



ASX ANNOUNCEMENT

31 July 2020

ASX: G1A

ACTIVITIES REPORT FOR QUARTER ENDED 30 JUNE 2020

HIGHLIGHTS:

- Subsequent to Quarter-end, announced US\$110M in Taurus Funds Management debt facilities for Abra Base and Precious Metals Project:
 - US\$100M term loan; and
 - US\$10M cost overrun facility
- Completed 3% of Abra development works taking the project to 12% complete
- Acquired pastefill plant from Westgold Resources for use at the Project
- Identified a target drilling zone at Abra for gold and copper mineralisation
- Acquired the Copper Chert Prospect between Abra and the Jillawarra tenements

GALENA MINING LTD. (“Galena” or the “Company”) (**ASX: G1A**) reports on its activities for the quarter ending 30 June 2020 (the “Quarter”), largely focused on advancing its 86.16%-owned Abra Base Metals Project (“Abra” or the “Project”) located in the Gascoyne region of Western Australia.

ABRA BASE METALS PROJECT (86.16%)

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 86.16% 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

During the Quarter, construction of Abra surface infrastructure continued.

Abra Base Metals Project construction / development progress to completion¹

<u>Progress within the Quarter</u>	<u>Total cumulative progress as at Quarter-end</u>
3%	12%

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

Mining of the Abra box-cut was completed in the first week of April 2020 by a third-party open-pit mining contractor.

On 1 May 2020, Galena announced the acquisition of the Higginsville Gold Operations Pastefill Plant (“HPP”) from Westgold Resources Limited for consideration of 11.6 million Galena shares (~\$2.25 million). The HPP will be contributed by Galena to AMPL. It will then be refurbished and reinstalled at Abra to provide the paste backfill cement required for the Project’s underground mining operation. The HPP was designed and built by GR Engineering Services Limited (the awarded engineering, procurement and construction contractor for Abra’s process plant) in 2008 as part of its contract to supply the 1.0 million tonne per annum Higginsville Treatment Plant. Its technical specifications exceed the requirements of Abra’s bankable / definitive feasibility study. Currently on care and maintenance, the HPP is considered to have been well maintained and had a reliable operating history.

During the Quarter, four microwave communication towers (ranging in height from 30m to 50m) were erected in relay sequence to complete the installation of Abra’s communications infrastructure, providing high capacity data and phone service to site.

Later in the Quarter the fabrication of accommodation units containing an additional 200 rooms and various ancillary buildings was complete and the finished buildings were delivered to site. The buildings increase the Abra site camp capacity to the required level for the Project’s current development plan.

During the Quarter, progress continued to be made with respect to the material construction contracts for Abra. Preferred tenderers were selected for: the tailings storage facility and proposed new aerodrome civil works; onsite metallurgical laboratory services; and air services.

As at the end of the Quarter, completed activities at Abra included:

- Box-cut mining.
- Permanent camp construction – The first stage of the permanent camp is complete, including accommodation units for 80 persons along with a final design-sized kitchen and messing facilities. Buildings for stage two (the final stage) have completed fabrication and have been delivered to site.
- Water supply and wastewater treatment facility installed and commissioned – Pumps are installed at three previously drilled water bores and 3km of water distribution pipe work is complete.
- Site communications infrastructure.
- Topsoil clearing and storage, ground preparation at the permanent camp site and various site and access roadworks are completed.

During the Quarter, the team commenced the investigation of a number of potential Project optimisations, the most material of which are: a redesign of the primary decline and capital infrastructure to shorten the capital development metres by 20-25%; and the potential to plan for larger transverse stoping in certain metal-rich sweet spots (subject to confirmation by drill-testing).

The team also designed a potential Abra drilling campaign that would pull forward some of the Project infill drilling in a way that would provide advanced information for the project optimisation works and also to allow some drilling to target newly interpreted exploration targets for gold and copper mineralisation adjacent to the Abra lead-silver mineralisation.

Safety and environment

During the Quarter, 10,328 employee and contractor work hours were recorded at Abra with no medically treated injuries or lost time injuries recorded.

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

AMPL 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 \$90 million in three 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 – \$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%.
- Tranche payment – \$20 million was paid on initial closing of the transaction in April 2019; \$10 million was paid in August 2019; and \$60 million will be paid once project financing debt for the Project has been confirmed (with all tranches combined taking Toho's total ownership in AMPL to 40.00%).
- Toho funding support – Toho will assist AMPL to procure, by leveraging the attractive programmes available to it from its relationships with Japanese lenders, a contribution to project financing debt.
- Repayment of historical shareholder loans to Galena – As part of the Transaction, AMPL repaid \$5 million of historical shareholder loans back to Galena out of the first payment tranche received from Toho and will repay a further \$7.25 million out of the final tranche.
- 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.

Commercial initiatives in support of Abra development – project financing debt

During the Quarter, AMPL and Galena continued active discussions with providers of project financing debt.

Subsequent to the Quarter-end, Galena announced US\$110 million in proposed debt facilities arranged by Taurus Funds Management (see Galena ASX announcement of 29 July 2020). 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% and commitment fee of 2.0% on undrawn amounts.
- No mandatory hedging.
- Early repayment allowed without penalty.
- US\$30 million drawable until the previously announced infill drilling is complete (see *Galena ASX announcement of 8 July 2020*). The remainder will be drawable once the infill

drilling is incorporated into the cash flow model and the model continues 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 the Taurus Debt Facilities include completion of due diligence, documentation of facility agreements, lodgement of security documentation, receipt of Toho's remaining A\$60 million equity investment (in sub-tranches) and other conditions customary for facilities of this nature.

Near-Project exploration

On 29 June 2010, Galena announced the results of a series of exploration related activities, including geophysical work and geological modelling that took place during the Quarter leading to the identification of new hold and base metals drilling targets at Abra.

Following completion of the most recent drilling programs, Galena completed a downhole electromagnetic ("EM") survey on drill-hole AB102, drilled at the southern side of the Abra deposit and identified several EM conductors. Due to the advanced knowledge acquired with the recent drilling programs, most of the EM conductors can be explained as correlated to the flat lying Apron Zone lead-silver lodes and some correlated to the sub-vertical Core Zone lead-silver mineralisation as shown in Figure 1. However, a large and deep conductive, still untested EM conductor has been identified at the southern end of the deposit. This conductive plate has gained significant importance by the recognition of potential structural control on the ingress of base and precious metals mineralisation into the deposit as shown in Figure 2.

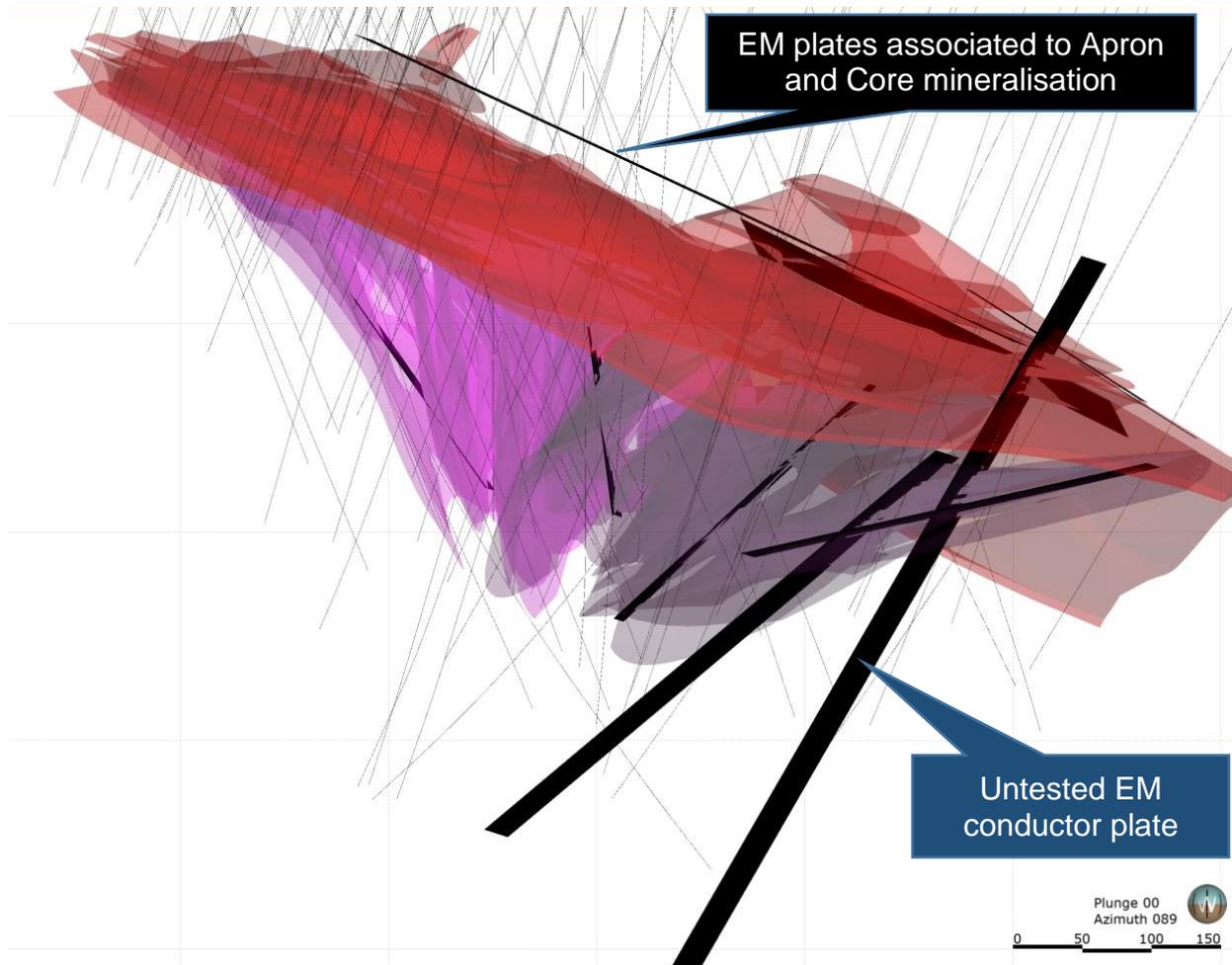


Figure 1. Abra mineralisation domains (Apron Zone and Core Zone) and the correlation to the interpreted position of the electromagnetic conductive plates

Detailed evaluation and structural interpretation continued. As a result, the Company’s geological team has developed a high confidence in the identification of two north-northeast to south-southwest structures (NE1, NE2), which appear related to high-grade gold distribution at Abra. The coincidence of these structures is also related to the possible source of lead-silver-copper-gold mineralisation at Abra.

A high-grade silver channel within the lead-silver mineralised zones appears to rise to the north west from the interpreted fluid ingress location. However, almost all observed gold and copper intersections appear to the east and south east of the fluid ingress point, giving rise to the potential for more contiguous high-grade gold-copper channels in the deeper south east area of Abra. Galena considers the interpreted fluid ingress point and the gold channel zones as high priority drilling targets (Figure 2).

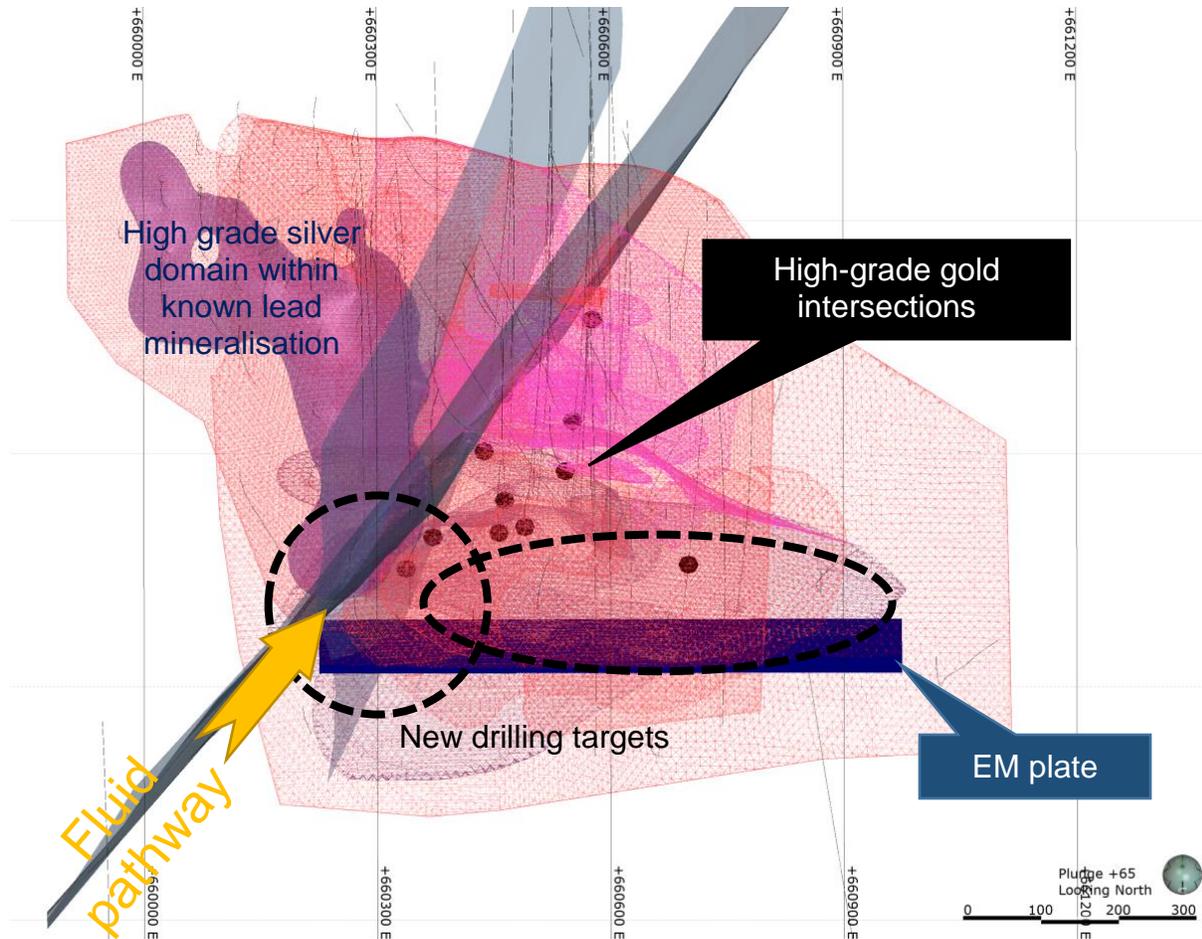


Figure 2. Abra mineralisation domains (Apron Zone and Core Zone), the high-grade silver channel within the lead-silver mineralisation and the high-grade gold intersection locations. The yellow arrow indicates the interpreted position to the intersection plane between the NE trending structures and the deep electromagnetic plate

NON-ABRA PROSPECTS

Galena’s non-Abra prospects consist of Woodlands, Manganese Range, Quartzite Well and Copper Chert, which are located between approximately 10-50 kilometres or further to the west of Abra and reside within three granted Exploration Licences, being: E52/1413; E52/3575; E52/363 0; and E52/3823.

Acquisition of the Copper Chert Prospect

Galena had a new tenement application granted during the quarter, Exploration Licence (E52/3823) over tenure proximal to Abra, containing a prospect known as Copper Chert Prospect (“**Copper Chert Tenement**”). The Copper Chert Tenement (Figure 3) is approximately 50 square kilometres in size and covers the area between the Company’s existing wholly-owned 461 square kilometre Jillawarra exploration licence package to its west and the licence package of Galena’s 86.16% owned subsidiary AMPL to its east.

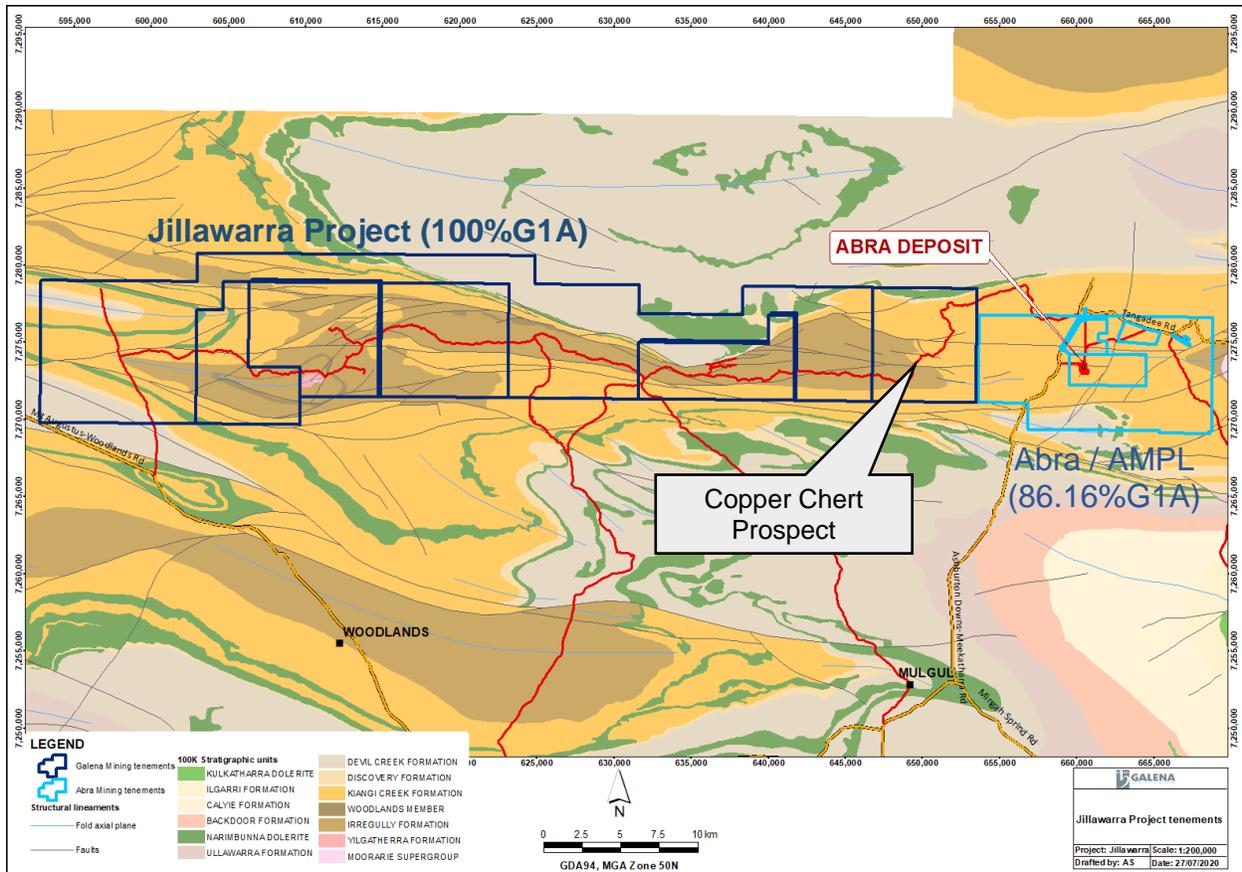


Figure 3. Galena tenement package, including Jilawarra Project and the newly acquired Copper Chert Tenement, as well as the AMPL licence package

The Copper Chert Tenement is considered a strategic addition to the Company's existing tenure in the Edmund Basin of the Gascoyne Province for three key reasons:

- Consolidation the Galena exploration tenement package comprising the totality of the Jilawarra sub-basin for a total of 76 kilometres in length.
- Presence of the highly prospective stratigraphic units of the Jilawarra sub-basin of the Edmund Basin, known to host the Abra polymetallic deposit, and other base metal prospects such as, 46-40, Woodlands, Hyperion, Genie and Quartzite Well Prospects.
- Near surface historical copper mineralisation with the most significant intercepts listed below.
 - 14m at 1.12% copper from 44m in CCRC003,
 - Incl. 3m at 2.96% copper from 44m
 - 13m at 0.85% copper from 30m in CCRC010,
 - Incl. 5m at 1.32% copper from 32m
 - 5m at 0.71% copper from 170m in JLWA-76-19
 - 11m at 0.44% copper from 165m in CCRC007
 - 6m at 0.44% copper from 20m in PD-76-2
 - 5m at 0.43% copper from 18m in CCRC008
 - 3m at 0.24% copper from 192m in CCRC008

The Company believes the Copper Chert Tenement remains underexplored, with several geophysical anomalies and a large portion of the highly prospective stratigraphic units still to be tested. The application of modern geophysical modelling tools will assist in the definition of the

depth to some of the geophysical targets. This combined with the current understanding of the mineralisation controls of Abra will potentialize the success of the drill targets.

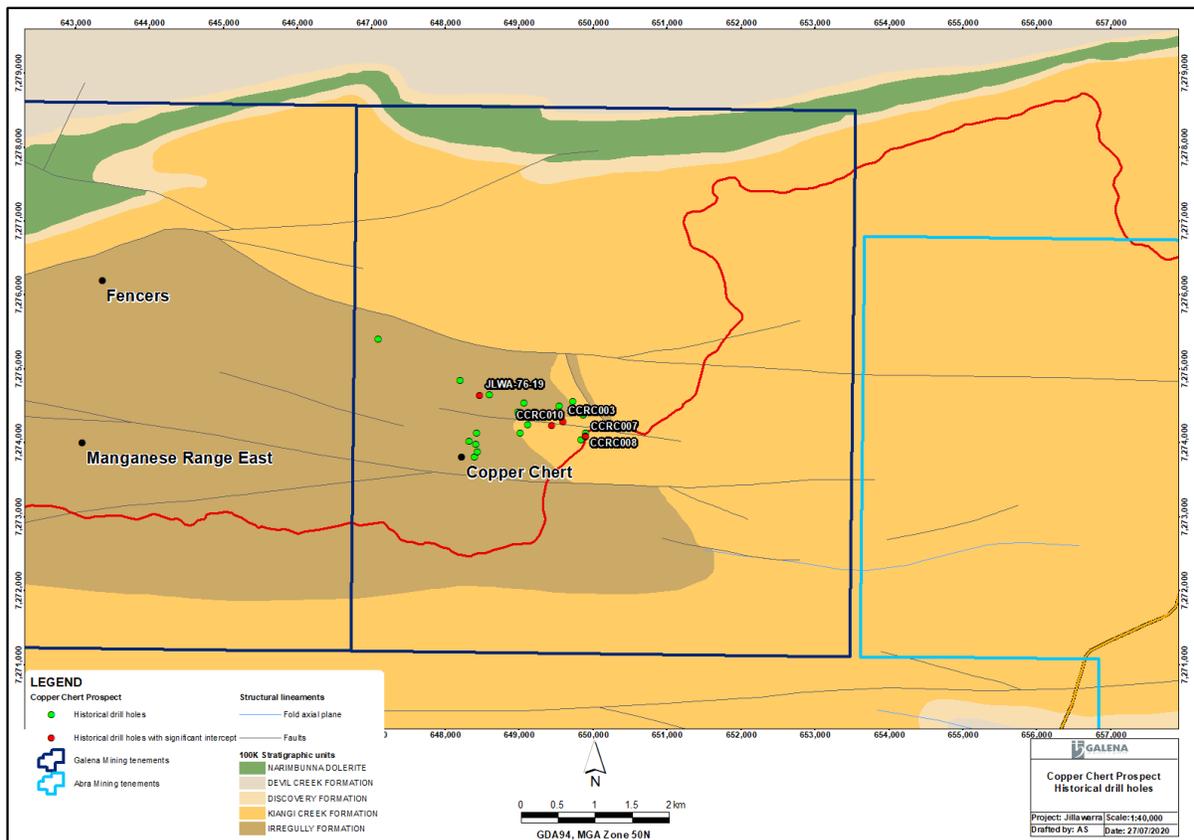


Figure 4. Showing the location of historical drill holes within the Copper Chert Tenement (E52/3823). All drill-holes labelled represented drill holes with significant intercepts

Jilawarra projects gravity survey

During the Quarter, Galena completed a large geophysical survey program for its Jilawarra Project over three large areas (A1-A3) for a total of 144 square kilometres (see Figure 6). A first pass 400x400m station spacing gravity survey was completed over two areas (A2-A3) and a detailed survey over area A1 on a 200x200m station spacing.

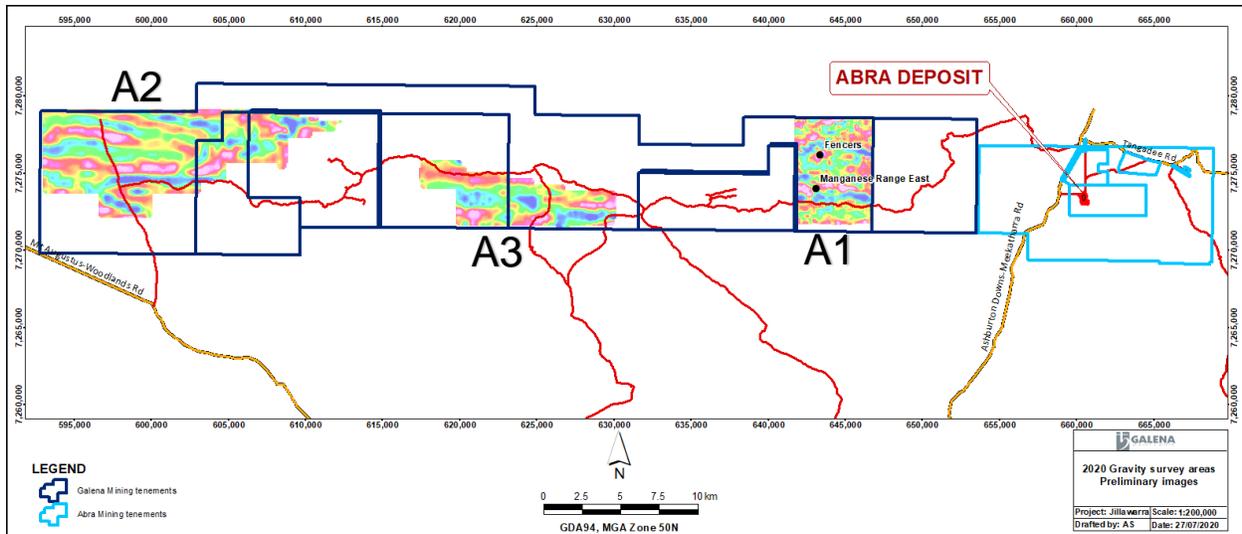


Figure 5 Showing the areas targeted for the geophysical survey program completed at Jilawarra Project and the preliminary processed image.

The third area (A1) is located at the eastern end of the Jilawarra Project, where historical prospects, Fencers and Manganese Range East, were drilled in the past to investigate coincidental magnetic and gravity anomalies. The company expects to improve the understanding of the geophysical anomalies and with the current advances in technology, model the depth to the gravity and magnetic targets. Most drilling to date at Fencers and Manganese Range East are limited to less than 100 metres depth, with exception of one drill hole for 899 metres at Fencers (QDH1) and one drill hole for 210 metres at Manganese Range East (JLWA-78-36).

The interpretation of preliminary processed data is underway and has confirmed the gravity anomalies associated to Fencers and Manganese Range East Prospects. Drill targets will be defined after the data processing is complete and depth to gravity targets are estimated. Figure 6 shows the location of the coincident gravity and magnetic anomalies.

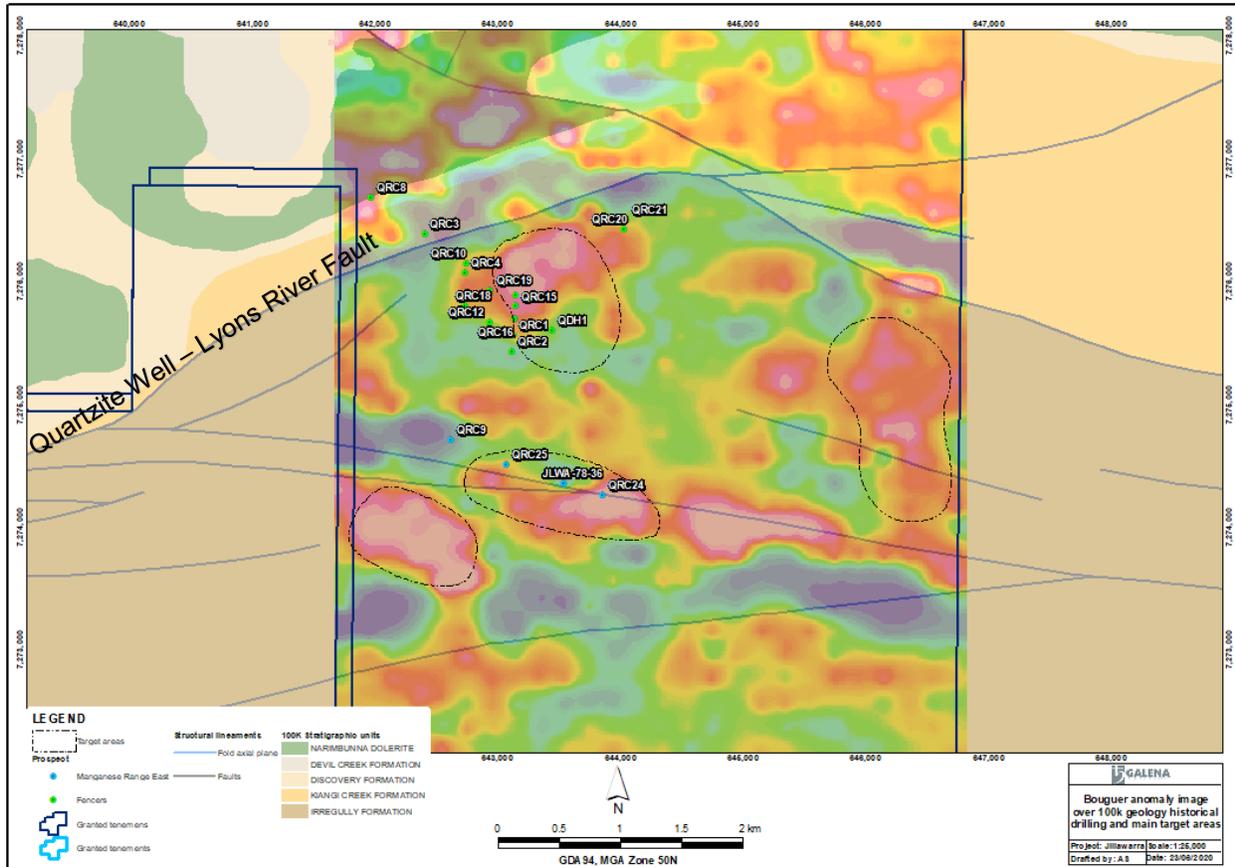


Figure 6. Preliminary processed Bouguer anomaly image of area A1 over the 100k geology map, with the location of all historical drill holes and main target areas (coincident gravity and magnetic anomalies) identified by the black dashed polygons

Other gravity anomalies have also been identified within areas A2 and A3, the association of these anomalies to stratigraphic units and/or economic mineral concentration will be investigated.

CORPORATE

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 \$220k 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.

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 \$9.1 million in cash comprised of cash at bank and term deposit balances. Subsequent to Quarter-end, Galena successfully raised an additional \$12.0 million via the placement of 57,150,000 new shares at an issue price of \$0.21 per share (see *Galena ASX announcement of 8 July 2020*).

Outlook

To date, A\$20.0 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.

Galena is now working to conclude the recently announced Taurus Funds Management project financing debt facilities including meeting the conditions to drawdown. Once the facilities are concluded, the Company expects to move to the final procurement and construction phase at Abra.

Upcoming value-adding Abra and corporate milestone workstreams include:

- Commencement of additional drilling at Abra
- Conclusion of Taurus Funds Management project financing debt facilities
- Commencement of plant procurement and construction under the EPC contract
- Mobilisation of the underground mining contractor

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 a 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	100	100
<u>Tenements owned by Galena's 86.16%-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

* Pending renewal

About Abra Base Metals Project

86.16% 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")

30 June 2020

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		
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(10)	(4,198)
(b) development	(10,312)	(24,098)
(c) production		
(d) staff costs	(76)	(233)
(e) administration and corporate costs	(78)	(1,285)
1.3 Dividends received (see note 3)		
1.4 Interest received	11	347
1.5 Interest and other costs of finance paid	(36)	(434)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	-	(1,600)
1.9 Net cash from / (used in) operating activities	(10,501)	(31,501)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(322)	(322)
(d) exploration & evaluation (if capitalised)		
(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) investments	-	11,600
	(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	(322)	11,278

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	363	1,299
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
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	363	1,299

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	19,513	27,977
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(10,501)	(31,501)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(322)	11,278
4.4	Net cash from / (used in) financing activities (item 3.10 above)	363	1,299

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	9,053	9,053

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	9,023	11,479
5.2	Call deposits	30	8,034
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)	9,053	19,513

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**

220

-

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		
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(10,501)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(10,501)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	9,053
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	9,053
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.87
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 is yet to proceed to the main procurement and construction stage at its Abra Base Metals Project and as such it expects its cash expenditure will reduce until such time as the project financing debt process is complete.	
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: Yes, after the quarter the Company successfully raised A\$12 million through a share placement with settlement occurring on 16 July 2020.	
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, following completion of the A\$12 million share placement the Company has sufficient cash available to continue its operations and to meet its business objectives.	

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: 31 July 2020

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.