

ASX ANNOUNCEMENT**9 September 2021****ASX: G1A****ABRA DEVELOPMENT WORKS RAMPING UP WITH MAJOR CONTRACTS
FINALISED****HIGHLIGHTS:**

- **Underground mining contract finalised with Byrnecut with mobilisation in the second half of September 2021**
- **Plant construction contract with GR Engineering Services Limited (ASX: GNG) in full implementation, with key long lead items ordered, FEED completed and the final detailed engineering at 15%**
- **Red Dust Holdings have commenced site bulk earthworks associated with aerodrome, TSF and plant and infrastructure pads**

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 finalised significant contracts in relation to the development of the Abra lead-silver Project. Figure 1 shows Galena, Byrnecut and GRES executives inspecting the new Abra underground Jumbo supplied by Sandvik.

Managing Director, Tony James commented, *“A major milestone has been achieved at Abra with the finalisation of the underground mining contract with Byrnecut and the implementation of the process plant EPC with GR Engineering Services. Both companies have been very strong supporters of the project over a long period of time and its very rewarding for everyone to see the work starting on the ground.*

The Byrnecut mining contract is for 4 years, with the remainder of this year and the majority of next year focussed on gaining access to the orebody, 230m below surface. During this time the mine is effectively a “single heading” decline and the manning requirements for that period are far lower than when the mine reaches commercial ore production in 2023. The actual mining work is expected to commence in the coming weeks. Equipment and labour have been sourced and are ready for mobilisation in the second half of September.



Figure 1 – Byrnegut takes delivery of new Sandvik Underground Equipment for Abra. From left to right, Adrian Byass (Galena/AMPL Chairman), Steve Coughlan (Byrnegut Group Executive Chairman), Tony James (Galena/AMPL Managing Director/CEO), Geoff Jones (GR Engineering Services Managing Director) and Craig Barnes (Galena/AMPL CFO) inspect the new Abra Underground Jumbo prior to mobilisation to site

The plant EPC contract awarded to GR Engineering Services has commenced on several key areas including the ordering of key long lead items. From an engineering, equipment, and manning perspective the timing of the Abra plant construction is ideal with the pending completion of three other projects GR Engineering Services have been working on in 2021.

Red Dust Holdings are doing the bulk earthworks associated with the aerodrome, TSF and plant site and this work has already commenced and is progressing quickly with the expectation it will be completed by December 2021”.

Abra Underground Mining Contract

AMPL and Byrnegut Australia Pty Ltd (“**Byrnegut**”) have finalised the Abra Underground Mining Services Contract and work will commence on the portal and decline development in the coming weeks. Byrnegut have been working closely with AMPL since the original tender in early 2020. The equipment was ordered last year, and manning/resources have been a part of the Byrnegut budget and planning forecasts since 2020. The first 15-months of the contract is focussed on establishing the primary decline down to the orebody in time for commissioning of Abra’s processing plant in early 2023.

ByrneCut currently has 12 active underground contracts in Western Australia with a total workforce of over 2,300 employees. During the first 12-months, the ByrneCut workforce required at Abra will be between 30-40 employees and the initial start-up employees have been placed and will be ready for the commencement of work in the coming weeks.

The new mining equipment has also arrived in Perth and currently in pre-delivery preparation for mobilisation to site. Site infrastructure including the temporary underground power station is currently being installed.



Figure 2 – ByrneCut Underground Mining Equipment being prepared for mobilisation to Abra

Abra EPC-GMP Plant Construction

GR Engineering Services Limited (“**GR Engineering Services**” or “**GRES**”) was awarded the Abra processing plant engineering, procurement and construction (“**EPC**”) contract in February 2020 under a guaranteed maximum price (“**GMP**”) arrangement (see *Galena ASX announcement of 10 February 2020*), subject to conclusion of full Project funding. Following conclusion of project financing debt, the GRES contract has now progressed to the implementation phase. At the start of August, \$9M of key long lead-time items were ordered (see *Galena announcement 11 August 2021*). With front end engineering and design (FEED) completed, the detailed engineering phase has reached 15% .

Galena has had a close working relationship with GRES commencing back in the feasibility stages of the Project right through to the finalisation of the EPC-GMP contract with both a technical and engineering involvement.

From an engineering, manning and resourcing perspective, the timing of the Abra project fits in well with the other project work that GRES has been doing in 2021. GRES has completed or are currently working on 6 separate projects with an average workforce of over 400 employees. The expected completion of the Deflector, Wiluna and Warrawoona projects will enable the Abra Project to be suitably resourced for engineering and construction.



Figure 3 – Plant design team meeting from left to right, Charlie Kempson (AMPL Commercial & Marketing Manager), Melanie Flynn (AMPL Processing Manager), Peter Yates (GRES Project Manager), Mario Steyn (AMPL Project Manager) and Matt Sala Tenna (GRES Senior Project Engineer)

Abra Site Bulk Earthworks

Red Dust Holdings Pty Ltd (“RDH” or “Red Dust Holdings”) commenced site bulk earthworks in September for the new aerodrome, tailings storage facility (“TSF”) and process plant infrastructure pads. The site bulk earthworks are scheduled to be completed in approximately 3 months. Figure 4 below shows work progressing on the new aerodrome. Whilst RDH’s work continues on the new aerodrome, the existing airstrip at Abra remains fully operational to facilitate access to site for personnel.



Figure 4 – RDH civil works associated with Abra airstrip construction (September 2021)

AMPL Management

Following on from his appointment as Galena Managing Director in June, Mr Anthony (Tony) James has now also been appointed to the dual role of AMPL Chief Executive Officer, replacing Mr Troy Flannery who has resigned from AMPL. The Company thanks Mr Flannery for his service during a formative period for the Project and the formation of the joint venture with Toho Zinc Co., Ltd. AMPL has also appointed a new Project Manager, Mr Mario Steyn.

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

For further information contact:

Galena Mining Ltd.

Anthony (Tony) James
Managing Director

About Abra Base Metals Project

60% 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 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	16.9	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.

Abra location

