

ASX ANNOUNCEMENT

17 August 2022

ASX: G1A

ABRA CONSTRUCTION 78% COMPLETE AT END OF JULY

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 78% complete as of 31 July 2022. New milestones have been achieved with the commencement of the installation of the ball-mill components and total underground development passing 2km in early August.

Managing Director, Tony James commented, ***“Construction activities have progressed past 78% complete. Most of the concrete work has been completed and structural steel installation increased to 352 tonnes (72% complete). Plant construction work is quickly progressing into the mechanical, piping, and electrical fit out stages. It’s also pleasing to see the progress being made with the operational readiness activities including first fills and critical spares, with orders placed for over 75% of the items”.***



Figure 1 – Abra ball mill installation (photo: 10 August).

Three other announcements were released by the company between this monthly update and the previous monthly update dated 18 July 2022. The first was “Re-release: Abra Initial Production Guidance” (ASX: 25 July 2022). The second was “Galena Successfully Raises \$17 Million” (ASX: 26 July 2022) and “Diggers and Dealers Investor Presentation” (ASX: 1 August 2022).

Update on Abra Project progress

Overall progress continues to remain in line for Project completion, with first commercial production expected in Q1 CY2023. The processing plant engineering, procurement and construction has reached 85% complete. As previously advised, the remaining items on the key equipment order list shown in Table 1 below which are currently not received are the flotation cells and the regrind mill. The flotation cells and drive mechanisms are currently in shipment with 2 separate shipments delivering the flotation equipment to Fremantle. The flotation cells (bulk shipment) are currently expected to arrive by the 2nd September and the flotation drive mechanisms (container shipment) has arrived in Perth. The regrind mill is currently shipping from Germany and is now expected to arrive in Melbourne by 20th August. The regrind mill is being shipped to Melbourne so that Glencore Technology can finalise assembly with some Australian components. These revised arrival dates do not affect the project construction timelines.

Description	Manufacturer	Source Country	Order Date	Completion Date	Forecast On Site Date
Jaw Crushers	Metso-Outotec	China	19-Aug-21	10-Jan-22	On-Site
Cone Crushers	Metso-Outotec	France	19-Aug-21	16-Mar-22	7-July-22
Flotation Cells	Metso Outotec	China	18-Aug-21	1-Jul-22	2-Sep-22 ¹
Thickener	Metso-Outotec	China	18-Aug-21	25-Mar-22	On-Site
Slurry Analyser	Metso-Outotec	Finland	18-Aug-21	10-Jan-22	On-Site
Grinding Mill	CITIC-HIC	China	23-Jul-21	20-Jun-22	11-Jul-22
Filter	Ishigaki	Japan	26-Jul-21	28-Apr-22	On-Site
Regrind Mill	Glencore	Germany	23-Sep-21	15-Jun-22	1-Sep-22 ²
LNG Storage Tanks	AMG Cryogenics	China	15-Jun-21	28-Apr-22	Perth

Table Notes – All items with strike through have been delivered (1) Flotation equipment shipped in 2 separate parts. Flotation cells ETA now 2 September and Flotation drive mechanisms have arrived in Perth. (2) Regrind Mill ETA Melbourne 17 August for final assembly by Glencore Technology.

Table 1 – Key equipment order and delivery schedule from overseas suppliers.

Mine decline development continued in the East Decline and the 1,375mRL diamond drill drive during July. A total of 243 metres was developed during July with the East decline reaching 1,360mRL. During July the second leg of the mines escape way system was drilled (1.5-meter raise bore) down to 1,400mRL (150m below surface). By the end of July, 16 underground diamond drill holes have been completed.

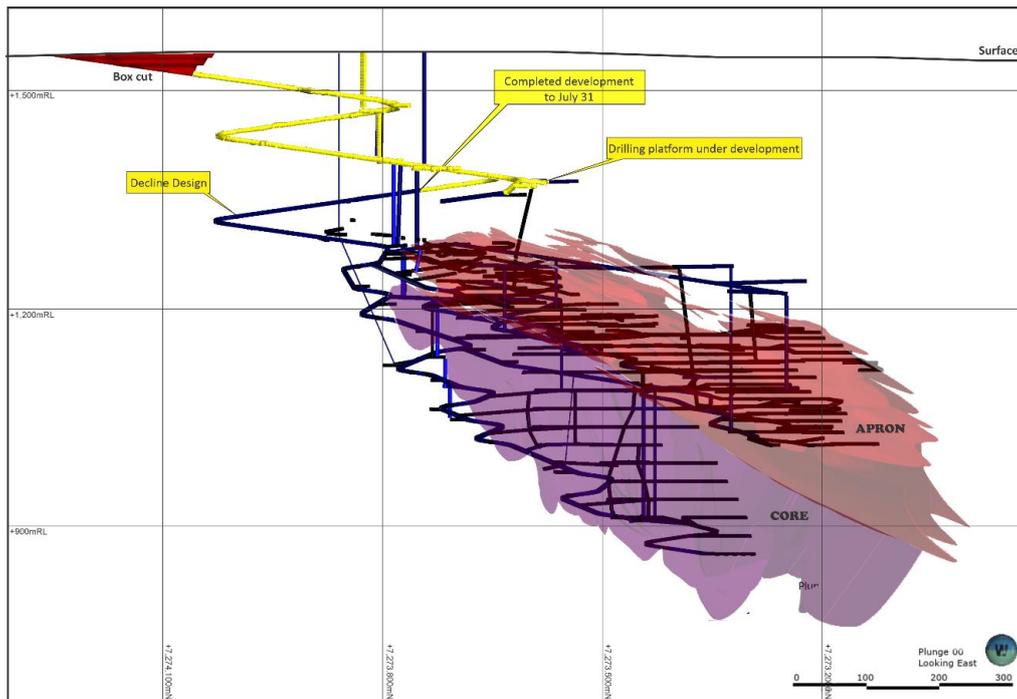


Figure 2 - Progress of the Abra underground mine development to 31 July (yellow).

In surface bulk earthworks, good progress continued with the tailing's storage facility ("TSF") passing 50% completion. The final works package associated with the remaining non-processing infrastructure is progressing as planned with the power station reaching 81% complete.

Owners' costs and contingencies remain within budget.



Figure 3 – Abra TSF construction.

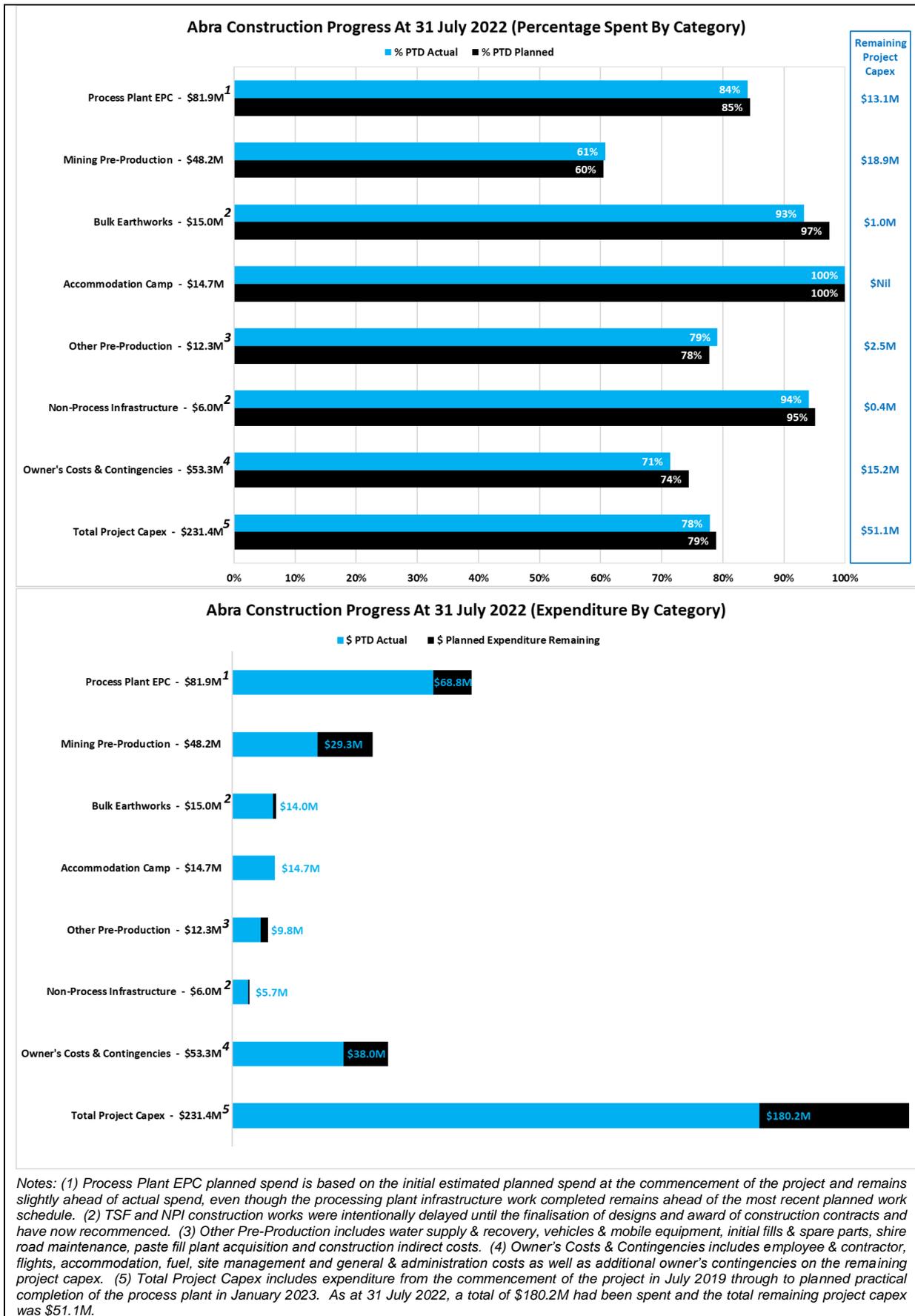


Figure 4 - Progress of various Abra construction packages by % and \$ spend.



Figure 5 – Abra processing plant construction, power station, solar and administration buildings.



Figure 6 – Abra crushing & screening sections steel erection (photo: 12 August).



Figure 7 – Mill pinion drive.



Figure 8 – Control room, flotation, thickening & concentrate areas.



Figure 9 – Primary cyclone cluster.



Figure 10 – Plant reagents area.



Figure 11– Concentrate filter and shed construction.



Figure 12 – Paste-fill plant civils.



Figure 13 – power station engines (Pacific Energy).



Figure 14 – Power station switch room (Pacific Energy).



Figure 15 – Underground mine changeroom facility.

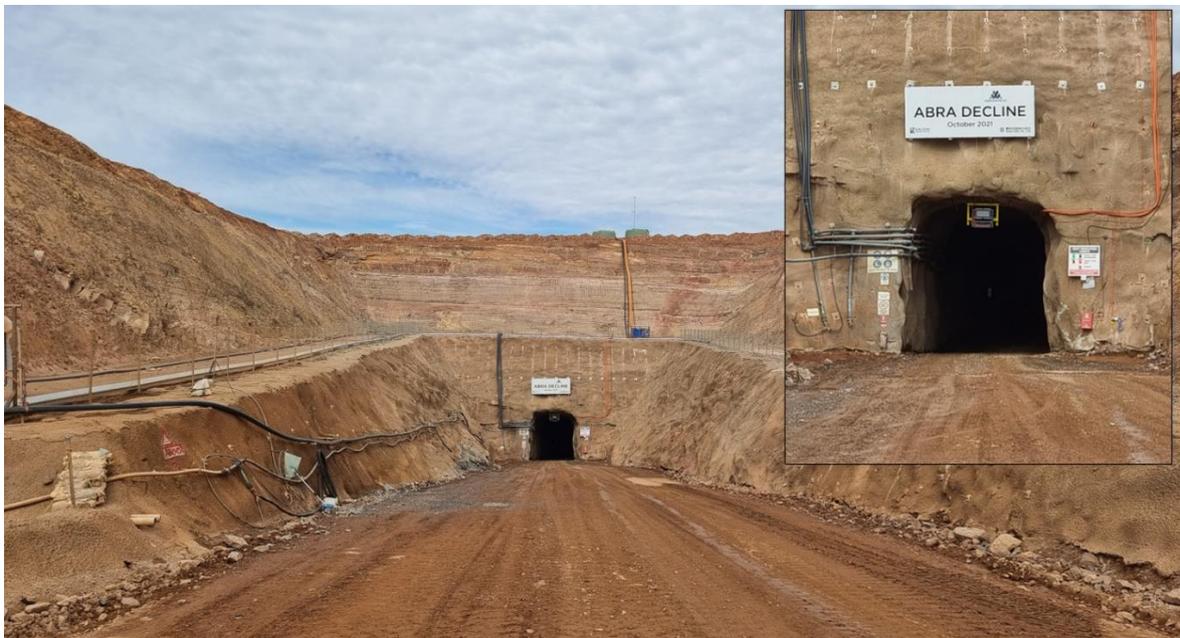


Figure 16 – Abra Box-cut and portal.

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

For further information contact:

Galena Mining Limited

Anthony (Tony) James
Managing Director

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.

