

**ASX ANNOUNCEMENT**

**4 August 2020**

**ASX: G1A**

**GALENA COMMENCES DRILLING AT ABRA**

**GALENA MINING LTD.** (“Galena” or the “Company”) (**ASX: G1A**) announces that Abra Mining Pty Limited (“**AMPL**”), the joint-venture company for the Abra Base Metals Project (“**Abra**” or the “**Project**”) has commenced a substantial drilling program at Abra.



**Figure 1. DDH1 drill rig No 9 at Abra site on the commencement of drilling on 3 August 2020**

The drilling program, consisting of approximately 15,000 metres to 18,000 metres of diamond core drilling has commenced with one drill rig, which will be supplemented by two additional drill rigs arriving within the next two to three weeks. The newly commenced drilling program has three objectives.

- (i) Lead-silver orebody infill drilling – Some infill drilling that had previously been planned to take place from underground once the decline was in place has been pulled forward into this program. This aims to further tighten the drill-hole spacing over the first four years of proposed production to 20 by 20 metres and up to 30 by 30 metres or better, compared with a more variable drilling density of up to 40 by 40 metres and up to 60 by 60 metres in that area today.
- (ii) Drilling into selected lead-silver ‘metal rich’ zones – Some drill-holes will be targeted into selected areas within the Abra lead-silver mineralisation where higher concentrations of metal (in both grade and thickness) were projected from previous drilling campaigns.
- (iii) Gold-copper exploration – Some of the drilling is expected to target the newly interpreted gold and copper drilling targets to the south and south east of the lead-silver mineralisation and at depth (see *Galena ASX announcement of 29 June 2020*).

The first two of the drilling program objectives will be used to optimise mine planning. The AMPL team has been investigating potential Project optimisations, the most material of which are: a redesign of the primary decline and capital infrastructure to shorten the current life of mine’s capital development metres by 20-25%; and the potential to plan for larger transverse stoping in certain metal-rich sweet spots. In addition, the first objective of the drilling program aims to meet the condition to drawing US\$70 million of the US\$100 million Taurus Project Finance Facility (see *Galena ASX announcement of 29 July 2020*).

The gold and copper exploration will come towards the end of the drilling given the more time critical nature of the first two objectives. However, the Company is extremely excited to test this potential with this program.

First assays are expected to be received in September.

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

## 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.

## 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%.<sup>1</sup>

*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<sup>1, 2</sup>

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

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

