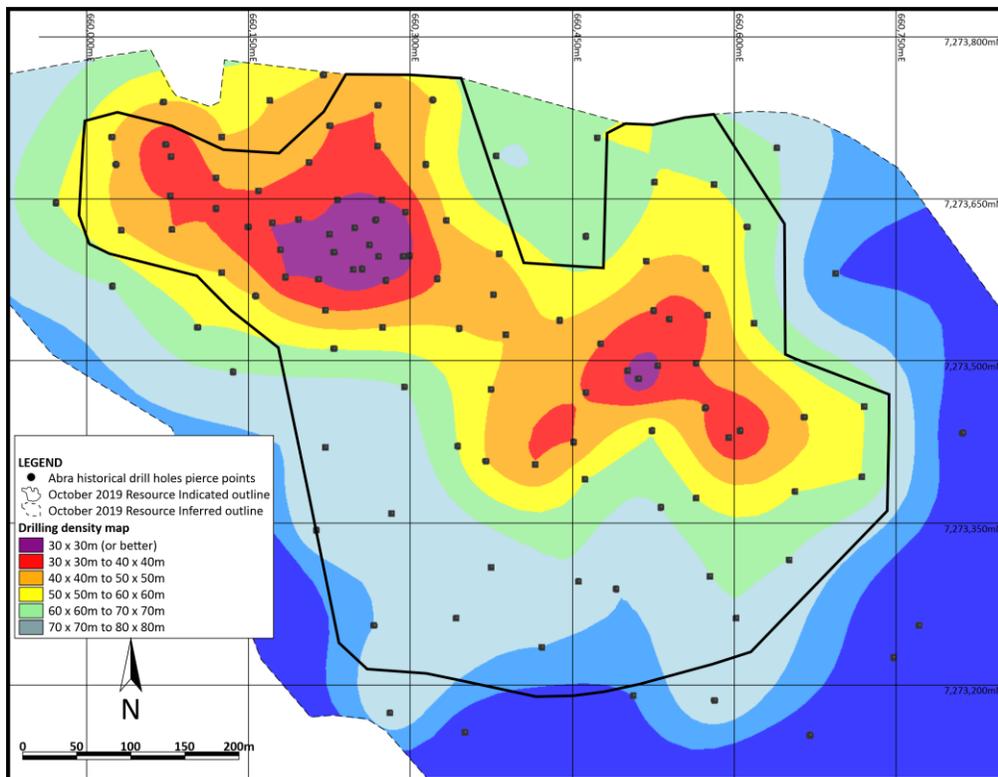


Figure 6. Abra Project drilling density prior to the commencement of the 2020 Abra Drilling Program.

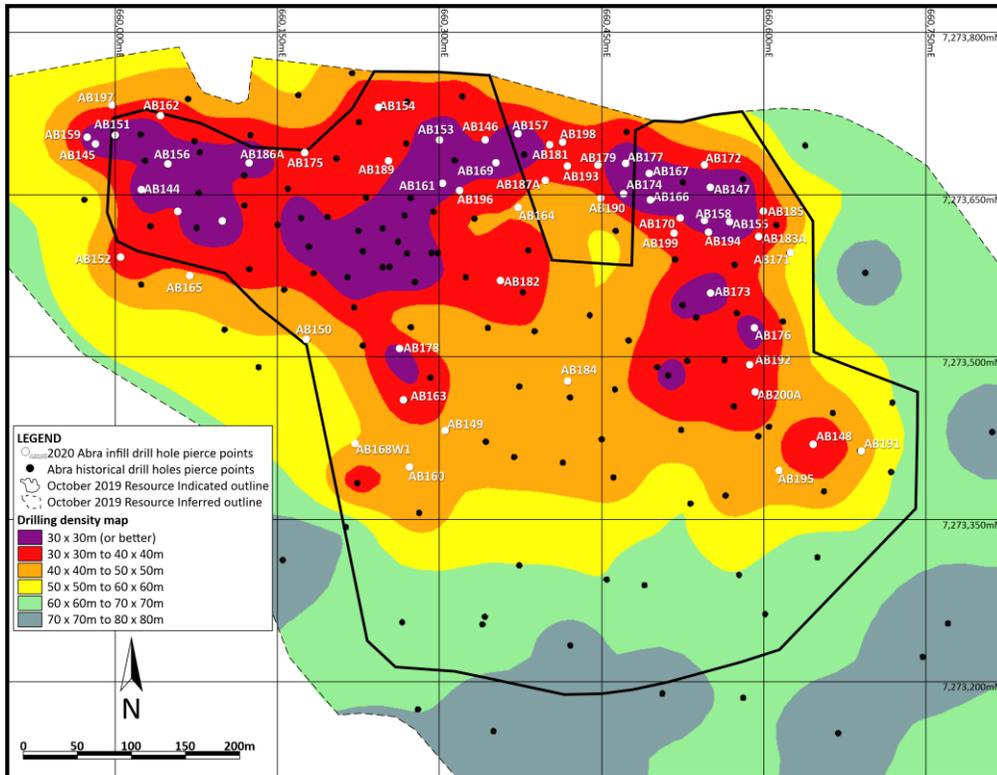


Figure 7. Abra Project drilling density following completion of the 2020 Abra Drilling Program.

Commercial initiatives in support of Abra development – project financing debt

On 12 November 2020, Galena finalised US\$110 million in 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.

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.
- Arrangement fee of 2.5% (already paid) and commitment fee of 2.0% on undrawn amounts.
- No mandatory hedging.
- Early repayment allowed without penalty.
- US\$30 million drawable upfront. The remainder will be drawable once the results of the Abra 2020 Drilling Program are incorporated into the cash flow model and the model continues to forecast compliance with lock up financial ratios.

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.

Conditions precedent to draw-down of the Taurus Debt Facilities include, receipt of Toho’s remaining A\$40 million equity investment (for draw-down of in excess of the first US\$30 million), the aforementioned infill drilling condition for drawdown amounts in excess of US\$30 million and

other conditions customary for facilities of this nature. The Taurus Debt Facilities will be secured against the Project assets and over the shares that each of Galena and Toho own in AMPL.

In consideration of the Taurus Debt Facilities, AMPL has entered into a Royalty Deed with the Taurus for a royalty of 1.125% of net smelter return, which is the same amount as the historical vendor royalty terminated by AMPL after completion of the Abra Feasibility Study (see Galena ASX announcement of 4 December 2019). The royalty is conditional on the conditions precedent to drawdowns in excess of US\$30 million under the Project Finance Facility being met.

Commercial initiatives in support of Abra development – Toho Transaction

Prior to the Quarter, Galena executed definitive agreements with Toho setting out the terms for Toho's investment of A\$90 million in tranches for a 40% ownership interest in Galena's previously wholly-owned subsidiary, AMPL (the "**Toho Transaction**"). Key components of the Toho Transaction include:

- Investment and investment structure – A\$90 million total investment to be made via the subscription of new ordinary shares in AMPL such that Toho owns 40% of AMPL on completion of the full investment and Galena retains 60%.
- Tranched payment – A\$20 million was paid on initial closing of the transaction in April 2019; A\$10 million was paid in August 2019. A further A\$20 million was received during the Quarter (see Galena ASX announcement of 13 November 2020) and A\$40 million will be paid once the conditions precedent to drawing all of the Project Finance Facility are met (with all tranches combined taking Toho's total ownership in AMPL to 40%).
- Repayment of historical shareholder loans to Galena – As part of the Transaction, AMPL has repaid \$12.75 million of historical shareholder loans back to Galena out of the received payment tranches.
- Off-take –Toho has also entered into an off-take agreement with AMPL to purchase 40% of Abra's high-grade high-value lead-silver concentrate on arms-length, benchmark terms.

NON-ABRA PROSPECTS

Galena's non-Abra prospects consist of Woodlands, Manganese Range, Quartzite Well and Copper Chert, which comprise more than 76 kilometres of continuous strike 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, Galena's geology team concentrated its efforts on the completion of the Abra 2020 Drilling Program, with only a limited amount of exploration activities conducted on the non-Abra prospects. Work done on those included interpretation and drill target identification based on the regional gravity survey completed across four tenements earlier in 2020, and interpretation of the downhole electromagnetic survey completed at QWMR prospect drill hole QWMR001.

CORPORATE

Resignation of Non-Executive Director

On 14 December 2020, Galena announced the resignation of Non-Executive Director, Mr Timothy Morrison.

Mr Morrison contributed to the achievement of significant milestones during the period he served as a board member, including completion of the ASX initial public offering in 2017 and the numerous advancements to bring Abra into the early construction phase.

The Company thanks Mr Morrison for his contributions and wishes him well in his future endeavours.

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\$223k and includes payments to directors for fees, salaries and consulting costs for the quarter.

IMPACT OF COVID-19

Issues of COVID-19-related market volatility, combined with practical issues associated with travel / logistics restrictions delayed the ability to complete credit approvals on a mutually agreed set of terms for the project finance debt. However, during the Quarter the Company finalised the Taurus Debt Facilities.

Abra is a fly-in-fly-out ("**FIFO**") site in the Gascoyne Region of Western Australia, with flights to site originating from Jandakot Airport and Perth Airport in Perth. A number of measures have been implemented to protect employees and contractors working on the Project, in line with recommended Government guidelines and procedures.

The boards of both Galena and AMPL continue to monitor the evolving COVID-19 situation and how it might impact the Company's strategy. Of particular importance is the process of working with contractors for the development of Abra in determining any impact on their works and delivery schedules for key construction work items to be commenced on completion of the project financing debt process.

OUTLOOK

Cash position

As at the end of the Quarter, the Company, together with its subsidiaries had approximately A\$33.9 million in cash comprised of cash at bank and term deposit balances.

Outlook

To date, approximately A\$26 million has been spent on Project development at Abra to complete 12% of Project works. Abra site is prepared for the deployment of key contractors for the construction of the plant and ancillary infrastructure, and deployment of the underground mining contractor. In addition, key agreements for such services are awarded or in a near-to-final state, further advancing on the completion of permitting, native title arrangements and offtake achieved in 2019.

Galena also has a strong, flexible and supportive partner for the Project in Toho. Since Toho's overall A\$90 million investment was agreed in January 2019 the investment received to date has been used to prepare the Abra site and advance early project works. Toho is the leading producer of lead in Japan and has entered into a binding offtake agreement to purchase 40% of Abra's production for an initial period of 10-years from the commencement of production.

During the Quarter, Galena concluded US\$110 million of project financing debt facilities arranged by Taurus Funds Management.

The Company continues to target the commencement of the procurement / construction phase of Abra's plant and deployment of the underground mining contractor in the first half 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.

Upcoming value-adding Abra and corporate milestone workstreams include:

- Remaining 2020 Abra Drilling Program assays (assays for 23 drill-holes pending)
- Commencement of plant procurement and construction under the EPC contract
- Mobilisation of the underground mining contractor
- Receipt of the final A\$40 million of Toho's investment into AMPL
- First draw-down of the Taurus Debt Facilities

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

Galena Mining Ltd.



Alex Molyneux
Managing Director

Competent Person's Statement

The information in this report related to the Abra Ore Reserve estimate is based on work completed by Mr Troy Flannery, BEng (Mining, Member AUSIMM). Mr Flannery is an employee to AMPL. Mr Flannery has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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 Flannery consents 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 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.

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 85.31%-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	Erivilla	L52/206	0	100
Australia	WA	Teano	L52/207	0	100
Australia	WA	Teano	L52/210	0	100
Australia	WA	Three Rivers	L52/214	100	100

* Pending renewal

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

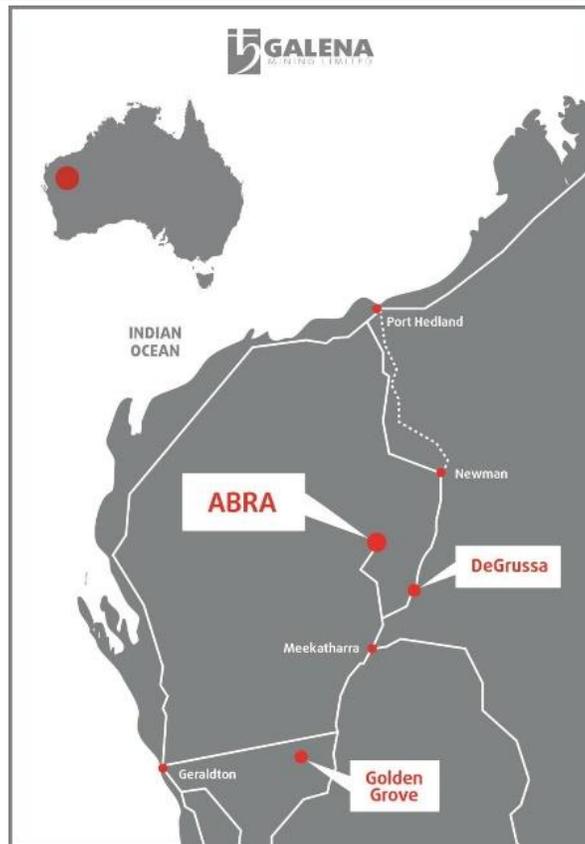
Note: 1. Information relating to the production target and financial information derived from the production target is extracted from the ASX announcement of 22 July 2019. Galena confirms that that all material assumptions underpinning the production target, or forecast financial information derived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

Abra JORC Mineral Resource estimate^{1, 2}

<u>Resource classification</u>	<u>Tonnes (Mt)</u>	<u>Lead grade (%)</u>	<u>Silver grade (g/t)</u>
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



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")

31 December 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(876)	(2,265)
(c) production	-	-
(d) staff costs	(421)	(814)
(e) administration and corporate costs	(414)	(605)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	34	62
1.5 Interest and other costs of finance paid	(5,067)	(5,076)
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	(6,744)	(8,698)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(3,986)	(4,942)
(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 (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) equity investments	24,400	27,200
	(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	20,414	22,258

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	12,002
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	-	(748)
3.5	Proceeds from borrowings	-	-
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	-	11,254

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	20,197	9,053
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,744)	(8,698)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	20,414	22,258
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	11,254

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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	33,867	33,867

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	29,337	20,167
5.2	Call deposits	4,530	30
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)	33,867	20,197

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**

223

-

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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		N/A
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.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(6,744)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(3,986)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(10,730)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	33,867
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	33,867
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.16
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: N/A	
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: N/A	
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: N/A	

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: 28 January 2021

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.