For personal use only

ASX ANNOUNCEMENT

29 October 2020 **ASX: G1A**

ACTIVITIES REPORT FOR QUARTER ENDED 30 SEPTEMBER 2020

HIGHLIGHTS:

- **2020 Abra Drilling Program was commenced and substantially progressed**
- **Subsequent to Quarter-end, first assays were received including the best high-grade lead-silver drill-hole ever at Abra, hole AB147, which included:**
    - **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**
- **Agreed terms for US$110M in Taurus Funds Management debt facilities for the development of Abra Base Metals Project:**
    - **US$100M term loan; and**
    - **US$10M cost overrun facility**
- **Successfully completed oversubscribed placement to raise A$12M**
- **Project development works remain 12% complete**

GALENA MINING LTD. ("**Galena**" or the "**Company**") **(ASX: G1A)** reports on its activities for the quarter ending 30 September 2020 (the "**Quarter**"), largely focused on advancing its 85.31%-owned Abra Base Metals Project ("**Abra**" or the "**Project**") located in the Gascoyne region of Western Australia.

ABRA BASE METALS PROJECT (85.31%)

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 85.31% 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.

For personal use only

Project construction / development

During the Quarter, new construction tasks at Abra were not initiated pending completion of project financing debt arrangements.

Abra Base Metals Project construction / development progress to completion[1]	
Progress within the Quarter	Total cumulative progress as at Quarter-end
–	12%

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

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.

Safety and environment

During the Quarter, 16,317 employee and contractor work hours were recorded at Abra. One recordable injury was reported regarding a drilling contractor employee.

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.

The 2020 Abra Drilling Program initially started with one drill-rig and then ramped-up during the Quarter to three drill-rigs. As at the end of the Quarter 17 drill-holes had been completed for a cumulative 8,028 metres. However, no assays had been received. Assays were slower to be received than for past programs due to capacity issues with sample logistics operators and lab backlogs.

Subsequent to the Quarter-end, the Company announced assays for the first five holes drilled during the Quarter. The assays received included the best high-grade lead-silver drill-hole ever at Abra based on combined cumulative thickness and grade, drill-hole AB147, which included:

- 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.

The location of the holes and significant intersections reported are graphically represented in Figure 1 and Figure 2 (below).

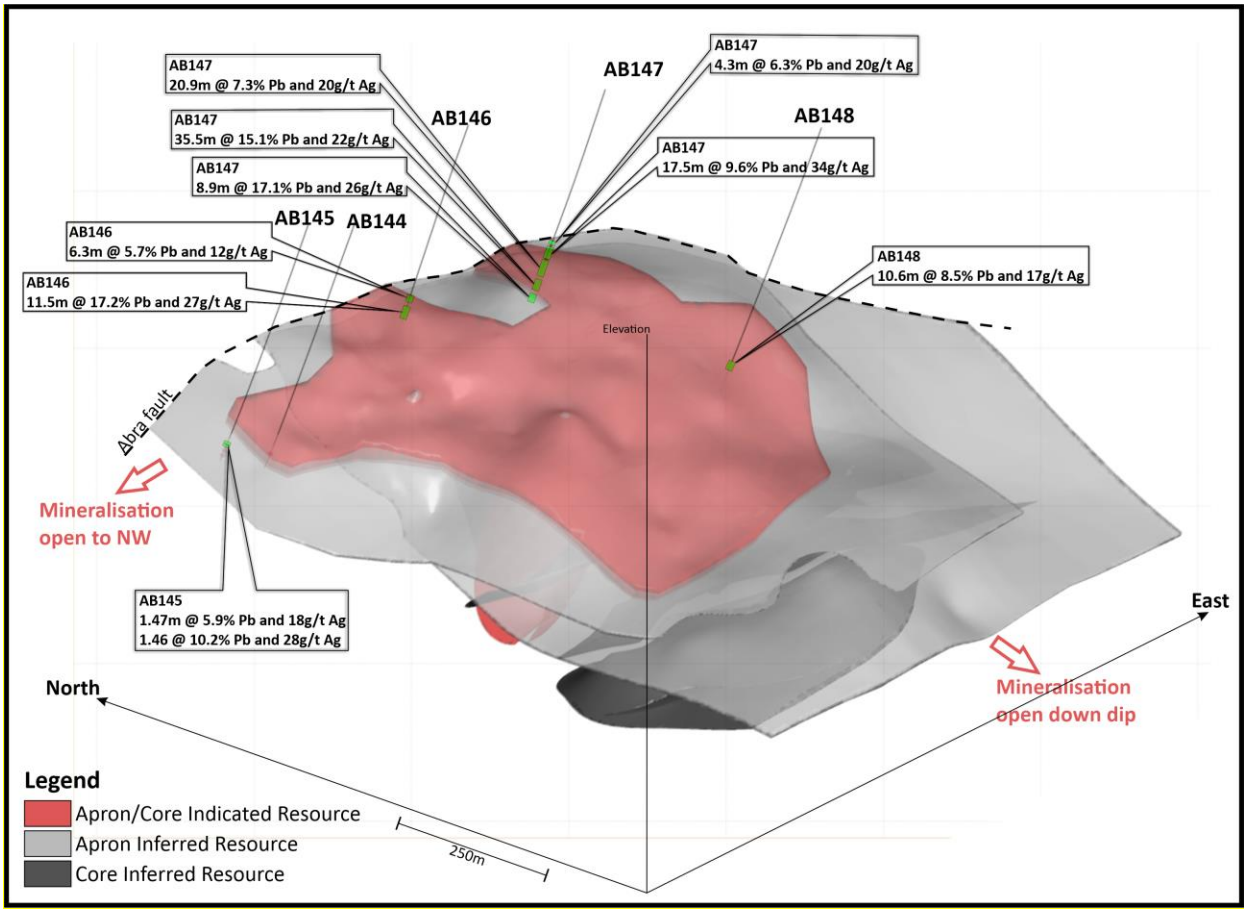


Figure 1. 3D model of October 2019 Resource (5% lead cut-off wireframes) looking obliquely northeast, with new drill-holes AB144 to AB148, showing significant mineralised intersections.

For personal use only

For personal use only

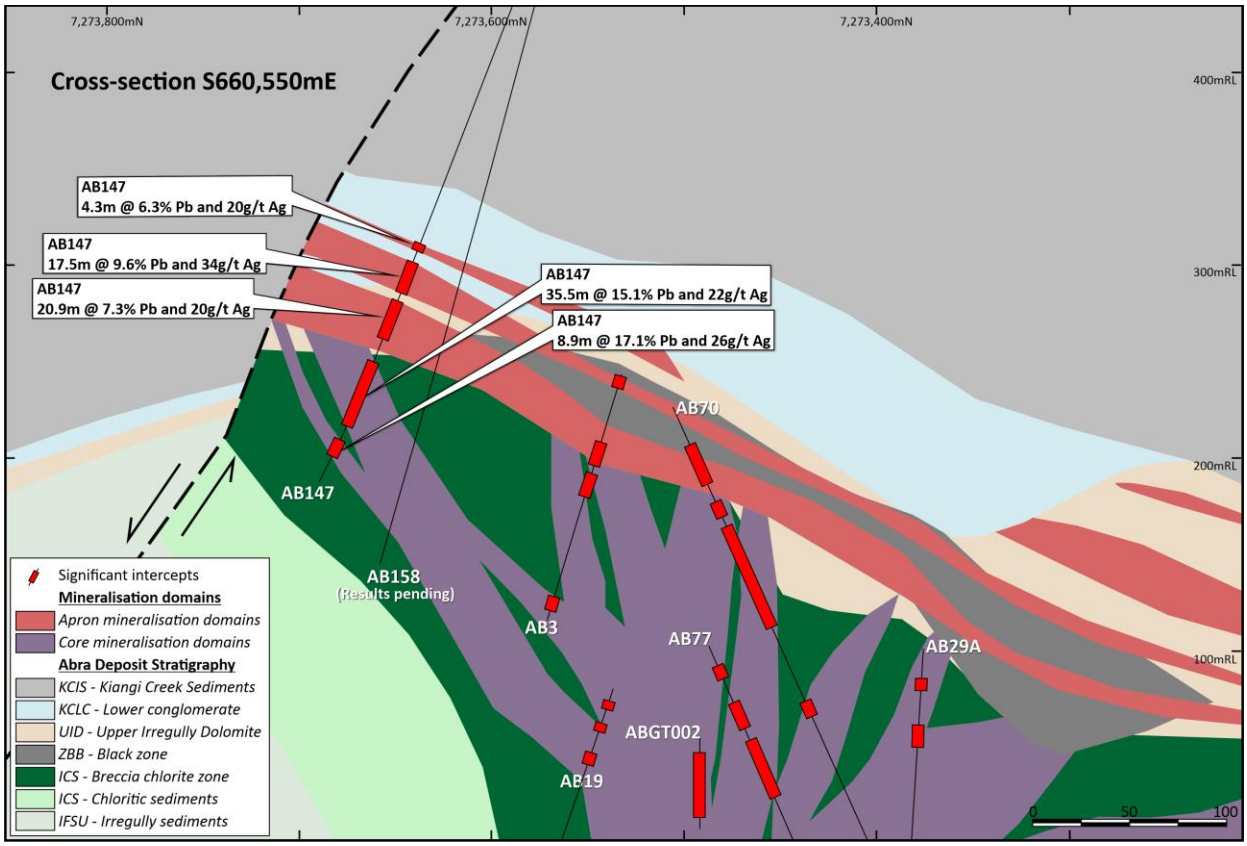


Figure 2: Schematic cross-section of geological interpretation around drill-hole AB147 (looking east).

Drill-holes AB146, AB147 and AB148 provided the following significant mineralised intersections:

- AB146
  - 6.3m at 5.7% lead and 12g/t silver from 279.5m; and
  - 11.5m at 17.2% lead and 27g/t silver from 302.6m
- AB147
  - 4.3m at 6.3% lead and 20g/t silver from 255.9m;
  - 17.5m at 9.6% lead and 34g/t silver from 266.2m;
  - 15.8m at 9.6% lead, 4.49% zinc, and 32g/t silver from 280m;
  - 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
- AB148
  - 10.6m at 8.5% lead and 17g/t silver from 396.5m

There were no significant intersections to report from AB144 and AB145. These holes were on the north eastern margin of the Apron Zone on the flanks of the proposed mining areas. AB144 intersected 0.4m at 7.5% lead and 43g/t silver from 396.2m and AB145 intersected 1.5m at 5.9% lead and 18g/t silver from 376.3m and 1.5m at 10.2%Pb and 28g/t Ag from 381.7m. Despite being at the flanks of proposed mining areas, these holes provide encouragement that mineralisation remains open to the west.

For personal use only

Drill-hole AB147 encountered a number of outstanding significant intersections reaching a combined down-hole thickness of 86.1 metres. Based on combined cumulative thickness and grades, it's the best high-grade lead-silver drill-hole in Abra's history. Importantly, AB147 was one of the holes targeting a prospective 'metal rich' zone not currently in the early years of the mine plan, in this case a relatively shallow zone on the north-eastern limb of the Indicated portion of Abra's Mineral Resource (see Figure 1 above). The drill-hole indicates 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 inclusion in the early years of the mine plan as an optimisation. Based on the success of drill-hole AB147, an additional seven drill-holes were added to the 2020 Abra Drilling Program in that area and its currently likely the overall program could exceed 22,000 metres.

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 A$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 – 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; and A$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%).
- 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 A$7.75 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

On 29 July 2020, Galena announced US$110 million in proposed 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% and commitment fee of 2.0% on undrawn amounts.
- No mandatory hedging.
- Early repayment allowed without penalty.

For personal use only

- US$30 million drawable until the previously announced infill drilling is complete. 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.

During the Quarter, the parties continued to progress finalisation of the Taurus Debt Facilities and conclusion of the conditions precedent.

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 five granted Exploration Licences, being: E52/1413; E52/3575; E52/3630; E52/3581; and E52/3823.

During the quarter, the Company concluded a downhole electromagnetic survey program over one diamond drill-hole drilled at Quartzite Well Manganese Range ("**QWMR**") Prospect in 2019 targeting the identification of potential conductive bodies within the vicinity of the drill-hole. Due to the high concentration of magnetite within some of the stratigraphic horizons, the quality of the data acquired was compromised and no significant conductive targets were identified. Despite the inconclusive results with the downhole electromagnetic survey, QWMR Prospect remains a significant exploration target due to its magnetic and gravity signature, and nearby lead, silver, zinc and copper mineralisation at Quartzite Well Prospect.

Also, during the Quarter, Resource Potentials Pty Ltd, a geophysical consulting company, delivered the final data for the gravity survey completed across four Jillawarra Project tenements in the prior quarter, where the regional gravity data was merged into the new gravity data.

CORPORATE

A$12 million placement

On 8 July 2020 the Company announced the successful completion of a placement to raise A$12 million to continue progress on the Abra Base Metals Project. 57,150,000 new Galena shares were issued at a placement price of $0.21 per share.

The placement was significantly oversubscribed and well supported by existing and new investors including high-quality institutional investors. The Company's largest shareholder and strategic investor Mr Timothy Andrew Roberts, subscribed for 11,150,000 placement shares to maintain his pro-rata shareholding at approximately 20%.

For personal use only

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$166k 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, the Company has subsequently progressed 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$20.2 million in cash comprised of cash at bank and term deposit balances.

Outlook

To date, approximately A$23 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:

- Continuation of the 2020 Abra Drilling Program and assays
- 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.

For personal use only

For personal use only

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.

For personal use only

Appendix 1 – Tenement information as required by Listing Rule 5.3.3

Country	Location	Project	Tenement	Change in Holding (%)	Current Interest (%)
Tenements owned by Galena or wholly-owned subsidiaries:					
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
Tenements owned by Galena's 85.31%-owned subsidiary Abra Mining Pty Limited:					
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*

For personal use only

About Abra Base Metals Project

85.31% 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.

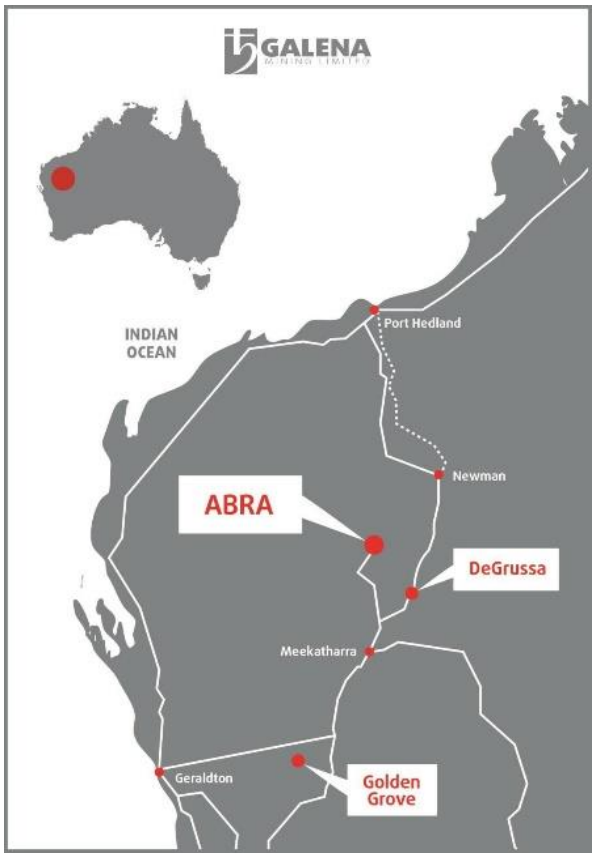
Abra JORC Mineral Resource estimate[1, 2]

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.

For personal use only

Abra location



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

For personal use only

Name of entity	
Galena Mining Limited	
ABN	**Quarter ended ("current quarter")**
63 616 317 778	30 September 2020

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(1,088)	(1,088)
	(b) development	(1,616)	(1,616)
	(c) production	-	-
	(d) staff costs (excludes direct exploration and development costs	(68)	(68)
	(e) administration and corporate costs	(157)	(157)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	28	28
1.5	Interest and other costs of finance paid	(9)	(9)
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**	**(2,910)**	**(2,910)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

For personal use only

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	2,800	2,800
	(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**	**2,800**	**2,800**

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

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	9,053	9,053
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,910)	(2,910)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	2,800	2,800
4.4	Net cash from / (used in) financing activities (item 3.10 above)	11,254	11,254

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**20,197**	**20,197**

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	20,167	9,023
5.2	Call deposits	30	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)**	**20,197**	**9,053**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	166
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

For personal use only

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
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)	(2,910)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(2,910)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	20,197
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	20,197
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	6.94

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:

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:

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:

For personal use only

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: 29 October 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.

For personal use only