ANNUAL REPORT 2022

GALENA
MINING LIMITED

ABN 63 616 317 778

CONTENTS

CORPORATE DIRECTORY

DIRECTORS

Mr Adrian Byass
Non-Executive Chairman

Mr Anthony James
Managing Director / Chief Executive Officer

Mr Alexander Molyneux
Non-Executive Director

Mr Stewart Howe
Non-Executive Director

Mr Neville Gardiner (appointed 20 October 2021)
Non-Executive Director

Mr Jonathan Downes (resigned 29 October 2021)
Non-Executive Director

COMPANY SECRETARY

Mr Stephen Brockhurst

CORPORATE OFFICE

Level 2, 1100 Hay Street, West Perth, WA 6005
PO Box 297, West Perth, WA 6872
Website: www.galenamining.com.au

REGISTERED OFFICE

Level 11, 216 St Georges Terrace, Perth WA 6000

SHARE REGISTRY

Automic Pty Ltd
Level 5, 191 St Georges Terrace, Perth WA 6000

AUDITORS

PKF Perth
Level 5, 35 Havelock Street, West Perth WA 6005

LEGAL ADVISORS

King & Wood Mallesons
Level 30, QV1 Building,
250 St Georges Terrace
Perth WA 6000

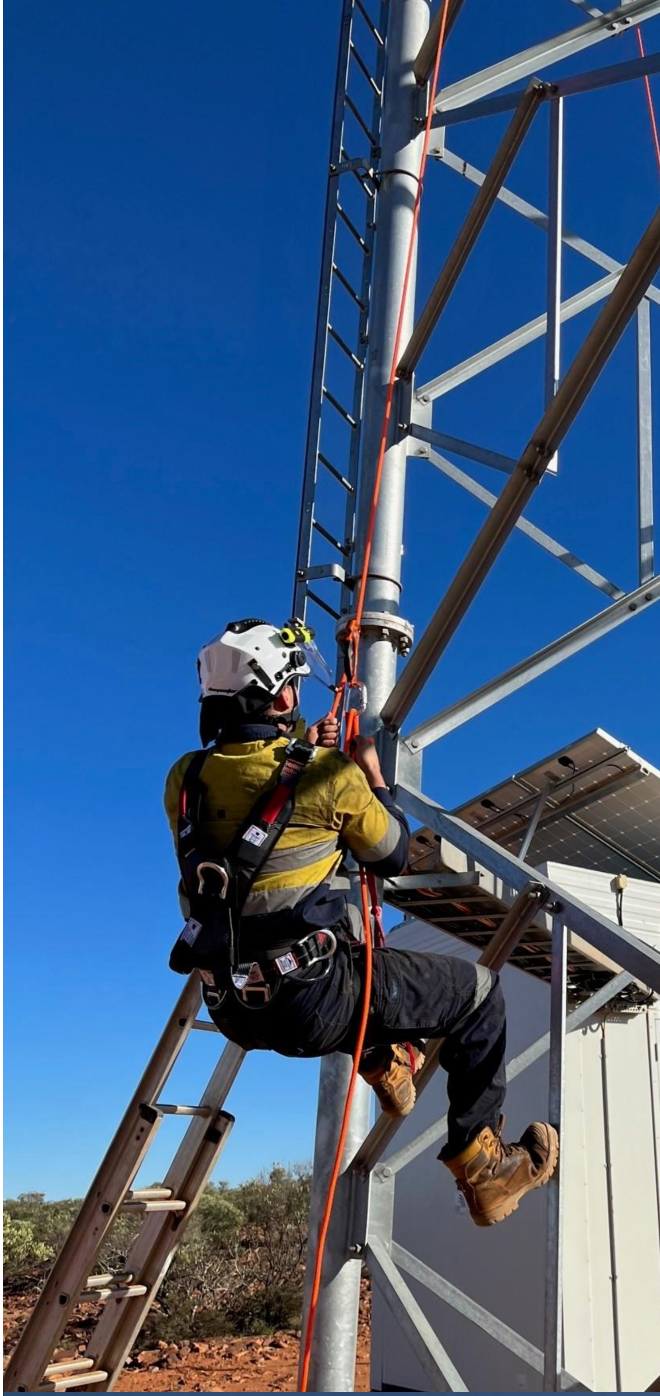
Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

STOCK EXCHANGE LISTING

ASX Code: **G1A**

COUNTRY OF INCORPORATION AND DOMICILE

Australia



DIRECTORS' REPORT

Your directors present the following report on Galena Mining Limited and its controlled entities ("**Galena**", the "**Company**" or "**Group**") for the year ended 30 June 2022.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Adrian Byass	Non-Executive Chairman
Anthony James	Managing Director / Chief Executive Officer
Alexander Molyneux	Non-Executive Director
Stewart Howe	Non-Executive Director
Neville Gardiner	Non-Executive Director (appointed 20 October 2021)
Jonathan Downes	Non-Executive Director (resigned 29 October 2021)

COMPANY SECRETARY

Stephen Brockhurst held office as Company Secretary since the start of the financial year until the date of this report.

COMMITTEE ROLES AND MEMBERSHIP

The role of the audit and risk committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. The role of the remuneration committee is to assist the Board in monitoring and reviewing any matters of significance affecting the remuneration of the Board and employees of the Company.

Members acting on the committees of the Board during the year are set out below.

Audit and Risk Committee	**Remuneration Committee**
Stewart Howe - Chairman	Neville Gardiner - Chairman
Neville Gardiner	Stewart Howe
Adrian Byass	Adrian Byass

PRINCIPAL ACTIVITIES

Since listing on the ASX on 7 September 2017 the Company has continued to focus on development works at the Abra Base Metals Mine ("**Abra**" or the "**Project**"), together with early-stage exploration works at Abra and other mineral prospects within the Group's portfolio.

OPERATING RESULTS

The Group incurred a loss for the financial year ended 30 June 2022 of $9,325,687 (2021: $3,903,440)**.**

A detailed operating review of the Group is set out on pages 17 to 22 of this report under the section entitled "**Review of Operations**".

FINANCIAL POSITION

As at 30 June 2022 the Group had a cash balance of $48,219,668 (2021: $96,195,562) and a net asset position of $126,668,961 (2021: $132,949,386).

DIVIDENDS PAID OR RECOMMENDED

No dividends have been paid, and the directors do not recommend the payment of a dividend for the financial year ended 30 June 2022.

CORPORATE GOVERNANCE STATEMENT

The Company has disclosed its corporate governance statement on the Company website at www.galenamining.com.au.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the directors, there were no other significant changes in the state of affairs of the Group that occurred during the year not otherwise disclosed in this report or in the financial report**.**

CORPORATE

As at the date of this report, the following shares and options were on issue.

Ordinary Shares	**No.**
Fully Paid Ordinary Shares	547,805,353
Options	
50 cents expiring on 26 March 2023	1,250,000
60 cents expiring on 26 March 2023	1,250,000
50 cents expiring on 17 April 2023	1,250,000
60 cents expiring on 17 April 2023	1,250,000
Performance Rights	
Performance rights expiring on 9 November 2023	9,000,000
Performance rights expiring on 13 August 2024	2,000,000
Performance rights expiring on 2 March 2027	7,500,000
Share Appreciation Rights	
17 cents expiring on 21 January 2024	1,145,000
24 cents expiring on 1 September 2025	1,400,000

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 26 July 2022, the Company accepted binding commitments for a placement of 137,200,000 new shares at an issue price of $0.125 to raise $17.2 million before costs. The proceeds are to provide Abra a funding buffer during the critical initial commissioning and ramp-up stages of the project. 71,400,000 of the shares issued under the placement will fall within the Company's 15% placement capacity under ASX listing Rule 7.1, with settlement occurring on 3 August 2022. The remaining 65,800,000 shares to be issued under the placement are subject to shareholder approval with the general meeting to be held on 13 September 2022.

The impact of the Coronavirus ("**COVID-19**") pandemic is ongoing and while it has not significantly impacted the consolidated entity up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. Several measures have been implemented to protect employees and contractors working on the Project, in line with recommended Government guidelines and procedures. Changes in Government guidelines and / or general business operability because of the ongoing COVID-19 pandemic have the potential to impact Abra and the Company. Such impacts could include (but are not limited to) delays to Project development initiatives and / or the incurring of extra costs.

No matter or circumstance has arisen since the end of the audited period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

INFORMATION ON DIRECTORS

The names of directors who held office during or since the end of the financial year until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Adrian Byass, BSc Geol Hons, B Econ, FSEG and MAIG
Non-Executive Chairman

Mr Byass has over 25 years' experience in the mining and minerals industry. This experience has principally been gained through evaluation and development of mining projects for a range of base, precious and specialty metals and bulk commodities. Due to his experience in resource estimation and professional association membership, Mr Byass is a competent person for reporting to the ASX for certain minerals. Mr Byass has also gained experience in corporate finance, capital raising, permitting and delivery of production-ready mining projects.

Mr Byass is a non-executive chairman of Kaiser Reef Limited (ASX: KAU), Infinity Lithium Corporation Limited (ASX: INF), and non-executive director of Sarama Resources Limited (ASX: SRR).

Interest in Shares and Options
- 12,550,000 fully paid ordinary shares
- 220,000 share appreciation rights exercisable at $0.17 expiring on 21 January 2024
- 135,000 share appreciation rights exercisable at $0.24 expiring on 1 September 2025

Anthony James, BEng (Min) AWASM, FAusIMM
Managing Director / Chief Executive Officer

Mr James has over 30 years' mine operating and project development experience predominantly in WA. He joined Galena on 15 October 2018 as a non-executive director before becoming Managing Director / Chief Executive Officer on 16 June 2021. Mr James has had previous experience at Managing Director level of three ASX listed companies with two of those companies successfully guided through a merger and takeover process to the benefit of the shareholders. He has strong mine operating background (examples being the Kanowna Belle Gold Mine and the Black Swan Nickel Mine) and a strong feasibility study / mine development background (examples being the Pillara Zinc/Lead Mine and the Trident/Higginsville Gold Mine).

Interest in Shares and Options
- 365,000 fully paid ordinary shares
- 220,000 share appreciation rights exercisable at $0.17 expiring on 21 January 2024
- 200,000 share appreciation rights exercisable at $0.24 expiring on 1 September 2025
- 7,500,000 performance rights which may convert into shares upon the achievement of various milestones

Alexander Molyneux, BEc, GradDipMinExplGeoSc
Non-Executive Director (previously an Executive Director until 30 June 2022)

Mr Molyneux is a metals and mining industry executive and financier with 20-years industry experience. He joined Galena on 1 September 2018.

Prior to Galena, Mr Molyneux was CEO of Paladin Energy Limited (ASX: PDN) (2015 – 2018) one of the world's largest uranium companies, where he optimised its operating business and completed a US$700M successful recapitalisation of the company and a re-listing on the ASX. Prior to that, Mr Molyneux spent approximately five-years with Ivanhoe Mines Group and Ivanhoe Energy in various leadership capacities including as CEO and Director of SouthGobi Resources Ltd. (TSX: SGQ) (2009 – 2012).

Mr Molyneux currently serves on a number of public company boards, including: Metalla Royalty & Streaming Ltd (TSX-V / NYSE: MTA), Tempus Resources Ltd (ASX: TMR, TSX-V: TMRR) and Comet Resources Ltd (ASX: CRL).

INFORMATION ON DIRECTORS *(continued)*

Prior to his mining industry executive and director roles, Mr Molyneux was Managing Director, Head of Metals and Mining Investment Banking, Asia Pacific for Citigroup. As a specialist resources investment banker, he spent approximately 10-years providing investment banking services to natural resources companies. Mr Molyneux holds a bachelor's degree in Economics from Monash University and a Graduate Diploma in Mineral Exploration and Geoscience from Curtin University (WA School of Mines).

Interest in Shares and Options

- 8,000,000 fully paid ordinary shares
- 9,000,000 contingent performance rights which may convert into shares upon the achievement of various milestones

Stewart Howe, BE (Chem), ME (Mining), MAppFin, FAICD, FAusIMM
Non-Executive Director

Mr Howe brings over 40 years' experience in the global resources industry including the last 20 years in mining. He spent 6 years as Chief Development Officer of Zinifex Limited, one of the world's largest miners and smelters of lead/zinc, where he directed the spin-off of Zinifex's smelters to create Nyrstar N.V. and restarted development of Dugald River Mine now owned by MMG.

During the past 14 years Mr Howe has provided advisory roles to boards, private equity and financiers related to restructuring and acquisition of mining assets in base metals and bulk commodities. Mr Howe is an experienced director, currently serving as an executive director of ASX-listed Kaiser Reef Limited (ASX: KAU) and chairing the board of Whittle Consulting Group.

Interest in Shares and Options

- 536,425 fully paid ordinary shares
- 135,000 share appreciation rights exercisable at $0.24 expiring on 1 September 2025

Neville Gardiner, BBus (Accounting & Business Law)
Non-Executive Director (appointed 20 October 2021)

Mr Gardiner has over 30 years' experience in advising private and public sector clients. In 2011 Neville was a founding partner of Torridon Partners, a leading independent corporate advisory firm based in Perth, Western Australia.

Neville joined the Deloitte Partnership on 1 November 2016 when the Torridon Partners team merged with Deloitte. His experience includes the five years to mid-2011 as Head of the Australian Natural Resources Team at Bank of America Merrill Lynch and nine years with Macquarie Bank including responsibility for its Western Australian Corporate Finance business and its Australian Oil and Gas Advisory business.

Prior to Macquarie, Neville specialised in Corporate Tax advice for eight years with Arthur Andersen. Neville's transaction experience details a strong history of public and private market mergers, acquisitions, divestments and company financing over an extensive period. This experience includes the natural resources, agricultural and energy sectors.

Interest in Shares and Options

- 100,000 fully paid ordinary shares

Jonathan Downes, BSc Geol, MAIG
Non-Executive Director (resigned 29 October 2021)

Mr Downes has over 25 years' experience in the minerals industry and has worked in various geological and corporate capacities. Experienced with nickel, gold and base metals, he has also been intimately involved with the exploration process through to production.

INFORMATION ON DIRECTORS *(continued)*

Mr Downes is on the board of several ASX-listed companies; he is currently an executive director of Kaiser Reef Limited (ASX: KAU) and is a non-executive director of Kingwest Limited (ASX: KWR) and Corazon Mining Limited (ASX: CZN).

Interest in Shares and Options - Balance as at the date of resignation.
- 14,762,950 fully paid ordinary shares
- 50,000 share appreciation rights exercisable at $0.17 expiring on 21 January 2024

INFORMATION ON OTHER MANAGEMENT

Troy Flannery BEng (Min), MAppFin, FCMMC
Chief Executive Officer of AMPL (resigned 20 August 2021)

Mr Flannery is a Mining Engineer with over 23 years' experience in the mining industry including 7 years in corporate and 16 years in senior mining engineering / project development roles. Mr Flannery has worked at numerous mining companies, mining consultancies & contractors (including BHP, Newcrest, Xstrata, St Barbara Mines & AMC Consultants). Prior to starting with Galena, Mr Flannery was employed as the Hanking Gold Group Technical Services Manager, he was part of the corporate team that sold SXO for A$330M to Minjar Gold in April 2017. SXO was acquired as a care and maintenance project for A$23M in 2013 from St Barbara Mines.

Craig Barnes BCom, BAcc (Hons), CA
Chief Financial Officer

Mr Barnes is a chartered accountant with more than 25 years' experience in senior finance and financial management within the mining industry and previously the financial services industry. Mr Barnes has considerable experience in project financing, mergers and acquisitions, joint ventures, treasury and implementation of accounting controls and systems. He joined Galena on 12 August 2019.

Before joining Galena, Mr Barnes held the position of Chief Financial Officer of Paladin Energy Limited (ASX: PDN) for more than 5 years and was part of the team that successfully completed the company's capital restructuring in 2018. Prior to that, he was the Chief Financial Officer of DRDGOLD Limited (NYSE and JSE: DRD) and its affiliated subsidiaries for more than 7 years where he played a key role in the successful transformation of the company from an underground miner with two ultra-deep underground operations into a profitable tailings retreatment business.

Stephen Brockhurst BCom
Company Secretary

Mr Brockhurst has 20 years' experience in the finance and corporate advisory industry and has been responsible for the preparation of the due diligence process and prospectuses on a number of initial public offers. His experience includes corporate and capital structuring, corporate advisory and company secretarial services, capital raising, ASX and ASIC compliance requirements.

Mr Brockhurst has served on the board and acted as Company Secretary for numerous ASX listed companies. He is currently a Director of Nelson Resources Limited (ASX: NES), Locksley Resources Limited (ASX: LKY) and Firetail Resources Limited (ASX: FTL) and Company Secretary of Kingwest Resources Limited, Kaiser Reef Limited, Kingfisher Mining Ltd, Heavy Minerals Limited, Estrella Resources Limited and Nelson Resources Limited.

REMUNERATION REPORT (AUDITED)

The remuneration report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for key management personnel ("**KMP**") who are defined as those persons having the authority and responsibility for planning and directing the major activities of the Company, directly and indirectly, including any director (whether executive or otherwise).

Remuneration Philosophy

The performance of the Company depends on the quality of the Company's Directors, executives and employees and therefore the Company must attract, motivate and retain appropriately qualified industry personnel.

Remuneration policy

Remuneration levels for the executives are competitively set to attract the most qualified and experienced candidates, taking into account prevailing market conditions and the individual's experience and qualifications.

The Remuneration and Nomination Committee is responsible for assisting the Board with determining and reviewing remuneration arrangements for the executive and non-executive Directors.

The remuneration of Non-Executive Directors is not dependent on the satisfaction of performance conditions. Remuneration and share based payments are issued to align Directors' interest with that of shareholders.

Non-Executive Directors Remuneration

All Non-Executive Directors are entitled to receive $67,500 per annum (exclusive of statutory superannuation) for their roles as Directors of the Company. The Chairman receives $100,000 per annum (exclusive of statutory superannuation).

The Company's Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting. Before a determination is made by the Company in a general meeting, the aggregate sum of fees payable by the Company to the Non-Executive Directors is a maximum of $500,000 per annum. Summary details of remuneration of the Non-Executive Directors are provided in the table below. The remuneration is not dependent on the satisfaction of a performance condition.

Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors. A Director may also be paid additional amounts as fees or as the Directors determine where a Director performs extra services or makes any special exertions, which in the option of the Directors are outside the scope of the ordinary duties of a Director.

Other Executives Remuneration

Mr Anthony James
Managing Director / Chief Executive Officer

Mr James' engagement terms are governed by an Executive Employment Agreement. The terms of agreement can be terminated by either party providing six months written notice. Mr James is entitled to receive a salary of $450,000 per annum (exclusive of statutory superannuation). Subject to shareholder, ASIC and ASX approval (as required), Mr James will be entitled to receive 7,500,000 performance rights, which will convert into shares upon the achievement of various milestones expiring five years from their grant date.

Mr Alexander Molyneux
Non-Executive Director (previously an Executive Director until 30 June 2022)

Mr Molyneux's engagement terms are governed by a Director Appointment Letter and a Consultant Appointment Letter. The consultant engagement can be terminated by either party providing three months written notice. Mr Molyneux is entitled to receive Director and Consulting Fees of US$10,000 per month. Mr Molyneux is also entitled to receive 16,500,000 performance rights, which will convert into shares upon the achievement of various milestones expiring on 9 November 2023.

REMUNERATION REPORT (AUDITED)

Mr Troy Flannery

Chief Executive Officer of AMPL (resigned 20 August 2021)

Mr Flannery's employment conditions were governed by an Executive Employment Agreement. The terms of agreement could be terminated by either party providing three months written notice. Mr Flannery was entitled to receive a salary of $310,000 per annum (exclusive of statutory superannuation) from 1 January 2021.

Mr Flannery was also entitled to receive a bonus on the delivery of a positive Pre-Feasibility Study on the Abra deposit delivered on time and on budget as defined in the Executive Employment Agreement. The bonus was payable upon the adoption of and ASX release of completion of the Pre-feasibility Study with a positive NPV and IRR, or determination of the Board to engage in a Feasibility Study on the Project based on the Pre-feasibility Study. The bonus amount was either $75,000 cash or $82,500 in shares based on a 14-day VWAP, at the election of Mr Flannery. The performance condition for the bonus was satisfied during the 2019 financial year and Mr Flannery received 458,333 fully paid ordinary shares in the Company at a VWAP per share of $0.18.

Mr Craig Barnes

Chief Financial Officer

Mr Barnes' employment conditions are governed by an Executive Employment Agreement. The terms of agreement can be terminated by either party providing three months written notice. Mr Barnes is entitled to receive a salary of $370,000 per annum (exclusive of statutory superannuation). Mr Barnes is also entitled to receive 2,000,000 performance rights, which will convert into shares upon the achievement of various milestones expiring on 13 August 2024.

REMUNERATION REPORT (AUDITED)

The remuneration for key management personnel of the Company during the 2022 and 2021 financial years was as follows:

		Short-term Benefits			Post-employment Benefits	Share-based Payments			
	Year	**Cash fees and salary $**	**STI payments $**	**Termination payments $**	**Super-annuation $**	**Options / Rights (vii) $**	**Total $**	**Share-based Payments as a percentage of Remuneration %**	**Performance Related %**
Non-Executive Directors									
Adrian Byass	**2022**	**95,000**	**-**	**-**	**-**	**-**	**95,000**	**-**	**-**
	2021	65,000	-	-	-	18,206	83,206	21.88	-
Neville Gardiner (i)	**2022**	**47,178**	**-**	**-**	**4,718**	**-**	**51,896**	**-**	**-**
	2021	-	-	-	-	-	-	-	-
Stewart Howe	**2022**	**60,221**	**-**	**-**	**6,022**	**-**	**66,243**	**-**	**-**
	2021	45,662	-	-	4,338	18,206	68,206	26.69	-
Jonathan Downes (ii)	**2022**	**15,221**	**-**	**-**	**1,522**	**-**	**16,743**	**-**	**-**
	2021	45,662	-	-	4,338	-	50,000	-	-
Timothy Morrison (iii)	**2022**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2021	25,002	-	-	-	-	25,002	-	-
Sub-Total Non-Executive Directors	**2022**	**217,620**	**-**	**-**	**12,262**	**-**	**229,882**		
	2021	181,326	-	-	8,676	36,412	226,414		
Executive Directors									
Anthony James (iv)	**2022**	**450,000**	-	-	**23,568**	**305,938**	**779,506**	**39.25**	**39.25**
	2021	268,669	-	-	5,938	26,971	301,578	8.94	-
Alexander Molyneux (v)	**2022**	**332,220**	**-**	**-**	**-**	**500,404**	**832,624**	**60.10**	**60.10**
	2021	321,472	-	-	-	634,185	955,657	66.36	66.36
Sub-Total Executive Directors	**2022**	**782,220**	**-**	**-**	**23,568**	**806,342**	**1,612,130**		
	2021	590,141	-	-	5,938	661,156	1,257,235		
Other KMP									
Troy Flannery (vi)	**2022**	**51,667**	**-**	**205,680**	**5,892**	**-**	**263,239**	**-**	**-**
	2021	310,000	-	-	21,694	121,372	453,066	26.79	-
Craig Barnes	**2022**	**360,000**	**-**	**-**	**23,568**	**187,920**	**571,488**	**32.88**	**32.88**
	2021	280,000	125,000	-	21,694	134,724	561,418	24.00	24.00
Sub-Total Other KMP	**2022**	**411,667**	**-**	**205,680**	**29,460**	**187,920**	**834,727**		
	2021	590,000	125,000	-	43,388	256,096	1,014,484		
TOTAL	**2022**	**1,411,507**	**-**	**205,680**	**65,290**	**994,262**	**2,676,739**		
	2021	1,361,467	125,000	-	58,002	953,664	2,498,133		

(i) Mr Gardiner was appointed as a Non-Executive Director on 20 October 2021.

(ii) Mr Downes resigned as a Non-Executive Director on 29 October 2021.

(iii) Mr Morrison resigned as a Non-Executive Director on 14 December 2020.

(iv) Mr James was appointed as Managing Director/Chief Operating Officer on 16 June 2021. Prior to this, Mr James was a Non-Executive Director and his remuneration included fees for additional services provided to the Abra Base Metals Project.

(v) Mr Molyneux was replaced by Mr James as Managing Director/Chief Operating Officer on 16 June 2021. Mr Molyneux will remain a Non-Executive Director with responsibility for corporate development initiatives and strategic relationships.

(vi) Mr Flannery resigned on 20 August 2021.

(vii) The fair value of options or rights were calculated at grant date using the Black-Scholes option pricing model and recognised over the vesting period. These amounts have not actually been paid during the year and the fair value is not related to or indicative of the benefit (if any) that key management personnel may ultimately receive.

REMUNERATION REPORT (AUDITED)

Options and Rights Over Equity Instruments Granted as Compensation

Details of options and rights over ordinary shares in the Company that were granted as compensation to key management personnel during the 2022 and 2021 financial years and details of options that have vested are as follows:

Director/Key Management Personnel	Number Granted	Grant Date	Fair Value	Exercise Price	Expiry Date	Number Vested
Troy Flannery	900,000	01/09/2020	$0.13	$0.24	01/09/2025	Nil
Craig Barnes	200,000	01/09/2020	$0.13	$0.24	01/09/2025	66,667
Anthony James	200,000	13/11/2020	$0.13	$0.24	01/09/2025	66,667
Adrian Byass	135,000	13/11/2020	$0.13	$0.24	01/09/2025	45,000
Stewart Howe	135,000	13/11/2020	$0.13	$0.24	01/09/2025	45,000
Anthony James	7,500,000	02/03/2022	$0.18	N/A	02/03/2027	Nil

KMP Shareholdings

The number of ordinary shares in Galena Mining Limited held by each KMP of the Company during the financial year is as follows:

30 June 2022	**Balance at beginning of period**	**Issued on exercise of options during the period**	**Other changes during the period**	**Balance at end of period**
Adrian Byass	12,550,000	-	-	12,550,000
Alexander Molyneux	7,700,000	-	300,000	8,000,000
Anthony James	115,000	-	250,000	365,000
Neville Gardiner (i)	-	-	100,000	100,000
Stewart Howe	536,425	-	-	536,425
Jonathan Downes (ii)	14,762,950	-	-	14,762,950
Troy Flannery (iii)	450,000	-	-	450,000
	36,114,375	**-**	**650,000**	**36,764,375**

(i) Mr Gardiner was appointed as a Non-Executive Director on 20 October 2021.

(ii) Mr Downes resigned as a Non-Executive Director on 29 October 2021. Balance of Mr Downes' holdings as at the date of resignation.

(iii) Mr Flannery resigned on 20 August 2021. Balance of Mr Flannery's holdings as at the date of resignation.

REMUNERATION REPORT (AUDITED)

KMP Share Appreciation Rights Holdings

The number of share appreciation rights held during the year by each KMP of the Company is as follows:

30 June 2022	Balance at beginning of period	Granted during the period	Exercised during the period	Other changes during the period	Balance at end of period	Vested during the period	Vested and exercisable	Vested and unexercisable
Adrian Byass	355,000	-	-	-	355,000	100,000	265,000	-
Anthony James	420,000	-	-	-	420,000	121,667	286,667	-
Stewart Howe	135,000	-	-	-	135,000	45,000	45,000	-
Jonathan Downes (i)	50,000	-	-	-	50,000	12,500	50,000	-
Troy Flannery (ii)	1,200,000	-	(300,000)	(900,000)	-	300,000	-	-
Craig Barnes	200,000	-	-	-	200,000	66,667	66,667	-
	2,360,000	**-**	**(300,000)**	**(900,000)**	**1,160,000**	**645,834**	**713,333**	**-**

(i) Mr Downes resigned as a Non-Executive Director on 29 October 2021. Balance of Mr Downes' holdings as at the date of resignation.

(ii) Mr Flannery resigned on 20 August 2021. Balance of Mr Flannery's holdings as at the date of resignation.

KMP Performance Rights Holdings

The number of performance rights held during the year by each KMP of the Company is as follows:

30 June 2022	Balance at beginning of period	Granted during the period	Exercised during the period	Other changes during the period	Balance at end of period	Vested during the period	Vested and exercisable	Vested and unexercisable
Alexander Molyneux	9,000,000	-	-	-	9,000,000	-	-	-
Anthony James	-	7,500,000	-	-	7,500,000	-	-	-
Craig Barnes	2,000,000	-	-	-	2,000,000	-	-	-
	11,000,000	**7,500,000**	**-**	**-**	**18,500,000**	**-**	**-**	**-**

End of Remuneration Report

MEETING OF DIRECTORS

During the period, 5 director's meetings were held. Attendance by each director during the period were as follows:

	Director's Meetings	
	Number eligible to attend	Director's meetings attended
Mr Adrian Byass	5	5
Mr Alexander Molyneux	5	5
Mr Anthony James	5	5
Mr Stewart Howe	5	5
Mr Neville Gardiner	3	3
Mr Jonathan Downes	2	2

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Further information, other than as disclosed in this report, about likely developments in the operations of the Company and the expected results of those operations in future periods has not been included in this report as disclosure of this information would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL ISSUES

The operations and proposed activities of the Group are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. In this regard, the Department of Minerals and Petroleum of Western Australia from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Group.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except when there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITORS

The Company has not, during the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial period, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

NON-AUDIT SERVICES

The Board of Directors are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

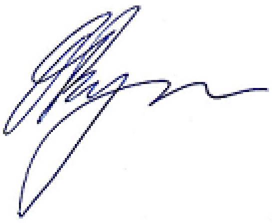
The following fees were paid out to PKF Perth for non-audit services provided during the year ended 30 June 2022:

-Taxation compliance services $27,500

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, PKF Perth, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 15 and forms part of this Directors' Report for the year ending 30 June 2022.

This report is signed in accordance with a resolution of the Board of Directors.



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Adrian Byass
Chairman

Dated this 24th day of August 2022

Advisory • Audit
Business Solutions

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF GALENA MINING LIMITED

In relation to our audit of the financial report of Galena Mining Limited for the year ended 30 June 2022, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth

PKF PERTH

SHANE CROSS
PARTNER

24 August 2022
WEST PERTH,
WESTERN AUSTRALIA

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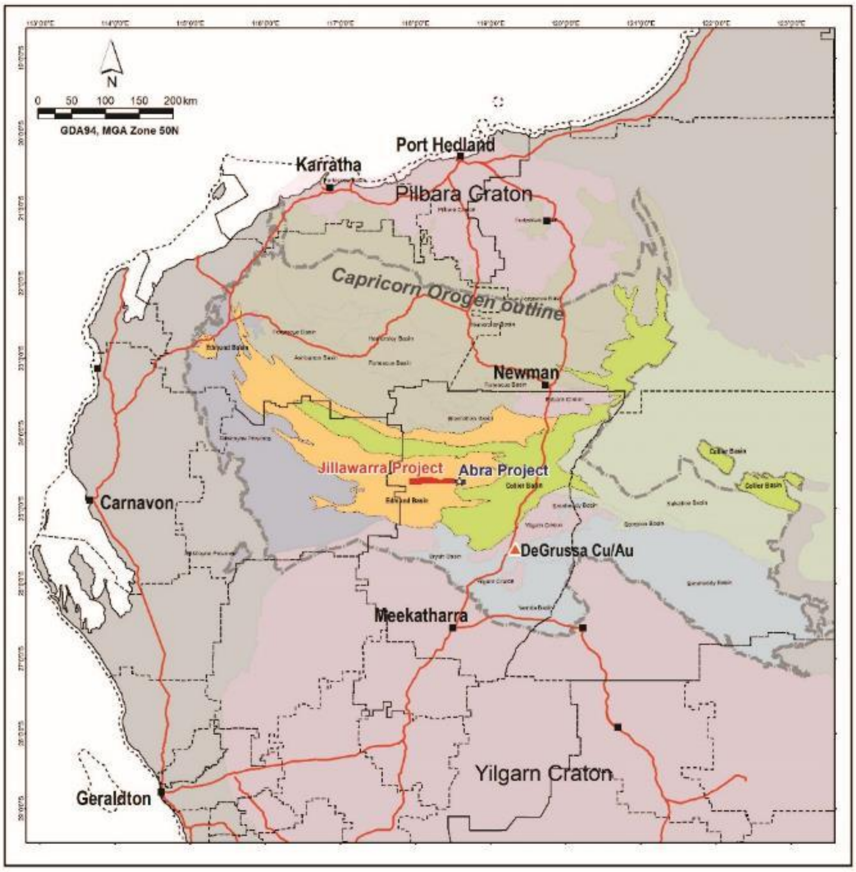
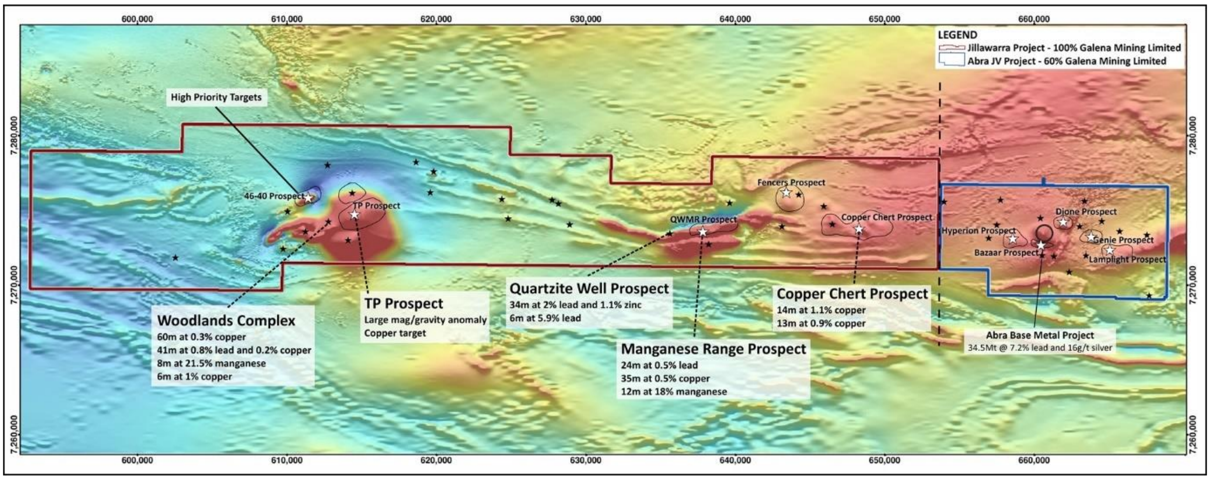
PO Box 609, West Perth, WA 6872
T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

For the financial year, the Company's focus remained the continued development of its Abra Base Metals Mine ("**Abra**" or the "**Project**"), which 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).



Map showing the Abra Project location.

Other than Abra, Galena holds a strategic package of exploration licences over the Jillawarra sub-basin that comprises an elongated tenement package covering approximately 60 kilometres continuous strike length directly to the west of Abra ("**Jillawarra Prospects**") and continues to undertake exploration there.



Magnetic and gravity anomaly map showing the Abra Project and Jillawarra Project tenements with drill hole results and targets.

ABRA BASE METALS MINE (60% GALENA OWNED)

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 AMPL, which as at 30 June 2022 was 60% owned by Galena, with the remaining 40% owned by Toho (pursuant to an Investment Agreement and Shareholders Agreement with Toho).

Abra is well located with the availability of key infrastructure and close access to water, public roads, existing mining operations and the towns of Meekatharra and Newman. Lead-silver concentrate will be transported by road to the port of Geraldton (or potentially Port Hedland) in the mid-west of Western Australia. Abra has received all the major approvals required for construction, mining and production. First production of its high-value, high-grade lead-silver concentrate is currently scheduled for the first quarter of 2023 calendar-year.

Project construction / development

During the financial year, Abra construction works continued, substantially increasing the construction works as the year progressed. At 31 July 2022 Abra was 78% complete. Abra construction works conducted during the financial year were comprised of site civil and earthworks, underground mine development, processing plant construction and ongoing front-end engineering design and procurement, including:

Geotechnical drilling – In July 2021, five drill-holes were completed for geotechnical assessment of the proposed raise bore locations for future underground ventilation requirements. In September 2021, a diamond drill hole was completed from the portal location down the axis of the first 250 metres of proposed decline development, geotechnical information from that hole was used to provide detailed information regarding expected ground conditions during the initial decline development phase.

Procurement of plant long lead-time items – In August 2021, the Company announced placement of significant orders for A$9 million of long lead-time items including the ball mill (CITIC HIC 2.5Mw 5.0m x 5.6m) and concentrate filter (Ishigaki fully automated horizontal batch pressure filter). An additional A$3 million of plant long lead-time procurement commitments were made, including crushers and flotation cells.

Underground Mining – On 5 October 2021 the mining contractor for Abra, Byrnecut Australia Pty Ltd ("**Byrnecut**") commenced operations associated with the development of the underground mine. As at 30 June 2022, total development reached 1,699 metres consisting of 1,155 metres of decline development and 544 metres of other lateral development. The decline reached 1,357mRL, 44 metres above the Abra orebody and 193 metres below the surface.

In June 2022, the Mine decline development was delayed for 12 days when the west decline intercepted an un-grouted diamond drill hole forcing an upgrade in the mine's dewatering capacity. During the delay the mine installed its primary ventilation fan on the surface and upgraded the underground power reticulation. Once this work was completed, the hole was plugged, and mining resumed. A revised mining plan has been completed and put in place to ensure that following this development delay, mining targets remain in line with the plant completion and commissioning timeframe.

The underground drilling at Abra commenced in June 2022 after the mobilisation of the first Swick Mining Services underground drill rig. A total of six drill holes were completed for 1,452 metres. These drill holes were designed to confirm the mineralisation grade and thickness within the mining stopes planned to be mined during the first half of the 2023 calendar year.

Processing plant and associated infrastructure works – On 5 November 2021, the Company announced that GR Engineering Services Ltd. ("**GR Engineering**"), the engineering, procurement, and construction ("**EPC**") contractor for Abra's processing plant had commenced on-site construction works with the installation of footings and concrete works ongoing. At 31 July 2022, the processing plant engineering, procurement and construction reached 85% completion. Actual on-site construction was approximately 78% complete, with the majority of concrete work completed and structural steel installation at 72% complete. Plant construction work is progressing into the mechanical, piping and electrical fit out stages.

Aerodrome and flight services – Construction was completed of Abra's new 1.8-kilometre aerodrome on 12 December 2021, which provides significantly improved site access and logistical capacity for the life of the Project, with the ability to land and handle small jets and turboprop aircraft with capacity of more than 70 seats. AMPL entered an air charter services contract with Cobham Aviation Services Australia Pty Ltd ("**Cobham**") and commenced regular air services between Perth and Abra utilising Cobham's modern 76-seat Q400 aircraft and Perth terminal facilities.

Paste-fill plant – In February 2022 and March 2022, the previously procured second-hand paste-fill plant was dismantled from its existing location at Higginsville Gold Mine, with some components transported to GR Engineering facilities in Perth for refurbishment and others transported directly to Abra site. The Paste-fill plant equipment refurbishment work has continued in Perth with structural steel surface coatings carried out on site.

Power plant – Pacific Energy Limited ("**Pacific Energy**" previously Contract Power) mobilised to Abra in February 2022 to commence construction of the 10MW natural gas fired power station and integrated 6MW solar array. At 30 June 2022 all of the 16,000 solar panels and the engine hall were installed.

Safety and environment

During the financial year, 374,008 employee and contractor work hours were recorded at Abra. During this time Abra had six Restricted Work Injuries:

- In October 2021, an underground employee received an eye injury.
- In November 2021, a surface construction worker fractured his wrist falling from a safety step.
- In January 2022, an underground contractor employee received a shoulder injury.
- In May 2022, a concreting supervisor received a laceration to his upper thigh where he slipped and fell against a protruding piece of formwork steel and he received some sutures to the wound.
- In June 2022, there were two hand injuries, one occurred in a contractor's workshop when a pump rotated out of the vice and squashed the fitters right ring finger. The other occurred when a shed installer was adjusting the tension on a roller door and they lost control of the tensioning tool, which spun around and struck their right hand. Both resulted in corrective medical surgeries in Perth.

There were three environmental reportable incidences or exceedances that were recorded during the financial year.

- One environmental incident was self-reported to the Department of Mines, Industry Regulation and Safety during February 2022 relating to over-clearing at the airstrip location due to approximately 30,000m^3 of reject material being stockpiled on that location during airstrip construction activities.
- Two other minor environmental incidents occurred because of a blown drum roller hydraulic hose and a contractor's portable toilet overflowing.

Heritage

The Nharnuwangga Wajarri and Ngarlawangga ("**NWN**") people are recognised as the traditional owners of the country where the Galena projects are located. The NWN people have granted Native Title for the area and the Jidi Jidi Aboriginal Corporation ("**JJAC**") is the group representing the NWN people.

Following Final Investment Decision ("**FID**"), JJAC received the first milestone payment of $200,000 in July 2021 and the second milestone payment of $250,000 was paid in November 2021 after the underground decline commenced. The first annual Environment, Contracting and Training payment of $30,000, which is CPI indexed, was paid in November 2021.

AMPL will continue to support the government funded Ranger program which covers the Collier Range National Park and other conservation estate reserves within the NWN granted Native Title area. We are continuing to provide accommodation for Ranger trainee field trips until such time that they establish their own base station facilities, most likely on the Mulgul pastoral lease. We have recently proposed that AMPL would purchase seed for rehabilitation collected by the Rangers from local native species. This may happen over the next few months if conditions allow. AMPL has also offered to integrate any water monitoring initiatives the Rangers wish to undertake into the monitoring program currently undertaken on the Abra mine site.

Abra JORC Mineral Resource Estimate

The April 2021 Mineral Resource Estimate ("**MRE**") was prepared following receipt of final assay results on completion of the 2020 Abra Drilling Program, which consisted of 57 diamond drill-holes (AB144 to AB200A) for a total of 24,834 cumulative metres of diamond core drilling. The MRE has been completed by a third-party specialist consultant, Optiro, which is independent of the Company.

The MRE was prepared assuming mining and processing can be economically undertaken using underground mining methods and conventional flotation processing which is supported by Feasibility Study work previously undertaken (*see Galena ASX announcement of 22 July 2019*).

The table below states the Abra April 2021 Resource at a 5.0% lead cut-off grade:

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.

Commercial initiatives in support of Abra development – Toho Transaction

In April 2019, the Company executed definitive agreements with Toho setting out the terms for Toho's investment of $90 million in 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 – $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 – $20 million was paid on initial closing of the transaction in April 2019; $10 million was paid in August 2019; and the remaining $60 million was received during the 2021 financial year after project financing debt for the Project was confirmed (with all tranches combined taking Toho's total ownership in AMPL to 40%).
- 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

In November 2020, Galena put in place US$110 million in finalised debt facilities arranged by Taurus Funds Management. The facilities include a US$100 million project finance facility ("**Facility A**") plus a US$10 million cost overrun or working capital facility ("**Facility B**") (see Galena ASX announcement of 12 November 2020).

Facility A 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% (already paid) and commitment fee of 2.0% on undrawn amounts.
- 1.125% net smelter return royalty.
- No mandatory hedging.
- Early repayment allowed without penalty.

Facility B 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 Facility B.

In June 2021, AMPL received the first drawdown under the Project Finance Facility in the amount of US$30 million. In January 2022, the second drawdown of US$35 million was received and in June 2022, the third drawdown of US$20 million was received leaving US$25 million undrawn under remaining facilities at the date of this report.

The Taurus Debt Facilities are secured against Abra Project assets and over the shares that each of Galena and Toho own in AMPL, and additional drawdowns remain subject to satisfaction of customary conditions precedent.

Near-Project exploration

During the financial year, the interpretation of the downhole electromagnetic survey completed along the diamond drill-hole AB195 at the Abra deposit was concluded with several conductive plates identified north and south of the surveyed drill-hole. These plates have been identified as potential exploration drill targets.

The Company also announced the identification and ranking of the top six priority exploration targets within the Abra joint venture outside of the Abra Base Metals Mine footprint. The targets are identified as Genie, Jasmine, Lamplight, Sultan, Ale, and Bazaar.

A diamond drill-hole (424 metre down-hole depth) was completed at the Jasmine prospect approximately 2 kilometres northeast of the main Abra deposit, targeting a significant gravity and magnetic anomaly. The assay results for the drill hole completed at Jasmine were reported with no significant lead mineralisation identified. Additional holes are required at Jasmine to fully explore the area's potential for Abra style mineralisation.

JILLAWARRA PROSPECTS (100% GALENA OWNED)

Galena's Jillawarra prospects consist of Woodlands, Manganese Range, Quartzite Well and Copper Chert, which comprise more than 60 kilometres of continuous strike to the west of Abra and reside within five granted Exploration Licences, being: E52/1413; E52/3575; E52/3581; E52/3630; and E52/3823.

During the financial year, the Company announced the conclusion of the target review and ranking of Jillawarra Project with the definition of seven high-priority targets: JHP31, 46-40, TP, Copper Chert, QWMR, Coolina and Fencers prospects.

In December 2021, the Company completed a reconnaissance diamond drilling program targeting three of its targets within the Woodlands Complex associated with the Jillawarra Project area. No base lead mineralisation above 5% over 4 metre intervals were defined, however a summary of the most significant intercepts is shown below.

- 3.3 m at 1.8% lead and 8g/t silver from 131.41 m in GWD004 (46-40 Prospect); and
- 2.4 m at 1.1% lead and 3g/t silver from 161 m in GWD004 (46-40 Prospect).

During the financial year, the Company completed an extensive electromagnetic survey across the Jillawarra Project comprising the exploration licences E52/3581, E52/3630, E52/3823, and E 52/1413.

The electromagnetic survey consisted of a versatile time-domain electromagnetic (VTEM™) Max system with Full-Waveform processing. Measurements consisted of Vertical (Z) and In-line Horizontal (X&Y) components of the EM fields using an induction coil and the aeromagnetic total field using a caesium magnetometer. The results of the interpretation of the VTEM data have shown a total of 15 VTEM target areas which were ranked according to their priority.

CORPORATE

A$17 million placement

On 26 July 2022, the Company accepted binding commitments for a placement of 137,200,000 new shares at an issue price of $0.125 per share ("**Placement Shares**"), to raise $17.2 million before costs ("**Placement**").

Proceeds from the Placement will be used to provide AMPL a temporary unsecured reserve facility ("**URF**"). The URF will be $30 million, contributed $18 million by Galena and $12 million by the Company's joint-venture partner Toho. The URF will be made available during the critical commissioning and initial ramp-up stages of the Abra mine, up until the Project Completion tests are satisfied under the Taurus Debt Facilities (anticipated to be 2H CY2023). Its purpose will be to provide a working capital and cost buffer for AMPL to draw in the event of unforeseen circumstances and costs such as weather-related road or port closures or other events. Any drawn amounts will become unsecured shareholder loans to AMPL whilst undrawn amounts will be returned to each of Galena and Toho in their respective 60:40 share.

71,400,000 of the shares issued under the Placement will fall within the Company's 15% placement capacity under ASX Listing Rule 7.1, with settlement occurring on Wednesday, 3 August 2022. The remaining 65,800,000 shares to be issued under the Placement are subject to shareholder approval with the general meeting to be held on 13 September 2022.

The Placement was significantly oversubscribed and well supported mainly by existing stakeholders. The Company's largest shareholder and strategic investor Mr Timothy Andrew Roberts, subscribed for 35,318,665 Placement Shares for ~A$4.41 million.

Taurus, the provider of the Taurus Debt Facilities to AMPL and a key stakeholder in the ongoing success of the Project, subscribed for 30,007,862 Placement Shares for ~A$3.75 million.

Impact of COVID-19

Abra is a fly-in-fly-out ("**FIFO**") site in the Gascoyne Region of Western Australia, with flights to site originating from Perth Airport in Perth. Several measures have been implemented to protect employees and contractors working on the Project, in line with recommended Government guidelines and procedures.

Current procedures include site access pre-screening with personnel/visitors taking rapid antigen tests ("**RAT**") prior to flights to Abra, together with recommended isolation procedures for those that are already on site, who receive non-negative RAT results. During the Quarter, 21 COVID-19 related isolations were required at Abra.

Changes in Government guidelines and / or general business operability because of the ongoing COVID-19 pandemic have the potential to impact Abra and the Company. Such impacts could include (but are not limited to) delays to Project development initiatives and / or the incurring of extra costs.

The board of Galena continues to monitor the evolving COVID-19 situation and how it might impact the Company's operations and strategy.

Competent Persons' Statement

The information in this report related to the Abra April 2021 Resource is based on work completed by Mr Angelo Scopel BSc (Geol), MAIG, a fulltime employee of Galena Mining and Mr Mark Drabble B.App.Sci. (Geology), MAIG, MAusIMM, Principal Consultant at Optiro Pty Ltd. Mr Scopel was responsible for data review and QAQC, and. Mr Drabble was responsible for the development of the geological model, resource estimation, classification and reporting. Mr Scopel and Mr Drabble have 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 and Mr Drabble consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.


AMBULANCE
LV04
AMBULANCE


CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue	7	194,774	516,035
Expenses			
Corporate and administration expenses		(664,172)	(894,018)
Depreciation and amortisation	11,18	(1,880,620)	(247,949)
Employee costs		(1,362,614)	(1,311,295)
Share-based payments	16	(994,262)	(1,079,083)
Exploration and evaluation expenditure		-	(62,056)
Foreign exchange loss		(4,553,563)	(647,241)
Loss before finance costs and income tax expense		**(9,260,457)**	**(3,725,607)**
Finance costs	18, 22	(65,230)	(177,833)
Loss before income tax		**(9,325,687)**	**(3,903,440)**
Income tax expense	8	-	-
Loss after income tax for the year		**(9,325,687)**	**(3,903,440)**
Other comprehensive income net of income tax		-	-
Total comprehensive loss for the year		**(9,325,687)**	**(3,903,440)**
Loss for the year attributable to:			
Non-controlling interest	4	(2,485,823)	(353,113)
Members of the parent		(6,839,864)	(3,550,327)
		(9,325,687)	**(3,903,440)**
Loss per share			
Basic and diluted loss per share (cents per share)	9	**(1.96)**	**(0.85)**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	2022 $	2021 $
ASSETS			
Current Assets			
Cash and cash equivalents	19	48,219,668	96,195,562
Trade and other receivables	20	1,469,987	104,095
Prepayments		1,539,883	223,671
Total current assets		**51,229,538**	**96,523,328**
Non-Current Assets			
Exploration and evaluation expenditure	10	8,788,294	6,648,789
Plant and equipment	11	201,266,119	65,301,696
Right-of-use assets	18	2,960,543	1,844,353
Total non-current assets		**213,014,956**	**73,794,838**
TOTAL ASSETS		**264,244,494**	**170,318,166**
LIABILITIES			
Current Liabilities			
Trade and other payables	21	17,780,287	2,227,960
Lease liabilities	18	812,824	769,745
Provisions	22	543,595	227,468
Total current liabilities		**19,136,706**	**3,225,173**
Non-Current Liabilities			
Lease liabilities	18	1,173,549	623,180
Provisions	22	3,863,356	1,667,882
Interest bearing loans and borrowings	14	113,401,922	31,852,545
Total non-current liabilities		**118,438,827**	**34,143,607**
TOTAL LIABILITIES		**137,575,533**	**37,368,780**
NET ASSETS		**126,668,961**	**132,949,386**
EQUITY			
Issued capital	15	48,287,278	48,006,327
Share-based payment reserve	16	1,905,922	1,657,270
Consolidation reserve		52,727,720	52,727,720
Accumulated losses		(20,890,227)	(14,566,022)
Parent interest		**82,030,693**	**87,825,295**
Non-controlling interest	4	44,638,268	45,124,091
TOTAL EQUITY		**126,668,961**	**132,949,386**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Note	Issued capital	Share-based payment reserve	Consolidation reserve	Accumulated losses	Non-controlling interest	Total
		$	$		$	$	$
Balance at 1 July 2020		34,854,887	1,248,187	26,071,954	(11,015,695)	4,932,970	**56,092,303**
Loss for the year		-	-	-	(3,550,327)	(353,113)	**(3,903,440)**
Other comprehensive income		-	-	-	-	-	**-**
Total comprehensive loss					**(3,550,327)**	**(353,113)**	**(3,903,440)**
Transactions with owners directly recorded in equity:							
Shares issued during the year		13,831,500	-	-	-	-	**13,831,500**
Share-based payments		-	409,083	-	-	-	**409,083**
Share issue costs		(680,060)	-	-	-	-	**(680,060)**
Partial disposal of interest in subsidiary (Note 4)		-	-	26,655,766	-	40,544,234	**67,200,000**
Balance at 30 June 2021		**48,006,327**	**1,657,270**	**52,727,720**	**(14,566,022)**	**45,124,091**	**132,949,386**
Balance at 1 July 2021		48,006,327	1,657,270	52,727,720	(14,566,022)	45,124,091	**132,949,386**
Loss for the year		-	-	-	(6,839,864)	(2,485,823)	**(9,325,687)**
Other comprehensive income		-	-	-	-	-	**-**
Total comprehensive loss					**(6,839,864)**	**(2,485,823)**	**(9,325,687)**
Transactions with owners directly recorded in equity:							
Shares issued during the year		280,951	(745,610)	-	515,659	-	**51,000**
Share-based payments		-	994,262	-	-	-	**994,262**
CBHWA share subscription		-	-	-	-	2,000,000	**2,000,000**
Balance at 30 June 2022		**48,287,278**	**1,905,922**	**52,727,720**	**(20,890,227)**	**44,638,268**	**126,668,961**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(6,517,781)	(1,481,064)
Other income		-	383,829
Interest received		194,774	132,206
Interest paid		-	(132,931)
Net cash used in operating activities	19	**(6,323,007)**	**(1,097,960)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(26,086,512)	(121,331)
Purchase of mine under construction		(85,520,739)	(14,439,458)
Exploration and evaluation expenditure		(2,123,022)	(8,232,028)
CBHWA share subscription in subsidiary		2,000,000	7,200,000
Proceeds from partial disposal of subsidiary		-	60,000,000
Net cash (used in) / provided by investing activities		**(111,730,273)**	**44,407,183**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		51,000	13,161,500
Transaction costs associated with issue of shares		-	(680,060)
Payments of lease liabilities		(1,051,344)	(501,393)
Proceeds from loans and borrowings		76,998,482	39,421,800
Borrowing costs paid		(5,920,752)	(7,569,255)
Net cash provided by financing activities		**70,077,386**	**43,832,592**
Net (decrease) / increase in cash held		(47,975,894)	87,141,815
Cash and cash equivalents at beginning of financial period		96,195,562	9,053,747
Cash and cash equivalents at end of financial period	19	**48,219,668**	**96,195,562**

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

CORPORATE INFORMATION AND BASIS OF PREPARATION

NOTE 1: CORPORATE INFORMATION

Galena Mining Limited is a for profit company incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange (ASX). The consolidated financial statements of Galena Mining Limited and its controlled entities (together referred to as "**Galena**", the "**Company**", the "**Group**" or the "**Consolidated Entity**") for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 24 August 2022.

The nature of the Group's operations and principal activities are described in the Director's report. Information on the Group structure is provided in Note 4. Information on other related party relationships of the Group is provided in Note 5.

NOTE 2: BASIS OF PREPARATION

The consolidated financial statements are a general purpose financial report, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement at fair value of financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period except for the adoption of the new standards and amendments which became mandatory for the first time this reporting period commencing 1 July 2021. The adoption of these standards and amendments did not result in a material adjustment to the amounts or disclosures in the current or prior year. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of Galena Mining Limited and its controlled entities as at 30 June 2022 (as outlined in Note 4).

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

NOTE 2: BASIS OF PREPARATION (*continued*)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consideration of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and
expenses of a subsidiary acquired or disposed of during the year and included in the statement of comprehensive income from the date the Group contains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of the other comprehensive income ("**OCI**") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to a transaction between members of the Group are eliminated in full on consolidation.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

b) Foreign currencies

The Group's consolidated financial statements are presented in Australian dollars, which is also the parent entity's functional currency and the Group's presentation currency.

Transactions in foreign currencies are initially recorded by each entity in the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. All differences are taken to the statement of profit or loss and other comprehensive income. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

c) Significant accounting adjustments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts at the date of the consolidated financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified a number of areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described and highlighted separately with the associated accounting policy note within the related note. If it does not relate to a specific note it is outlined below:

*i) Coronavirus ("**COVID-19**") pandemic*

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

d) Changes in accounting policies and disclosures

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("**AASB**") that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Group has yet to assess the impact of these new or amended Accounting Standards and Interpretations.

NOTE 2: BASIS OF PREPARATION (*continued*)

e) Changes in accounting policies and disclosures *(continued)*

The following Australian Accounting Standards that have recently been issued or amended but are not yet effective are relevant to the Group but have not been applied by the Group for the annual reporting period ending 30 June 2022:

AASB No.	Title	Application date of standard *	Application date for Group
AASB 2014-10	Amendments to AASs – Sale or Contributions of Assets between an Investor and its Associate or Joint Venture	1 January 2025	1 July 2025
AASB 2020-1	Amendments to AASs – Classification of Liabilities as Current or Non-current	1 January 2023	1 July 2023
AASB 2020-3	Amendments to AASs – Annual Improvements 2018-2020 and Other Amendments	1 January 2022	1 July 2022
AASB 2020-6	Amendments to AASs – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2022	1 July 2022
AASB 2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023	1 July 2023
AASB 2021-5	Amendments of AASs – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023	1 July 2023
AASB 2021-6	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	1 January 2023	1 July 2023
AASB 2021-7c	Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]	1 January 2025	1 July 2025

* Annual reporting periods beginning after

f) Fair Value Measurement

When an asset or liability, financial or non-financial is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either; in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

NOTE 2: BASIS OF PREPARATION (*continued*)

g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

h) Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant in understanding the financial statements are provided throughout the notes to the financial statements.

NOTE 3: GOING CONCERN

The financial report has been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Group incurred a loss for the period of $9,325,687 (2021: $3,903,440), net cash outflows from operating activities of $6,323,007 (2021: $1,097,960) and net cash outflows from investing activities of $113,730,273 (2021: inflows of $44,407,183). As at 30 June 2022, the Group had a net current asset surplus of $32,092,832 (2021: $93,298,155), including cash and cash equivalents of $48,219,668 (2021: $96,195,562).

On 26 July 2022, the Company accepted binding commitments for a placement of 137,200,000 new shares at an issue price of $0.125 to raise a $17.2 million before costs. The proceeds are to provide Abra a funding buffer during the critical initial commissioning and ramp-up stages of the project. 71,400,000 of the shares issued under the Placement will fall within the Company's 15% placement capacity under ASX listing Rule 7.1, where settlement occurred on 3 August 2022. The remaining 65,800,000 shares to be issued under the placement are subject to shareholder approval with the general meeting to be held on 13 September 2022.

At the date of this report, the Directors are satisfied there are reasonable grounds to believe that, having regard to the Group's position and its available financing options, the Group will be able to meet its obligations as and when they fall due.

In concluding this, the Directors have considered the Company's liquidity position, any risks to future projected cash flows and available funding. The economic outcomes associated with future projected cash flows are based on certain assumptions made for commodity prices, foreign exchange rates, commissioning and ramp-up of production, recovered grades, timing of concentrate sales and costs. Changes in such assumptions may have a material impact on the economic outcomes, including the timing and quantum of estimated revenues and cash flows.

The impact of the COVID-19 pandemic is ongoing and while it has not significantly impacted the Group up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. Several measures have been implemented to protect employees and contractors working on the Project, in line with recommended Government guidelines and procedures. Changes in Government guidelines and / or general business operability because of the ongoing COVID-19 pandemic have the potential to impact Abra and the Company. Such impacts could include (but are not limited to) delays to Project development initiatives and / or the incurring of extra costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

GROUP STRUCTURE

This section provides information on the Group's structure as well as related party transactions.

NOTE 4: GROUP INFORMATION

Interest in controlled entities

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries:

Name	Country of Incorporation	Class of share	Equity holding 30 June 2022	Equity holding 30 June 2021
Abra Mining Pty Ltd	Australia	Ordinary	60%	60%
GML Marketing Pty Ltd	Australia (i)	Ordinary	100%	100%

(i) This entity currently has no activity.

Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

Statement of Financial Position

	2022 $	2021 $
Assets		
Current assets	3,590,548	10,447,952
Non-current assets	34,708,781	29,098,320
Total assets	**38,299,329**	**39,546,272**
Liabilities		
Current liabilities	503,371	355,549
Non-current liabilities	680,837	-
Total liabilities	**1,184,208**	**355,549**
Net assets	**37,115,121**	**39,190,723**
Equity		
Issued capital	48,287,278	48,006,327
Reserves	1,905,921	1,657,270
Accumulated losses	(13,078,078)	(10,472,874)
Total equity	**37,115,121**	**39,190,723**

Statement of Profit or Loss and other Comprehensive Income

	2022 $	2021 $
Loss for the year	(3,120,864)	(3,026,735)
Other comprehensive income	-	-
Total comprehensive income	**(3,120,864)**	**(3,026,735)**

There are no material guarantees or capital commitments to be disclosed.

NOTE 4: GROUP INFORMATION (*continued*)

Proportion of equity interest held by non-controlling entity

Name	Country of Incorporation	Non-controlling interest 30 June 2022	30 June 2021
Abra Mining Pty Ltd	Australia	40%	40%

On 12 April 2019, the Company completed a transaction with Toho to invest $90,000,000 in various tranches for a 40% joint-venture investment in AMPL. During FY2021, AMPL received the final tranche payment of $60,000,000 from Toho and an additional $7,200,000 which included funding for the 2020 Abra Drilling Program and issued new shares to Galena and Toho's wholly-owned subsidiary, CBHWA, such that AMPL is currently owned 60% by Galena and 40% by CBHWA. During FY2022, AMPL received an additional $2,000,000 of funding from CBHWA. The transactions have been accounted for as an equity transaction with a non-controlling interest in accordance with AASB 10 Consolidated Financial Statements which specifies accounting for non-controlling interests, resulting in the following:

	2022 $	2021 $
Proceeds from the issue of new shares in AMPL to CBHWA	2,000,000	67,200,000
Net assets attributable to non-controlling interest	-	(40,544,234)
Increase in equity attributable to parent (i)	**-**	**26,655,766**

(i) Represented by an increase in the consolidation reserve.

AMPL's Summarised Statement of Financial Position

	2022 $	2021 $
Current assets	42,687,416	81,069,297
Non-current assets	205,363,815	68,754,159
Current liabilities	(18,697,572)	(2,869,625)
Non-current liabilities	(117,757,990)	(34,143,605)
Total equity	**111,595,669**	**112,810,226**
Attributable to:		
Equity holders of parent	66,957,401	67,686,136
Non-controlling interest	44,638,268	45,124,090

AMPL's Summarised Statement of Profit or Loss and Other Comprehensive Income

	2022 $	2021 $
Revenue	142,640	419,277
Expenses	(6,357,197)	(1,302,060)
Loss for the year	**(6,214,557)**	**(882,783)**
Other comprehensive income	-	-
Total comprehensive income	**(6,214,557)**	**(882,783)**
Attributable to non-controlling interest	(2,485,823)	(353,113)
Dividends paid to non-controlling interest	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

NOTE 5: TRANSACTIONS WITH RELATED PARTIES

Key Management Personnel

The totals of remuneration paid or due to be paid to the KMP of the Company during the year are as follows:

	2022 $	2021 $
Short-term employment benefits	1,411,507	1,486,467
Post-employment benefits	65,290	58,002
Termination benefits	205,680	-
Share-based payments	994,262	953,664
Total Remuneration paid or due to be paid	**2,676,739**	**2,498,133**

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

RESULTS FOR THE YEAR

This section provides additional information that is most relevance in explaining the Group's performance during the year.

NOTE 6: SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of one geographical segment being Australia, and has the following operating segments:

Segment Name	Description
Abra Mine	The Abra Mine segment is a globally significant lead-silver project currently in development and located in the Gascoyne region of Western Australia.
Exploration	The Exploration segment which undertakes exploration and evaluation activities in Western Australia.
Other Activities	The Other Activities segment which includes all corporate expenses that cannot be directly attributed to the Group's operating segments.

The accounting policies used by the Group in reporting segments internally are the same as those contained in the financial statements and in the prior period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

NOTE 6: SEGMENT INFORMATION (*continued*)

Segment Results Year ended 30 June 2022	Abra Mine $	Exploration $	Other Activities $	Consolidated $
Interest received	142,640	-	52,134	194,774
Other income	-	-	-	-
Revenue	**142,640**	**-**	**52,134**	**194,774**
Corporate and administration expenses	(54,759)	-	(609,413)	(664,172)
Depreciation and amortisation	(1,699,118)	-	(181,502)	(1,880,620)
Employee costs	-	-	(1,362,614)	(1,362,614)
Share-based payments	-	-	(994,262)	(994,262)
Exploration and evaluation expenditure	-	-	-	-
Foreign exchange loss	(4,551,968)	-	(1,595)	(4,553,563)
Loss before finance costs and income tax	**(6,163,205)**	**-**	**(3,097,252)**	**(9,260,457)**
Finance costs	(51,352)	-	(13,878)	(65,230)
Loss before income tax	**(6,214,557)**	**-**	**(3,111,130)**	**(9,325,687)**
Income tax expense	-	-	-	-
Net loss for the year	**(6,214,557)**	**-**	**(3,111,130)**	**(9,325,687)**
Segment assets	**245,843,527**	**8,788,294**	**9,612,673**	**264,244,494**
Segment liabilities	**136,414,123**	**-**	**1,161,410**	**137,575,533**
Other segment information				
Capital expenditure (i)	**(127,053,232)**	**(2,139,505)**	**(238,075)**	**(129,430,812)**

(i) Capital expenditure consists of additions to plant and equipment, mine under construction, lease assets and exploration and evaluation assets.

NOTE 6: SEGMENT INFORMATION (*continued*)

Segment Results Year ended 30 June 2021	Abra Mine $	Exploration $	Other Activities $	Consolidated $
Interest received	52,948	-	79,258	132,206
Other income	366,329	-	17,500	383,829
Revenue	**419,277**	**-**	**96,758**	**516,035**
Corporate and administration expenses	(309,637)	-	(584,381)	(894,018)
Depreciation and amortisation	(187,116)	-	(60,833)	(247,949)
Employee costs	-	-	(1,311,295)	(1,311,295)
Share-based payments	-	-	(1,079,083)	(1,079,083)
Exploration and evaluation expenditure	-	(62,056)	-	(62,056)
Foreign exchange loss	(629,587)	-	(17,654)	(647,241)
Loss before finance costs and income tax	**(707,063)**	**(62,056)**	**(2,956,488)**	**(3,725,607)**
Finance costs	(175,720)	-	(2,113)	(177,833)
Loss before income tax	**(882,783)**	**(62,056)**	**(2,958,601)**	**(3,903,440)**
Income tax expense	-	-	-	-
Net loss for the year	**(882,783)**	**(62,056)**	**(2,958,601)**	**(3,903,440)**
Segment assets	**125,437,476**	**29,407,830**	**15,472,860**	**170,318,166**
Segment liabilities	**37,013,230**	**-**	**355,550**	**37,368,780**
Other segment information				
Capital expenditure (i)	**(15,062,182)**	**(8,232,028)**	**-**	**(23,294,210)**

(i) Capital expenditure consists of additions to plant and equipment, mine under construction, lease assets and exploration and evaluation assets.

NOTE 7: REVENUE

	2022 $	2021 $
Interest received	194,774	132,206
Other income	-	383,829
Total Revenue	**194,774**	**516,035**

Recognition and Measurement

Interest Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax ("**GST**").

NOTE 8: INCOME TAX EXPENSE

		2022 $	2021 $
a.	**Recognised in the income statement:**		
	Current tax	-	-
	Deferred tax	-	-
	Income tax as reported in the statement of comprehensive income	**-**	**-**
b.	**Reconciliation of income tax expense to prima facie tax payable:**		
	Loss from ordinary activities before income tax expense	(9,325,687)	(3,903,440)
	Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2021: 30%)	(2,797,706)	(1,171,032)
	Increase in income tax due to:		
	- Non-assessable income	-	(109,899)
	- Non-deductible expenses	303,294	326,191
	- Impact of change in corporate tax rate	-	(1,136,803)
	- Changes in unrecognised temporary differences	(1,269,305)	(1,300,314)
	- Unused tax losses not recognised	3,763,717	3,391,857
	Income tax attributable to operating loss	**-**	**-**
	The following deferred tax balances have not been recognised:		
c.	**Deferred tax assets not recognised at 30% (2021: 30%)**		
	Carry forward revenue and capital losses	28,114,873	22,920,777
	Accruals	120,604	113,058
	Capital raising costs	304,125	310,253
	Unrealised foreign exchange loss	-	125,129
	Other	4,469	713
	Net deferred tax asset	**28,544,071**	**23,469,930**

The carry forward revenue losses are only available for offset subject to Galena Mining Limited and Abra Mining Pty Ltd satisfying the carried-forward loss tests for deductibility such as the Continuity of Ownership Test and the Similar Business Test.

d.	**Deferred tax liabilities not recognised at 30% (2021: 30%)**		
	Exploration expenditure	2,550,759	1,892,678
	Plant and equipment	7,904,374	6,827,712
	Other	1,683,977	-
	Net deferred tax liability	**12,139,110**	**8,720,390**

Potential deferred tax assets and liabilities attributable to tax losses and other temporary differences have not been brought to account at 30 June 2022 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the expenditure to be realised; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the expenditure.

NOTE 8: INCOME TAX EXPENSE (*continued*)

Change in Corporate Tax Rate

As a result of the non-controlling ownership of Abra Mining Pty Ltd, Galena Mining Ltd and its subsidiaries should not be considered a 'base rate entity' for income tax purposes and therefore not entitled to the reduced corporate tax rate. The impact of this change in the corporate tax rate has been reflected in the unrecognised deferred tax positions and the prima face income tax reconciliation.

Tax Consolidation

Galena Mining and its wholly owned Australian subsidiaries were part of an income tax consolidated group for the entire financial year.

Recognition and Measurement

Current Income tax

The income tax expense (income) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTE 9: EARNINGS PER SHARE

	2022	2021
	Cents per share	**Cents per share**
Basic and diluted loss per share	**(1.96)**	**(0.85)**
The loss and weighted average number of ordinary shares used in this calculation of basic and diluted loss per share are as follows:		
	$	**$**
Loss	(9,325,687)	(3,903,440)
	Number	**Number**
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	476,354,394	459,723,161

As the Company is in a loss position the options outstanding at 30 June 2022 have no dilutive effects on the earnings per share calculation.

Recognition and Measurement

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Galena Mining Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares, outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

INVESTED CAPITAL

This section provides additional information about how the Group invests and manages its capital.

NOTE 10: EXPLORATION AND EVALUATION EXPENDITURE

	2022 $	2021 $
Exploration expenditure capitalised		
Exploration and evaluation asset acquisition	3,674,086	3,674,086
Exploration and evaluation costs incurred	5,114,208	2,974,703
	8,788,294	**6,648,789**
A reconciliation of the carrying amount of exploration and evaluation expenditure is set out below:		
Carrying amount at the beginning of the year	6,648,789	21,175,802
Costs capitalised during the year	2,139,505	8,232,028
Transferred to mine properties	-	(22,759,041)
Carrying amount at the end of the year	**8,788,294**	**6,648,789**

Recognition and Measurement

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Significant Judgements, Estimates and Assumptions

Exploration and evaluation expenditure has been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources.

Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

NOTE 11: PLANT AND EQUIPMENT

Reconciliation of the carrying amounts for each class of plant and equipment is set out below.

2022	Rehabilitation Asset $	Plant and Equipment $	Mine Under Construction $	Total $
Opening net carrying amount	1,622,978	117,972	63,560,746	65,301,696
Additions	-	238,074	134,948,121	135,186,195
Transfer from mine under construction	-	25,409,809	(25,409,809)	-
Depreciation and amortisation	-	(1,462,150)	-	(1,462,150)
Change in rehabilitation provision	2,240,378	-	-	2,240,378
Closing net carrying amount	**3,863,356**	**24,303,705**	**173,099,058**	**201,266,119**
At 30 June 2022				
At cost	3,863,356	25,765,855	173,099,058	202,728,269
Accumulated depreciation	-	(1,462,150)	-	(1,462,150)
	3,863,356	**24,303,705**	**173,099,058**	**201,266,119**

2021	Rehabilitation Asset $	Plant and Equipment $	Mine Under Construction $	Total $
Opening net carrying amount	-	22,079	26,362,247	26,384,326
Additions	-	121,331	14,439,458	14,560,789
Transfer from exploration	-	-	22,759,041	22,759,041
Depreciation and amortisation	-	(25,438)	-	(25,438)
Change in rehabilitation provision	1,622,978	-	-	1,622,978
Disposals	-	-	-	-
Closing net carrying amount	**1,622,978**	**117,972**	**63,560,746**	**65,301,696**
At 30 June 2021				
At cost	1,622,978	167,219	63,560,746	65,350,943
Accumulated depreciation	-	(49,247)	-	(49,247)
	1,622,978	**117,972**	**63,560,746**	**65,301,696**

Recognition and Measurement

Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a units of production basis or straight-line to write off the net cost of each item of plant and equipment over their expected useful lives. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

NOTE 11: PLANT AND EQUIPMENT (*continued*)

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Mine Under Construction

Mine under construction includes expenditures incurred to develop new ore bodies to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production. Mine under construction also includes costs transferred from exploration and evaluation phase once a final investment decision is made and construction commences in the area of interest.

All expenditure on the construction, installation or completion of infrastructure facilities is capitalised in mine under construction. After production starts, all assets included in mine under construction are then transferred to mine properties. When a mine construction project moves into the production phase, the capitalisation of certain mine construction costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions, improvements or new developments, underground mine development or mineable reserve development. Restoration costs expected to be incurred are provided for as part of development activities that give rise to the need for restoration.

Useful lives

The useful lives of assets are estimated as follows:

Category	Depreciation Method
Buildings	20 years
Plant and Equipment	2 to 15 years
Mine Under Construction	No depreciation
Mine Properties	Units of production over the life of mine
Right of Use Assets (note 18)	Straight line over the shorter of the lease term and life of the asset

Significant Judgements, Estimates and Assumptions

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of Property, Plant and Equipment and Mine Under Construction

The consolidated entity assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

It is reasonably possible that the underlying metal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining plant and equipment, mining infrastructure and mining development assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as metal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

NOTE 12: CAPITAL AND OTHER COMMITMENTS

Commitments – leases not yet commenced

The Group has various lease contracts that have not yet commenced as at 30 June 2022. The future lease payments for these non-cancellable lease contracts are A$5,171,082 within one year (2021: nil), A$24,865,424 in one to five years (2021: nil), and A$3,234,354 above five years (2021: nil).

Expenditure commitments

	2022 $	2021 $
Within one year	51,273,301	405,384
Between 1 and 5 years	14,910,868	657,517
Above 5 years	42,898,719	-
	109,082,888	**1,062,901**

CAPITAL AND DEBT STRUCTURE

This section provides additional information about the Group's business and management policies that the directors consider is most relevant in understanding the business and management of the Group's capital and debt structure.

NOTE 13: CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong balance sheet and healthy capital ratios in order to support its business and maximise shareholder value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to its interest-bearing loans and borrowings that form part of its capital structure requirements. Breaches in the financial covenants without a waiver could permit the lender to immediately call interest-bearing loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current or prior period.

The Group monitors capital using a gearing ratio, which is net debt divided by the aggregate of equity and net debt. The Group includes in its net debt, interest-bearing loans and borrowings, lease liabilities, trade and other payables, less cash and cash equivalents.

	2022 $	2021 $
Interest-bearing loans and borrowings	113,401,922	31,852,545
Lease liabilities	1,986,373	1,392,925
Trade and other payables	17,780,287	2,227,960
Less cash and cash equivalents	(48,219,668)	(96,195,562)
Net debt	84,948,914	(60,722,132)
Equity	126,668,961	132,949,386
Capital and net debt	**211,617,875**	**72,227,254**
Gearing ratio	40%	N/A

NOTE 14: INTEREST BEARING LOANS AND BORROWINGS

	Maturity	2022 $	2021 $
Non-Current			
Secured US$110 million Taurus Debt Facilities (i)	June 2027	**113,401,922**	**31,852,545**

(i) Balance includes a foreign exchange loss of $4,550,894 at 30 June 2022 (2021: $602,433).

Secured US$110 million Taurus Debt Facilities

In November 2020, the Company put in place US$110 million in finalised debt facilities arranged by Taurus Funds Management. The facilities include a US$100 million project finance facility ("**Facility A**") plus a US$10 million cost overrun or working capital facility ("**Facility B**"). As at 30 June 2022, a total of US$85 million has been drawn under the Taurus Debt Facilities and US$25 million remains undrawn.

Facility A consists of a US$100 million, 69-month term loan primarily to fund capital expenditures for the development of the Abra mine. 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.
- 1.125% net smelter return royalty.
- No mandatory hedging.
- Early repayment allowed without penalty.

Facility B 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 Facility B. The Taurus Debt Facilities are secured against Abra Project assets and over the shares that each of Galena and Toho own in AMPL, and additional drawdowns remain subject to satisfaction of customary conditions precedent.

Recognition and Measurement

Interest bearing loans and borrowings are recognised initially at fair value, net of directly attributable transaction costs incurred. Interest bearing loans and borrowings are subsequently stated at amortised cost and any difference between the proceeds, net of transactions costs, and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Interest bearing loans and borrowings are derecognised when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of the financial liability and the consideration paid, including any non-cash assets, is recognised in profit or loss as finance costs.

Finance costs attributable to qualifying assets are capitalised as part of the asset and amortised over the life of the loan. All other finance costs are expensed in the period in which they are incurred.

NOTE 15: ISSUED CAPITAL

	2022 No.	2022 $	2021 No.	2021 $
Movement in ordinary shares				
Balance at beginning of period	**476,105,353**	**48,006,327**	**403,205,353**	**34,854,887**
Shares issued on 16 July 2020	-	-	57,150,000	12,001,500
Shares issued under share-based payments (ii)	300,000	280,951	15,750,000	1,830,000
Share issue costs	-	-	-	(680,060)
Balance at reporting date	**476,405,343**	**48,287,278**	**476,105,353**	**48,006,327**

(ii) The value recorded in issued capital on conversion of shares under share-based payments represents the original fair value of the award in the share-based payment reserve that is transferred from the share-based payment reserve to issued capital on exercise, as well as any consideration received on exercise.

NOTE 15: ISSUED CAPITAL (*continued*)

Recognition and Measurement

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Terms and conditions of issued capital

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital risk management

The Group objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

The Group's capital includes ordinary share capital and financial liabilities, supported by financial assets.

Due to the nature of the Group's activities, being mine development and mineral exploration, it does not have ready access to credit facilities, with the primary source of funding being equity raisings. Accordingly, the objective of the Group's capital risk management is to balance the current working capital position against the requirements of the Group to meet mine development expenditure, exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The Group is not exposed to externally imposed capital requirements.

	2022 $	2021 $
Cash and cash equivalents	48,219,668	96,195,562
Trade and other receivables	1,469,987	104,095
Trade and other payables	(17,780,287)	(2,227,960)
Working capital position	**31,909,368**	**94,071,697**

NOTE 16: SHARE-BASED PAYMENT RESERVE

The share-based payment reserve records items recognised as expenses on valuation of employees' and consultants' options.

	2022 $	2021 $
Opening balance 1 July	1,657,270	1,248,187
Share-based payments vesting expense	994,262	1,079,083
Share-based payments issued	(745,610)	(670,000)
Closing balance 30 June	**1,905,922**	**1,657,270**

Refer to Note 23 for valuation technique and assumptions.

NOTE 17: FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The Board of Directors has overall responsibility for the oversight and management of the Company's exposure to a variety of financial risks (including market risk, credit risk and liquidity risk).

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Interest Rate Risk

The Company manages interest rate risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

The following table illustrates sensitivities to the Consolidated Entity's exposures to changes in interest rates and equity prices. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit $	Equity $
Year ended 30 June 2022		
+/- 1% interest rate	+/- 482,197	+/- 482,197
Year ended 30 June 2021		
+/- 1% interest rate	+/- 961,956	+/- 961,956

Fair value of financial instruments

Unless otherwise stated, the carrying amount of financial instruments reflects their fair value.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is spread amongst approved counterparties.

The Company does not have any collateral. Credit risk related to balances with banks and other financial institutions is managed by the board. The board's policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. All the Company's surplus funds are invested with AA Rated financial institutions.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

NOTE 17: FINANCIAL RISK MANAGEMENT (*continued*)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The responsibility of liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained. The Company's policy is to ensure that it has sufficient cash reserves to carry out its planned activities over the next 12 months.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities and receivables.

Financial liability and financial asset maturity analysis

2022	Weighted Average Interest Rate	1 year or less $	Between 1 & 2 years $	Between 2 & 5 years $	Total $
Non-Derivatives					
Financial Assets					
Cash and cash equivalents	0.27%	48,219,668	-	-	48,219,668
Trade and other receivables	-	1,469,987	-	-	1,469,987
Financial Liabilities					
Trade and other payables	-	(17,780,287)	-	-	(17,780,287)
Lease liabilities	4.80%	(812,824)	(365,045)	(811,504)	(1,986,373)
Loans and borrowings	8.26%	-	(25,536,928)	(87,864,994)	(113,401,922)
Net Financial Assets		**31,096,544**	**(25,901,973)**	**(88,676,498)**	**(83,481,927)**

2021	Weighted Average Interest Rate	1 year or less $	Between 1 & 2 years $	Between 2 & 5 years $	Total $
Non-Derivatives					
Financial Assets					
Cash and cash equivalents	0.61%	96,195,562	-	-	96,195,562
Trade and other receivables	-	104,095	-	-	104,095
Financial Liabilities					
Trade and other payables	-	(2,227,960)	-	-	(2,227,960)
Lease liabilities	8.58%	(769,745)	(545,525)	(77,655)	(1,392,925)
Loans and borrowings	8.00%	-	-	(31,852,545)	(31,852,545)
Net Financial Assets		**93,301,952**	**(545,525)**	**(31,930,200)**	**60,826,227**

NOTE 17: FINANCIAL RISK MANAGEMENT (*continued*)

Recognition and Measurement

Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortization of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instruments to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key

management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(iii) Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

NOTE 18: LEASES

The Group has lease contracts for site communication equipment, fuel storage equipment and for its corporate office. The communication equipment has a three-year lease term and both the corporate office and fuel storage equipment leases have a five-year lease term. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Right-Of Use Assets	**2022** **$**	**2021** **$**
Communication Equipment		
Balance at beginning of period	1,807,262	1,472,743
Additions	-	501,393
Depreciation expense	(197,414)	(166,874)
Balance at reporting date	1,609,848	1,807,262
Corporate Office		
Balance at beginning of period	37,091	92,727
Additions	944,084	-
Depreciation expense	(147,234)	(55,636)
Balance at reporting date	833,941	37,091
Fuel Storage Equipment		
Balance at beginning of period	-	-
Additions	590,576	-
Depreciation expense	(73,822)	-
Balance at reporting date	516,754	-
Total Right-Of-Use Assets	**2,960,543**	**1,844,353**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Lease Liabilities	**2022** **$**	**2021** **$**
Balance at beginning of period	1,392,925	1,522,618
Additions	1,534,658	536,458
Accretion of interest	110,134	132,931
Payments	(1,051,344)	(799,082)
Balance at reporting date	**1,986,373**	**1,392,925**
Current	812,824	769,745
Non-current	1,173,549	623,180
Depreciation expense for right-of use assets	418,470	222,510
Interest expense on lease liabilities	110,134	132,931
Total amount recognised in profit or loss	**528,604**	**355,441**

NOTE 18: LEASES (*continued*)

Recognition and Measurement

Right-of-Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Significant Judgements, Estimates and Assumptions

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

WORKING CAPITAL

This section provides additional information that the directors consider most relevant in understanding the composition and management of the Group's working capital.

NOTE 19: CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash at bank	48,194,668	96,170,562
Term deposits at call	25,000	25,000
Total Cash and Cash Equivalents	**48,219,668**	**96,195,562**

Reconciliation to cash and cash equivalents at the end of the financial year

The above figure is reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balance as above	48,219,668	96,195,562
Balance as per statement of cash flows	**48,219,668**	**96,195,562**

Recognition and Measurement

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

Cash flow information

A reconciliation of cash flow from operating activities is as follows:

Reconciliation of Cash Flow from Operations with Loss after Income Tax	2022 $	2021 $
Loss after income tax	(9,325,687)	(3,903,440)
Non-cash flows in loss*:*		
Share-based payments	994,262	1,079,083
Depreciation and amortisation	1,880,620	247,949
Foreign exchange loss	4,553,563	-
Other non-cash items	65,226	44,902
	(1,832,016)	**(2,531,506)**
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(1,365,892)	345,009
(Increase)/decrease in prepayments	(1,316,213)	688,846
Increase/(decrease) in interest bearing liabilities	-	(129,692)
Increase/(decrease) in trade payables and accruals	(2,125,013)	426,644
Increase/(decrease) in provisions	316,127	102,739
Cashflow from operating activities	**(6,323,007)**	**(1,097,960)**

NOTE 19: CASH AND CASH EQUIVALENTS (*continued*)

Changes in Liabilities arising from Financing Activities	Interest Bearing Loans and Borrowings	Lease Liabilities
Balance at 1 July 2020	-	1,522,618
Net cash provided by / (used in) financing activities	31,250,112	(799,082)
Acquisition of leases	-	536,458
Foreign exchange loss	602,433	-
Accretion of interest	-	132,931
Balance at 30 June 2021	**31,852,545**	**1,392,925**
Net cash provided by / (used in) financing activities	76,998,483	(1,051,344)
Acquisition of leases	-	1,534,658
Foreign exchange loss	4,550,894	-
Accretion of interest	-	110,134
Balance at 30 June 2022	**113,401,922**	**1,986,373**

NOTE 20: TRADE AND OTHER RECEIVABLES

	2022 $	2021 $
Current		
GST receivable	1,369,661	71,430
Other trade receivables	2,469	2,512
Office lease guarantee	97,857	30,153
Total Trade and Other Receivables	**1,469,987**	**104,095**

Recognition and Measurement

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

NOTE 21: TRADE AND OTHER PAYABLES

	2022 $	2021 $
Current		
Sundry payables and accrued expenses	**17,780,287**	**2,227,960**

Recognition and Measurement

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

OTHER

This section provides additional information about various other disclosures including some disclosures that the directors of the Group consider to be less significant to the users of the financial statements.

NOTE 22: PROVISIONS

	2022 $	2021 $
Current		
Provisions for employee entitlements	**543,595**	**227,468**
Non-Current		
Provision for mine rehabilitation	**3,863,356**	**1,667,882**
The movement in the provision for mine rehabilitation is set out below:		
Balance at beginning of period	1,667,882	-
Arising during the year	2,240,378	1,622,978
Unwinding of discount	(44,904)	44,904
Balance at reporting date	**3,863,356**	**1,667,882**

Recognition and Measurement

Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within a 12 month period have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Mine Rehabilitation

Provisions are made for the estimated cost of rehabilitation, restoration and dismantling relating to areas disturbed during the mine's construction up to the reporting date, but not yet rehabilitated. The provision has been made in full for all the disturbed areas at the reporting date based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cash flows. Changes in estimates are dealt with on a prospective basis as they arise.

The provision is recognised as a liability with a corresponding asset included in property, plant and equipment (note 11). The corresponding asset is included only to the extent that it is probable that future economic benefits associated with the restoration expenditure will flow to the entity, otherwise a corresponding expense is recognised in the statement of profit and loss.

NOTE 22: PROVISIONS (*continued*)

At each reporting date, the rehabilitation liability is remeasured in line with changes in discount rates, and the expected timing or amounts of the costs to be incurred. Mine rehabilitation provisions are adjusted for changes in estimates. Adjustments to the estimates amount and timing of future rehabilitation and restoration cash flows are a normal occurrence in light of the significant judgements and estimates involved. Changes in the liability relating to mine rehabilitation are added to or deducted from the related asset, other than the unwinding of discount on provisions, which is recognised as a finance cost in the statement of profit and loss.

Significant Judgements, Estimates and Assumptions

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The consolidated entity's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The consolidated entity recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

NOTE 23: SHARE-BASED PAYMENTS

Grant Date / entitlement	Number of Instruments	Grant Date	Fair value per instrument $	Value $
Share Appreciation Rights issued on 1 September 2020 exercisable on or before 1 September 2025 (iii)	2,500,000	01/09/2020	0.1349	337,144
Total value at 30 June 2021				**337,144**
Performance Rights issued on 2 March 2022 exercisable on or before 2 March 2027 (ii)	7,500,000	02/03/2022	0.1751	1,313,600
Total value at 30 June 2022				**1,313,600**

The below inputs have been adjusted to ensure they are on a post-split basis.

(i) 2,500,000 Share Appreciation Rights issued as part of employment agreement have been calculated using Black-Scholes option pricing model with the following inputs:

	Performance Rights Granted on 1 September 2020
Expected volatility (%)	70
Risk free interest rate (%)	0.38
Weighted average expected life of options (years)	2
Expected dividends	Nil
Option exercise price ($)	Nil
Share price at grant date ($)	0.25
Fair value of option ($)	0.1349
Expiry date	1 September 2025

NOTE 23: SHARE BASED PAYMENTS (CONTINUED)

(ii) 7,500,000 Performance Rights issued as part of Chief Executive Officer's employment agreement have been calculated using Black-Scholes option pricing model with the following inputs:

	Performance Rights Granted on 2 March 2022
Expected volatility (%)	60
Risk free interest rate (%)	1.75
Weighted average expected life of options (years)	5
Expected dividends	Nil
Option exercise price ($)	Nil
Share price at grant date ($)	0.215
Fair value of option ($)	0.1751
Expiry date	2 March 2027

Reconciliation of the number of Options, Performance Rights and Share Appreciation Rights

	2022 Number	**2021 Number**
Opening balance at 1 July	20,110,000	37,385,000
Issued	7,500,000	2,500,000
Expired / lapsed	(1,265,000)	(4,025,000)
Exercised	(300,000)	(15,750,000)
Other changes	-	-
Closing balance 30 June	**26,045,000**	**20,110,000**

Recognition and Measurement

Equity-settled compensation

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black –Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Significant Judgements, Estimates and Assumptions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Significant judgement may be required in determining the valuation technique adopted. The fair value of the options issued in the current period are determined by an internal valuation using a Black-Scholes option pricing model. The assumptions detailed in this note are also judgemental.

For equity transactions with consultants and other employees, the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services the value of options is calculated using the Black-Scholes option pricing model or in the case of share grants, the fair value of an ordinary share is utilised.

For instruments issued with market-based conditions, alternative valuation methodologies would be adopted.

NOTE 24: CONTINGENT ASSETS AND LIABILITIES

In the opinion of the directors there were no contingent assets or liabilities as at 30 June 2022.

NOTE 25: AUDITORS' REMUNERATION

	2022 $	2021 $
Remuneration of the auditor of the parent entity for:		
Auditing or reviewing the financial report of consolidated group	82,000	79,950
Reviewing the financial report of subsidiary	8,500	7,500
Tax compliance	25,700	8,950
	116,200	**96,400**

NOTE 26: SIGNIFICANT EVENTS AFTER REPORTING PERIOD

On 26 July 2022, the Company accepted binding commitments of a placement of 137,200,000 new shares at an issue price of $0.125 to raise a $17.2 million before costs. The proceeds are to provide Abra a funding buffer during the critical initial commissioning and ramp-up stages of the project. 71,400,000 of the shares issued under the placement will fall within the Company's 15% placement capacity under ASX listing Rule 7.1, where settlement occurred on 3 August 2022. The remaining 65,800,000 shares to be issued under the placement are subject to shareholder approval with the general meeting to be held on 13 September 2022.

The impact of the COVID-19 pandemic is ongoing and while it has not significantly impacted the consolidated entity up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. Several measures have been implemented to protect employees and contractors working on the Project, in line with recommended Government guidelines and procedures. Changes in Government guidelines and / or general business operability because of the ongoing COVID-19 pandemic have the potential to impact Abra and the Company. Such impacts could include (but are not limited to) delays to Project development initiatives and / or the incurring of extra costs.

No matter or circumstance has arisen since the end of the audited period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Galena Mining Limited, the directors of the company declare that:

1. the financial statements, notes and the remuneration report in the Directors' Report are in accordance with the Corporations Act 2001, including:

    (i) giving a true and fair view of the financial position of the Consolidated Entity as at 30 June 2022 and of its performance, for the year ended on that date; and

    (ii) complying with Australian Accounting Standards (including International Financial Reporting Standards) and the Corporations Regulations 2001;

2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

This declaration has been made after receiving the declarations required to be made to the directors in accordance with sections of 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.

Adrian Byass
Chairman

Perth, 24 August 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

GALENA MINING LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Galena Mining Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the accompanying financial report of Galena Mining Limited is in accordance with the *Corporations Act 2001*, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Key Audit Matters

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed these matters is provided in that context

Carrying value of Capitalised Exploration Expenditure

Why significant

As at 30 June 2022 the carrying value of Exploration and Evaluation assets is $8,788,294 (2021: $6,648,789), as disclosed in Note 10. The increase is due to the exploration activities undertaken in non-Abra tenements located in the Jillawarra Project (drilling program).

The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 10. Estimates and judgments in relation to capitalised exploration and evaluation expenditure is also detailed at Note 10.

Significant judgement is required:

- In determining whether facts and circumstances indicate that the exploration and evaluation expenditure should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and;
- In determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular:
  - whether the particular areas of interest meet the recognition conditions for an asset; and
  - which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including:
  - assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;
  - holding discussions with the Directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and
  - obtaining evidence of the consolidated entity's future intention, reviewing planned expenditure and related work programmes.
- Considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
- testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the consolidated entity's accounting policy; and
- assessing the appropriateness of the related disclosures in Note 10.

Carrying value of Plant and Equipment

Why significant

As at 30 June 2022 the carrying value of Plant and Equipment is $201,266,119 (2021: $65,301,696), as disclosed in Note 11. The balance is comprised by:

- Plant and Equipment - $24,303,705 (2021: $117,972)
- Mines under Construction - $173,099,058 (2021: $63,560,746)
- Rehabilitation Asset - $3,863,356 (2021: $1,622,978)

The consolidated entity's accounting policy in respect of mine development is outlined in Note 11. Estimates and judgments in relation to capitalised expenditures related to mine under construction is also detailed at Note 11.

There is a level of judgement applied in determining the treatment of the mine asset in accordance with AASB 116 *Property, Plant and Equipment* and whether the asset is impaired in accordance with AASB 136 *Impairment of Assets*.

Judgement is also required on the following:

- whether depreciation rates applied are appropriate;
- whether disclosure is appropriate; and
- whether the mine asset is impaired.

The evaluation of the recoverable amount of the mine asset requires significant judgement in determining the key assumptions supporting the expected future cash flows of the Abra Base Metal Project.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Reviewing management's impairment model, including consideration of inputs used in net present value calculations;
- Reviewing management's assessment of impairment of the cash generating units;
- Reviewing competent persons report on the mineable reserves and valuation, it's congruence with management's assessment and the competence/ independence of the author;
- Ensuring valid mining licenses held and consider impairment of assets for which no license is now held;
- Ensure that disclosures within the financial statements are accurate and that all estimates and judgements made by management are included therein, and
- Assessing the appropriateness of the related disclosures in Note 11.

Rehabilitation Provision

Why significant

As at 30 June 2022 the carrying value of Rehabilitation Provision is $3,863,356 (2021: $1,667,881), as disclosed in Note 22. The increase is due to the disturbance area occurred in the mine site due to the development of the mine site as well as the increase in the inflation rate.

The consolidated entity's accounting policy in respect of Rehabilitation Provision is outlined in Note 22. Estimates and judgments in relation to this provision is also detailed at Note 22.

Rehabilitation Provision is a key audit matter due to:

- the level of complexity, judgement and assumptions applied in determining the best estimate in accordance with *AASB 137 - Provisions, Contingent Liabilities and Contingent Assets*.

In particular, complexity, judgement and assumptions around:

- The closure costs estimate have been calculated based on reasonable rates;
- Whether the discount rate used is appropriate;
- Whether the inflation rate used is appropriate;
- Whether facts and circumstances changed from the prior year, such as Life of Mine.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Obtained and reviewed the report prepared by management in relation to the estimation of closure costs;
- Obtained support documentation / information to corroborate the rates used to calculate the closure costs estimate;
- Reviewed the disturbance area and its reasonableness considering the construction works performed up until the reporting date;
- Obtained and reviewed the qualifications and work experience of the internal expert that has prepared the estimation of the closure costs;
- Obtained and reviewed the net present value of the provision to restore the mine site;
- Reperformed the rehabilitation provision calculations using inflation and discount rates released by reliable sources at 30 June 2022 (ie. Bank Reserve of Australia);
- assessing the appropriateness of the related disclosures in Note 22.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Galena Mining Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Advisory • Audit
Business Solutions

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF Perth

PKF PERTH

SHANE CROSS
AUDIT PARTNER

24 August 2022
WEST PERTH,
WESTERN AUSTRALIA

SHAREHOLDER INFORMATION

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only. The information is current as at 11 August 2022.

1. **Shareholding**

a. **Distribution of Shareholders**

(i) *Ordinary share capital*

- 547,805,353 fully paid shares held by 1,507 shareholders. All issued ordinary share carry one vote per share and carry the rights to dividends.

	Class of Equity Security	
Category (size of holding)	**Number of Holders**	**Fully Paid Ordinary Shares**
1 - 1,000	60	5,383
1,001 – 5,000	317	1,008,868
5,001 – 10,000	202	1,637,719
10,001 – 100,000	610	24,828,292
100,001 – and over	318	520,325,091
	1,507	**547,805,353**

b. The number of shareholdings held in less than marketable parcels is 288.

c. The Company had the following substantial shareholders listed in the holding company's register at the date of this report.

Fully Paid Ordinary Shares

Holder	**Number**	**%**
Citicorp Nominees Pty Ltd	109,800,540	20.04
BNP Paribas Noms Pty Ltd <DRP>	34,792,807	6.35
Bloomgold Investments Pty Ltd	29,027,778	5.30

Unlisted Options exercisable at $0.50 on 26 March 2023

Holder	**Number**	**%**
Citicorp Nominees Pty Ltd	1,250,000	100.00

Unlisted Options exercisable at $0.60 on 26 March 2023

Holder	**Number**	**%**
Citicorp Nominees Pty Ltd	1,250,000	100.00

Unlisted Options exercisable at $0.50 on 17 April 2023

Holder	**Number**	**%**
Citicorp Nominees Pty Ltd	1,250,000	100.00

Unlisted Options exercisable at $0.60 on 17 April 2023

Holder	**Number**	**%**
Citicorp Nominees Pty Ltd	1,250,000	100.00

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. **20 Largest holders of quoted equity securities (fully paid ordinary shares)**

	Name	Number Held	Percentage %
1.	Citicorp Nominees Pty Ltd	109,800,540	20.04
2.	BNP Paribas Nominees Pty Ltd <DRP>	34,792,807	6.35
3.	Bloomgold Resources Pty Ltd	29,027,778	5.30
4.	JP Morgan Nominees Australia Pty Ltd	20,773,656	3.79
5.	Brazil Farming Pty Ltd	20,927,328	3.82
6.	UBS Nominees Pty Ltd	18,716,654	3.42
7.	Taurus Mining Finance Fund No 2 LP	15,754,127	2.88
8.	HSBC Custody Nominees (Australia) Limited	13,075,615	2.39
9.	Mr Connor Michael Maloney	11,622,869	2.12
10.	Zerrin Investments Pty Ltd	9,000,000	1.64
11.	Netwealth Investments Limited <Wrap Services A/C>	8,666,981	1.58
12.	Mr Alexander Alan Molyneux	8,000,000	1.46
13.	Navigator Australia Ltd <MLC Investment Sett A/C>	7,764,188	1.42
14	Anchorfield Pty Ltd <Brazil Family Fndn A/C>	7,600,000	1.39
15.	Kiandra Nominees Pty Ltd	6,500,000	1.19
15.	Valiant Equity Management Pty Ltd	6,500,000	1.19
16.	Est Mr John Mathias Clema	5,800,000	1.06
17.	Tubechangers Pty Ltd <King Family A/C>	5,754,681	1.05
18.	Silverlight Holdings Pty Ltd <Cairns Investment A/C>	5,458,000	1.00
19.	Mr Glen Gordon	5,000,000	0.91
20.	Silverlight Holdings Pty Ltd	5,000,000	0.91
		355,535,224	**64.90**

2. The Name of the Company Secretary is Mr Stephen Brockhurst.

3. The address of the registered office and principal place of business in Australia is Level 11, 216 St Georges Terrace, Perth WA 6000. Telephone (08) 9481 0389.

4. Registers of securities are held at the following address:
Automic Pty Ltd
Level 5, 191 St Georges Terrace, Perth WA 6000

5. **Stock Exchange Listing**

Quotation has been granted for all the ordinary shares of the company on the Australian Securities Exchange Limited.

6. **Restricted Securities**

The Company has no restricted securities on issue as at the date of this report.

7. **Unquoted Securities**

The Company has the following unquoted securities on issue as at the date of this report

- 1,250,000 options exercisable at $0.50 on or before 26 March 2023;
- 1,250,000 options exercisable at $0.60 on or before 26 March 2023;
- 1,250,000 options exercisable at $0.50 on or before 17 April 2023;
- 1,250,000 options exercisable at $0.60 on or before 17 April 2023;
- 9,000,000 performance rights expiring 9 November 2023;
- 2,000,000 performance rights expiring 13 August 2024;
- 7,500,000 performance rights expiring 2 March 2027;
- 1,145,000 share appreciation rights exercisable at $0.17 on or before 21 January 2024.
- 1,400,000 share appreciation rights exercisable at $0.24 on or before 1 September 2025.

ADDITIONAL INFORMATION

Schedule of Tenements

Tenement	Project	Location	Registered holder	% Interest
E52/1413	Jillawarra	WA	Galena Mining Limited	100%
E52/3575	Jillawarra	WA	Galena Mining Limited	100%
E52/3581	Jillawarra	WA	Galena Mining Limited	100%
E52/3630	Jillawarra	WA	Galena Mining Limited	100%
E52/3823	Jillawarra	WA	Galena Mining Limited	100%
M52/0776	Abra	WA	Abra Mining Pty Ltd	100%
E52/1455	Abra	WA	Abra Mining Pty Ltd	100%
G52/0286	Abra	WA	Abra Mining Pty Ltd	100%
G52/0292	Abra	WA	Abra Mining Pty Ltd	100%
L52/0121	Abra	WA	Abra Mining Pty Ltd	100%
L52/0194	Abra	WA	Abra Mining Pty Ltd	100%
L52/0198	Abra	WA	Abra Mining Pty Ltd	100%
L52/0205	Teano	WA	Abra Mining Pty Ltd	100%
L52/0206	Erivilla	WA	Abra Mining Pty Ltd	100%
L52/0207	Teano	WA	Abra Mining Pty Ltd	100%
L52/0210	Teano	WA	Abra Mining Pty Ltd	100%
L52/0214	Three Rivers	WA	Abra Mining Pty Ltd	100%

The Company's interest in the Abra Mining Pty Ltd tenements is held by virtue of its 60% equity holding in Abra Mining Pty Ltd which in turn has a 100% interest in the tenements.