



8 March 2021

## Strong Demand Confirmed for Sorby Hills Lead-Silver Concentrate from Leading International Offtakers

Boab Metals Limited (ASX: **BML**) (“**Boab**” or the “**Company**”) is pleased to announce, following Preliminary Offtake Soundings with a suite of leading base metals customers, that there is strong global demand for the high quality Sorby Hills Lead-Silver Concentrate.

### HIGHLIGHTS

- **Preliminary Offtake Soundings with a suite of leading base metals customers have confirmed strong demand for the Sorby Hills Lead-Silver Concentrate.**
- **Initial Offtake Terms Sheets received to date have offered attractive terms and confirmed the high quality of the Sorby Hills Lead-Silver concentrate.**
- **A competitive offtake tender process for the Sorby Hills concentrate will commence at the completion of the Definitive Feasibility Study (“DFS”) metallurgical program, in Q2 2021.**

In January 2021, Boab commenced a Preliminary Offtake Soundings process with a suite of leading base metals customers with respect to Boab’s 75% share of the Lead-Silver concentrate to be produced at Sorby Hills. The purpose of the Preliminary Offtake Soundings was:

- to build relationships between Boab a range of Tier-1 offtake partners;
- to receive indicative offtake terms for the concentrate to be produced from Sorby Hills; and
- canvas customer feedback to inform the ongoing Sorby Hills Definitive Feasibility Study.

The preliminary soundings have been extremely positive and demonstrated significant demand for the Lead-Silver concentrate to be produced at Sorby Hills based on the detailed Pre-Feasibility Study (“PFS”) concentrate assay specification.

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**Boab Managing Director and CEO, Mr Simon Noon stated:**

*“We are delighted with the results of the initial round of offtaker engagement for the Sorby Hills Lead-Silver concentrate. The confirmation by this select group of base metals traders and producers that our Lead-Silver concentrate is highly desirable provides us with a high amount of confidence that we will have binding offtake on highly competitive terms agreed in advance of completing the DFS.”*

In addition to providing indicative term sheets for the Sorby Hills concentrate, feedback from initial discussions with potential offtakers has provided valuable insights for the ongoing DFS metallurgical program (ASX Release 1 February 2021) and the Lead market generally.

Formal discussions with offtakers and a competitive tender process for Boab’s 75% portion of the Sorby Hills concentrate will recommence once the DFS metallurgical program has been completed in Q2. The competitive tender process will seek interest from a broader group of potential offtakers than those tested during the current soundings process. Boab is targeting the execution of binding offtake terms prior to the conclusion of the Sorby Hills DFS.

The offtaker engagement process is being managed by the Company’s financial advisers, BurnVoor Corporate Finance.

The Company looks forward to providing further updates to the market as discussions with potential offtakers progress.

**Background**

The Sorby Hills PFS detailed a high-value, low-risk operation processing 1.5Mtpa from four open pit deposits producing an average 81,000 dry metric tonnes of concentrate per annum containing 50kt of Lead and 1.5Moz of Silver.

Concentrate produced from Sorby Hills is planned to be exported via the Port of Wyndham (~150km by existing sealed road from site) and forecast to generate nearly A\$2 billion in sales over an initial 10 year mine-life (ASX release 25 August 2020).

Boab recently announced that results of the Phase IV drilling program revealed significant opportunities to materially increase the mining inventory at Sorby Hills. Consequently, a Phase V drilling program will commence in April with express objective of investigating the potential to expand the proposed processing and production capacity of the Project as a part of the DFS (ASX release 11 February 2021).

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

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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## **About Boab Metals Limited**

Boab Metals Limited ("**Boab**", ASX: **BML**) is a Western Australian based exploration and development company with interests in Australia and South America. In Australia, the Company is currently focused on developing the Sorby Hills Lead-Silver-Zinc Joint Venture Project in WA. Boab owns a 75% interest in the Joint Venture with the remaining 25% (contributing) interest held by Henan Yuguang Gold & Lead Co. Ltd.

Sorby Hills is located 50km from the regional centre of Kununurra in the East Kimberley and has existing sealed roads to transport concentrate from site to the facilities at Wyndham Port, a distance of 150km. Established infrastructure and existing permitting allows for fast-track production.

## **Compliance Statements**

Information included in this presentation relating to Mineral Resources, Ore Reserves, Production Targets and Financial Forecasts has been extracted from the Mineral Resource Estimate dated 2 June 2020 and the Pre-Feasibility Report and Ore Reserve Statement dated 25 August 2020, both available to view at [www.boabmetals.com.au](http://www.boabmetals.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in either the Mineral Resource Estimate or the Ore Reserve Statement and that all material assumptions and technical parameters underpinning the estimates, production targets and financial forecasts continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Mineral Resource Estimate or the Ore Reserves Statement.