For personal use only

ASX ANNOUNCEMENT

6 October 2021 **ASX: G1A**

GALENA COMMENCES UNDERGROUND MINING AT ABRA

GALENA MINING LTD. ("**Galena**" or the "**Company**") **(ASX: G1A)** announces that mining of the underground decline has commenced at its Abra Base Metals Project ("**Abra**" or the "**Project**").

Managing Director, Tony James commented, ***"Taking the first cut in the portal to start the underground decline at Abra is very exciting. This keeps us on track for first commercial production of our high-value, high-grade lead-silver concentrate at the start of 2023. It is also the historical beginning of mining in the very prospective Edmund Sedimentary Basin. Special appreciation is given to Byrnecut and the Abra team on site for the extremely professional approach taken to achieve the official commencement of underground mining at Abra"***



Figure 1 – Jumbo drilling and first cut taken in the Abra Decline

Byrnecut Australia Pty Ltd ("**Byrnecut**"), the mining contractor for Abra, commenced operations for the underground decline on Tuesday 5 October following the deployment of people and equipment to the mine site, and completion of final box-cut preparation works and services installation.

Primary decline works are expected to continue for approximately 14-months to gain access to the orebody and with their commencement on-time, the Abra Base Metals Project remains on-track for first commercial ore production at the start of 2023.

For personal use only

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

For further information contact:

Galena Mining Ltd.

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]

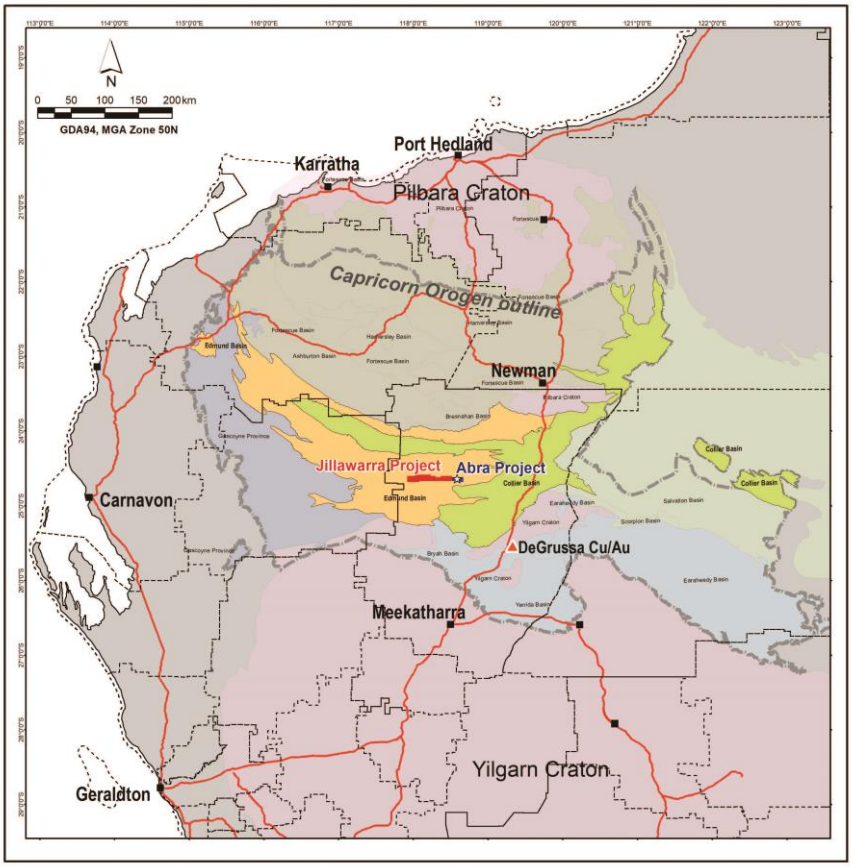
Note: 1. Information relating to the production target and financial information derived from the production target is extracted from the ASX announcement of 22 July 2019. Galena confirms that that all material assumptions underpinning the production target, or forecast financial information derived 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



For personal use only