

26 October 2022

Quarterly Activities and Cashflow Report for the period ending 30 September 2022

Boab Metals Limited (ASX: **BML**) (“**Boab**” or “**Company**”) is pleased to provide the following activity and cashflow report for the quarter ending 30 September 2022. During the quarter, the Company continued progress toward reaching a Decision to Mine at its 75% owned Sorby Hills Lead-Silver-Zinc Project (“**Sorby Hills**” or “**the Project**”), located in the Kimberley Region of Western Australia.

HIGHLIGHTS

- **178 room camp secured** for the Project for a total purchase price of A\$1.29 million.
- **Amendments to the Sorby Hills EPA Approval received** a key regulatory prerequisite for the commencement Early Works including:
 - establishment of all-weather access to the Project;
 - development of a materials laydown and hardstand area to facilitate construction of the expanded processing plant and associated infrastructure; and
 - construction of an accommodation village at the Project site.
- **Completion of competitive tenders** for Sorby Hills Project Early Works, Process Plant EPC and Mining Contracts.
- **Successful Completion of the Phase VI drilling program**, with observed results to date:
 - confirming mineralisation in infill drilling at the Beta and Norton Deposits to support future conversion of Mineral Resources to Ore Reserves; and
 - extending mineralisation envelope at high-grade Beta deposit to support future Mineral Resource estimates.
- **The Company had a cash balance of approximately A\$4.6M as at 30 September 2022.**

Boab Managing Director and CEO, Simon Noon, stated:

“The quarter has seen Boab continue to focus on the delivery of project execution workstreams. Securing the camp, and the amendment to the EPA Approval, are both key enablers for the Project. Furthermore, completion of competitive contract tenders sees the company well positioned to rapidly ramp up construction upon a Decision to Mine and, where appropriate, bring forward targeted elements of early works, detailed design and procurement. We are now looking forward to completing our Definitive Feasibility Study and finalising Offtake and Financing workstreams.”

Managing Director
Simon Noon
Company Secretary
Jerry Monzu

Directors
Gary Comb (Chairman)
Richard Monti
Andrew Parker

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Accommodation Camp secured for Sorby Hills

During the period, a 178 room Accommodation Camp was acquired for a total purchase price of A\$1.29 million, staged in two tranches: A\$259,000 deposit paid upfront, and A\$1.04 million balance payable in Q4 2022. The acquisition represents a significant saving to the Project relative to a new camp bought outright or via a lease finance arrangement.

Securing of the camp was a significant de-risking milestone and one that is consistent with the Company's strategy to progress project execution workstreams in parallel with finalising the Definitive Feasibility Study.

The camp is currently located at the Cosmo Mine Site in Northern Territory approximately 600 km from Sorby Hills and comprises: 33 four-room and 23 two-room buildings each with ensuites with A/C, fittings, and furniture included, and 4 laundry buildings.

The camp will be transported to site during Q4 2022 and will be utilised throughout the project construction to house project employees and contractors.

EPA Approval Received for Early Works at Sorby Hills

The development of Sorby Hills was first approved by the EPA in 2014. The current amendments to the approval made under Section 45C(1) of the Environmental Protection Act relate primarily to an increase in the permitted "development area".

The increase will allow for:

- early establishment of an all-weather access to the Project;
- development of a materials laydown and hardstand area to facilitate construction of the expanded processing plant and associated infrastructure; and
- construction of an accommodation village at the Project site.

Approval of the EPA amendments paves the way for final clearance to be granted under the Biodiversity Conservation Act 2016 and permits the Western Australian Department of Mines, Industry Regulation and Safety ("DMIRS") to close out its assessment of the "Mining Proposal" associated with Early Works.

Completion of competitive tenders for Early Works, Process Plant EPC and Mining Contracts

The Sorby Hills Definitive Feasibility Study has investigated an expanded process plant capacity at Sorby Hills versus the 1.5Mtpa incorporated in the Pre-Feasibility Study. 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.

During the quarter, the Company completed competitive tenders for other key project contracts including Early Works and Mining with strong proposals being received in each case.

Completion of the competitive tender for key project contracts sees the company well positioned to advance towards a Decision to Mine following completion of the Definitive Feasibility Study and, where appropriate, bring forward targeted element early works, detailed design and procurement.

Phase VI Drilling Program

During the quarter, a Phase VI drilling program was undertaken comprising a total of +3,020m drilled across 28 RC holes including some that were pre-collared by mud rotary drilling and completed with RC drilling. The primary objective of the drilling program was to facilitate an increase in the portion of the Beta and the Norton Deposits classified as an Ore Reserves (Figures 1, 2, 3 and 4). Other objectives of the program included:

- testing of an exciting conceptual exploration target within the current mining lease and interpreted from historic seismic data; and
- finalisation of the maiden drill program at the Company's 100% owned Eight Mile Creek exploration project located immediately south of the Sorby Hill mining tenements.

The programs at the Norton and Beta deposit were 100% implemented and all priority drill holes of the drilling at the Eight Mile Project were also completed. Drilling of the deep Keep Seismic Target has been postponed to 2023.

A total of approximately 1,700 drill samples have been submitted to Intertek Laboratories in Darwin for a broad spectrum of element analysis including Lead, Silver and Zinc.

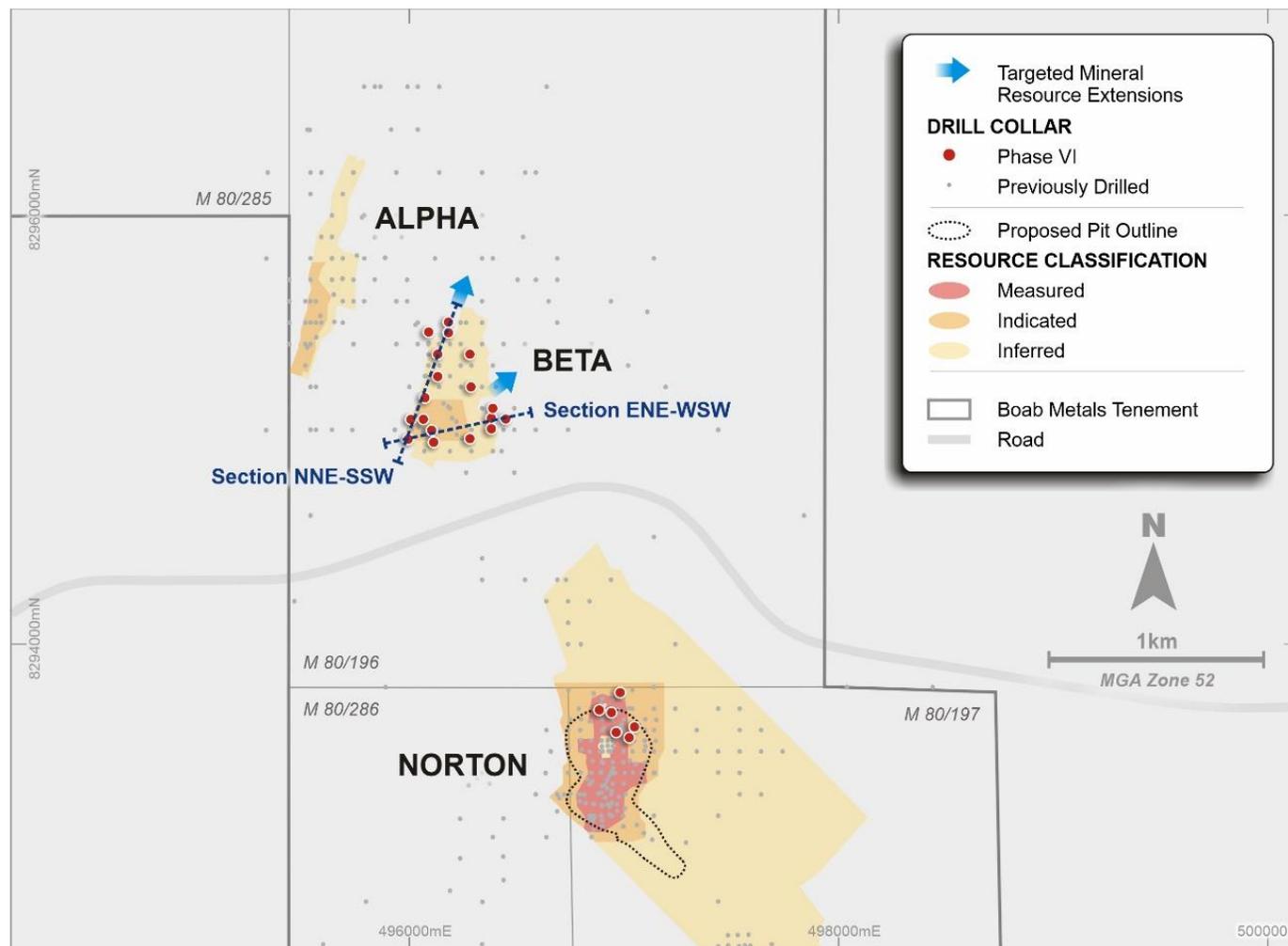


Figure 1 - 2022 drill hole plan for the Beta and Norton North area and MRE 2021 resource surface projections

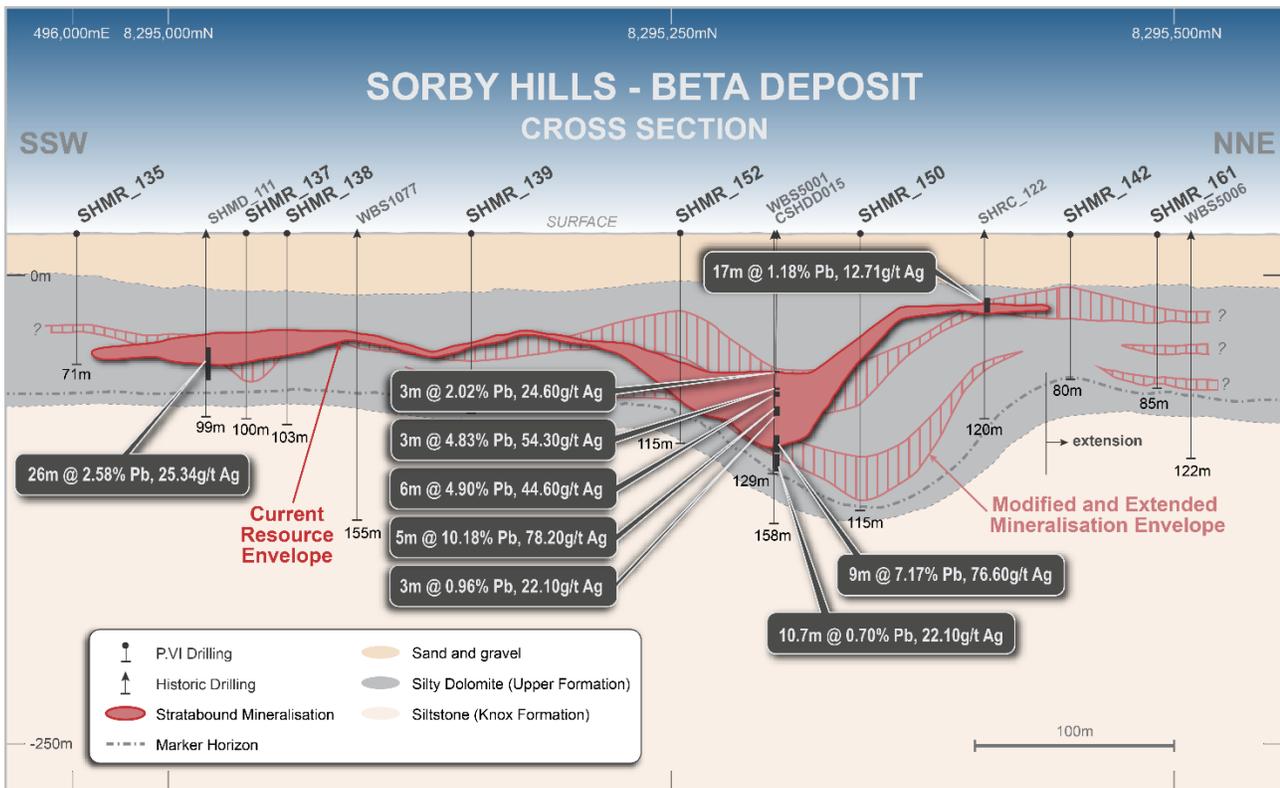


Figure 2 - Beta Cross Section trending NNE (see Figure 1) with incorporation of the latest geological logging and mineralisation observations.

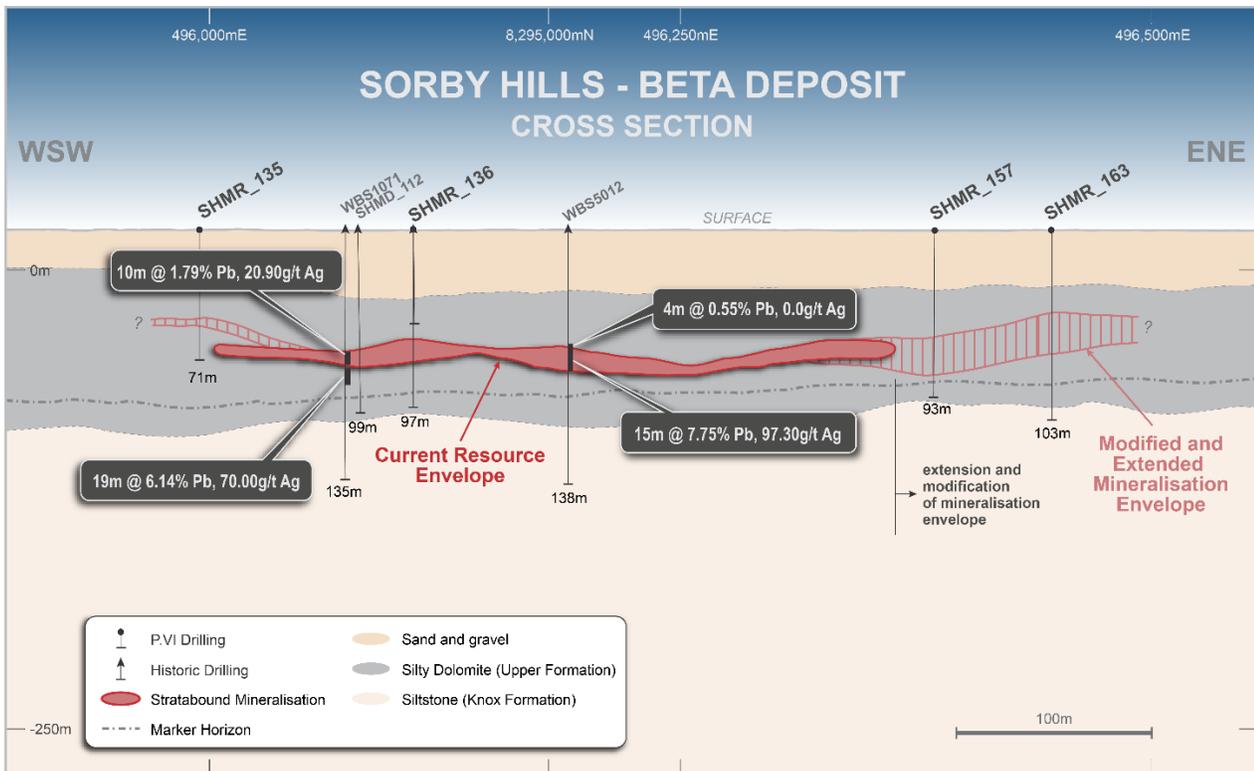


Figure 3 - Beta Cross Section trending ENE (see Figure 1) with incorporation of latest interpretation of geological logging and mineralisation observations.

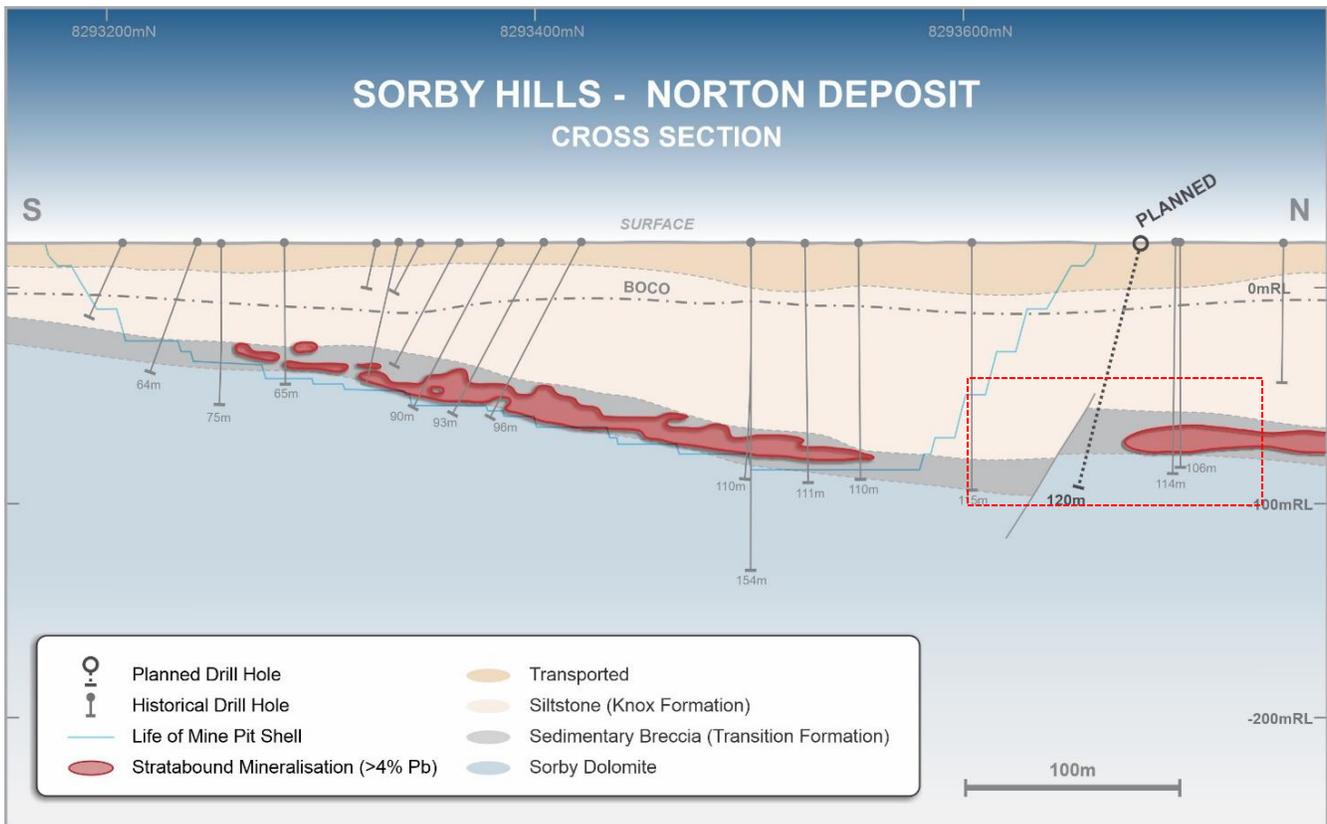


Figure 4 - Norton N-S Cross Section illustrating the > 4% Pb ore shell and grade gap that is targeted

Financial and Corporate Overview

In early August, the Company exhibited at the annual Diggers & Dealers Forum held in Kalgoorlie, Western Australia.

The consolidated cash balance of the Company as at 30 September 2022 was A\$4.6 million. During the period, the Company paid \$88k to related parties. These payments were made to Directors of Boab Metals Limited in relation to salaries and directors' fees, on normal commercial terms.

Post quarter end the Company held its Annual General Meeting on 20 October 2022. All resolutions put to the meeting were passed on a poll.

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

Simon Noon

Managing Director & CEO

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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 announcement relating to Exploration Results has been extracted from the ASX Announcements titled “Boab Completes Successful Phase VI Drilling Program at Sorby Hills” dated 18 October 2022 and available to view at 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 the original market announcement. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original announcements.

APPENDIX 1

INTERESTS IN TENEMENTS

Farm-In Agreements/ Projects/Tenements	Location	Held at Start of Quarter	Held at End of Quarter
Sorby Hills Project M80/196 M80/197 M80/285 M80/286 M80/287 E80/5317	WA, Australia	75% 75% 75% 75% 75% 100%	75% 75% 75% 75% 75% 100%
Borroloola West Project EL31354 EL26938 EL26939 EL28508 EL28658 EL30305 MLN624	NT, Australia	100% 51% 51% 51% 51% 51% 51%	100% 51% 51% 51% 51% 51% 51%
Manbarrum Project EL24395 MA24518 MA26581	NT, Australia	100% 100% 100%	100% 100% 100%
Urrao Project 2791	Colombia	100%	100%

APPENDIX 5B
Mining Exploration Entity or Oil and Gas Exploration Entity
Quarterly Cash Flow Report

BOAB METALS LIMITED			
ABN 43 107 159 713		Quarter ended ("current quarter")	
		September 2022	
Consolidated statement of cash flows		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(1,183)	(1,183)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(160)	(160)
	(e) administration and corporate costs	(255)	(255)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
	Other		
1.8	Recharge of staff costs and other administration costs to the Sorby JV	65	65
1.9	Net cash from / (used in) operating activities	(1,532)	(1,532)
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(197)	(197)
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(197)	(197)

3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4	Net increase / (decrease) in cash and cash equivalents for the		
4.1	Cash and cash equivalents at beginning of period	6,318	6,318
4.2	Net cash from / (used in) operating activities	(1,532)	(1,532)
4.3	Net cash from / (used in) investing activities	(197)	(197)
4.4	Net cash from / (used in) financing activities	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,589	4,589

5	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	4,589	6,318
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,589	6,318

6	Payments to related parties of the entity and their associates	Current quarter	
		\$A'000	
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(88)*	
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-	
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.			
*(Salaries and Director fees paid on normal commercial terms.)			

	Financing facilities	Total facility amount at quarter end	Amount drawn at quarter end
7	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>	\$A'000	\$A'000
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,532)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,532)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	4,589
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	4,589
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.00
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the	
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
	8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
	8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Date: 26 October 2022

Jerry Monzu (Company Secretary)

Authorised for release by the Board of Directors of Boab Metals Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.