

31 May 2022

## Sorby Hills Project Execution Update

Boab Metals Limited (ASX: **BML**) (“**Boab**” or “**Company**”) is pleased to provide the following update regarding progress toward the development and execution of the Sorby Hills Lead-Silver Project (“**Sorby Hills**”, the **Project**”), located in the Kimberley Region of Western Australia.

- **Competitive EPC tenders received from a suite of highly experienced engineering firms.**
- **Boab to commence competitive tender process for the Sorby Hills Mining Contract.**
- **Connection Study underway to firm up engineering and pricing for the transmission of cleaner and cheaper power between the Ord River Hydroelectric Plant and Sorby Hills.**
- **Major approvals received with respect to the commencement of Site Establishment work at Sorby Hills to allow for ongoing Project development during the wet season.**
- **Finalisation of the Definitive Feasibility Study expected in 2H 2022 to allow for the incorporation of the above workstreams.**

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

*“Sorby Hills project execution workstreams are progressing well. In particular, the quality of the EPC tenders that have been received is highly encouraging. The EPC forms a significant portion of our project capital costs and we are pleased that the tendered costs are in line with our expectations.*”

*Unfortunately, the spread of COVID in Western Australia has impacted the timely delivery of key DFS inputs, thus necessitating a deferral of its release. While we are disappointed not to be releasing the DFS this quarter as planned, we have decided that, in the current economic environment, it is prudent to take time to seek and incorporate tendered pricing for major capital and operating costs, including our open-pit mining contract, to ensure they are as accurate and competitive as possible.*”

*Importantly, our multi-stream approvals strategy has allowed us to advance to a point where we are confident that we can commence Site Establishment works ahead of the 2022 wet season. Given the ongoing progress of project execution workstreams, completion of the DFS in 2H 2022 should not have a material impact on the Project execution schedule.”*

## **EPC Contract Tender**

The Sorby Hills DFS has investigated an expanded process plant capacity at Sorby Hills versus the 1.5Mpta incorporated in the Pre-Feasibility Study (PFS). Tenders for the EPC Contract covering the process plant and non-process infrastructure have been received from a range of experienced engineering firms. The quality of the tenders received, and the pricing of the EPC Contract has been extremely competitive and in line with expectations.

The Company is currently working with a short-list of tenderers to refine their submissions ahead of commencing contract formation with the preferred party. The tendered pricing will underpin capital costs included in the DFS, thus providing a higher level of accuracy.

## **Mining Contract Tender**

Earlier in the year, Boab completed the detailed mine design and scheduling work for the Sorby Hills open-pit deposits based on the most recent Mineral Resource Estimate (ASX Announcement 17 December 2021). Based on this work, Boab sought quotes from mining contractors to underpin the DFS mining costs. Given the evolving economic environment, Boab has determined to progress to a competitive tender for the Mining Contract to secure accurate real-time pricing to underpin the DFS.

Boab will take the opportunity to further refine the Sorby Hills mine design and schedule in light of positive results received from the DFS groundwater study that has indicated water flow into the pits will be less than previously anticipated.

## **Project Power Supply**

Earlier in the year, Boab announced that it had executed a memorandum of understanding with Horizon Power to deliver a cleaner, cheaper and more reliable power solution for the Project (ASX Announcement 22 April 2022). Since executing the agreement, Boab has commenced work on a Connection Study concerning the transmission of green energy from the Ord River hydroelectric plant. The Connection Study will firm up engineering and design requirements and ultimately the pricing of electricity delivered to the Project.

Preliminary supply and price modelling have indicated that the integrated hydro-diesel power solution proposed by Horizon Power will deliver a lower unit cost of energy versus the Build Own Operate "BOO" diesel-only power solution contemplated in the Sorby Hills PFS.

## **Permitting**

Throughout the DFS, Boab has adopted a multi-stream approvals strategy in order to de-risk the Project execution schedule. Specifically, Site Establishment and Early Works approvals streams have been decoupled from the Main Works approval stream to afford Boab flexibility to commence and complete on-site pre-construction work ahead of the 2022 wet season.

Successful completion of Site Establishment at Sorby Hills ahead of the wet season would allow Boab to efficiently and cost-effectively continue Project development during the wet season.

To date, Boab has received key Project approvals relating to Site Establishment works, including acceptance of the related Mining Proposal and works approval and is now awaiting final clearance from the environmental regulator. Once received, Boab will be in a position to commence on-site Project development and begin laying the foundations for the primary construction works.

### **Definitive Feasibility Study**

In light of the ongoing project execution workstreams and the spread of COVID in Western Australia impacting the delivery of key DFS inputs, Boab expects completion of the DFS in 2H 2022.

While disappointed not to be releasing the DFS this quarter as planned, the Company feels it is prudent to take time to seek and incorporate tendered pricing for major capital and operating costs, including our open-pit mining contract, to ensure they are reflective of the evolving economic environment. The additional time will afford Boab the opportunity to incorporate contracted pricing and advanced design work into the DFS making for a more robust result.

### **Update on the Offtake Tender Process**

As previously indicated, the Company has determined that a final decision concerning the placement of production under offtake will closely follow the release of the Sorby Hills DFS. This timing will provide Boab the opportunity to evaluate the offtake terms with the benefit of the DFS results and consider how the proposed offtake debt facilities may sit alongside potential debt facilities from Northern Australian Infrastructure Facility (“NAIF”) and commercial banks.

---

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

#### **FOR FURTHER INFORMATION, PLEASE CONTACT:**

**Simon Noon**

**Managing Director & CEO**

Phone: **+61 (0)8 6268 0449**

Email: [info@BoabMetals.com](mailto:info@BoabMetals.com)

---

### **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.