



ASX ANNOUNCEMENT

30 June 2021

ASX: G1A

A\$40M ADDITIONAL TOHO INVESTMENT RECEIVED FOR GALENA'S 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 received a further A\$40 million cash investment from Toho Zinc Co., Ltd. ("**Toho**") and has issued additional shares to Toho's wholly-owned subsidiary CBH Western Australia Pty Ltd ("**CBHWA**") in accordance with the previously announced Investment Agreement (see *Galena ASX announcement of 12 April 2019*).

Managing Director, Tony James commented, "*Toho continues to be a very strong supporter of the Abra Project since joining Galena as our JV partner just over two years ago. With this very strong and supportive relationship we look forward to building the Abra mine and delivering our high-value, high-grade lead-silver concentrate to Japan and other international markets from Q1 2023.*"

The monies received represent the final A\$40 million investment sub-tranche of the overall A\$90 million investment into AMPL by Toho under the Investment Agreement. Based on the shares outstanding following Toho's latest investment, AMPL is now owned 60% by Galena and 40% by Toho. As per the terms of the Investment Agreement, Galena will continue to appoint the majority of directors to the AMPL board.

Having received the A\$40 million investment tranche from Toho and recently drawn US\$30 million of the Taurus Debt Facilities (see *Galena ASX announcement of 25 June 2021*), AMPL is in a robust financial position to continue project works at Abra, which are now accelerating quickly following the recent final investment decision (see *Galena ASX announcement of 15 June 2021*). The underground mining contractor is expected to commence decline development in the coming months and physical on-site plant construction is expected to commence in the 4th quarter of 2021 calendar year. First production of Abra's high-value, high-grade lead-silver concentrate is scheduled for the first quarter of 2023 calendar year.

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

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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

