

8 April 2021

## Sorby Hills Joint Venture to Accelerate Finalisation of Development and Operations Agreement

Boab Metals Limited (ASX: **BML**) (“**Boab**” or the “**Company**”) is pleased to provide the following update in relation to the development of the Sorby Hills Lead-Silver-Zinc Project (“**Sorby Hills**” or the “**Project**”) and Henan Yuguang Gold and Lead Co., Ltd (“**Yuguang**”), the Company’s 25% Joint Venture partner for the Project and the largest Lead smelting company and Silver producer in China.

### HIGHLIGHTS

- **Boab and Yuguang have agreed to accelerate finalisation of the Development and Operations Agreement for Sorby Hills.**
- **Advancing the Development and Operations Agreement will help facilitate engagement with potential financiers and will enable smooth transition from the Definitive Feasibility Study into project development and construction.**

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

*“The Joint Venture Development and Operation Agreement is an important element of our progress towards bringing Sorby Hills into production. The Joint Venture’s commitment to advancing the finalisation of this Agreement represents a further opportunity to de-risk Project financing and execution.*”

*We are delighted to have a partner of Yuguang’s stature continuing to back the Project and look forward to continuing the productive Joint Venture relationship as we move towards project financing and a Decision to Mine at Sorby Hills.”*

The Company has already engaged with the Northern Australia Infrastructure Facility (“**NAIF**”) and Export Finance Australia (“**EFA**”) regarding potential finance for Sorby Hills and is aiming to progress discussions with commercial lenders over the coming months in conjunction with advancing the Development and Operations Agreement with Yuguang. Concurrently, Boab will undertake a competitive offtake tender process for our 75% share of the Sorby Hills concentrate production.

**Managing Director**

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## Background

Since acquiring a 75% interest in Sorby Hills in 2018, Boab has enjoyed a mutually respectful and rewarding relationship with Yuguang who have been both a committed and financially contributing Joint Venture partner.

The past 3 years has seen the rapid development of Sorby Hills including: a significant increase in Mineral Resource size and confidence, the delivery of a high-quality Pre-Feasibility Study detailing the Project's low risk and robust economics and the commencement of a Definitive Feasibility Study.

Earlier this year, Boab and Yuguang reaffirmed their commitment to the development of the Sorby Hills Project and willingness to work together to ensure the Project is bankable and fully financed (ASX release 14 January 2021).

The decision to accelerate finalisation of a Development and Operations Agreement to replace the existing Exploration Joint Venture Agreement is a tangible demonstration of the Joint Venture's commitment to bringing Sorby Hills into production.

The Company looks forward to providing further development updates as progress is made towards a Decision to Mine at Sorby Hills.

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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.

## About Joint Venture partner Henan Yuguang Gold and Lead Co., Ltd

Yuguang is the largest Lead smelting company and Silver producer in China with an annual production output of approximately 400,000t Lead and 700t Silver and over 3,500 employees across 18 subsidiaries. Listed on the Shanghai Stock Exchange since 2002 (SHA: 600531), Yuguang reported in 2019 ~A\$3.8 billion<sup>1,2</sup> revenue and assets of ~A\$2.2 billion<sup>1,2</sup>. Yuguang branded Lead and Silver are approved for delivery against contracts by the London Metal Exchange and London Bullion Metals Association respectively.

More information can be found on the Yuguang website: <http://www.yggf.com.cn/en/>

1. Source: Bloomberg

2. 1AUD = 4.8CHY = 2019 average exchange rate