

19 July 2023

Heads of Agreement to secure New Accommodation Facility in Kununurra

Boab Metals Limited (ASX: **BML**) ("**Boab**" or the "**Company**") is pleased to announce it has executed a Heads Of Agreement with the Shire of Wyndham and East Kimberley ("**SWEK**") for the construction and long-term lease of a new accommodation facility within Kununurra, 50km from its 75% owned Sorby Hills Lead-Silver-Zinc Project ("**Sorby Hills**" or "**the Project**"), located in the Kimberley Region of Western Australia.

HIGHLIGHTS

- **Heads of Agreement ("HOA")** executed between Sorby Management Pty Ltd ("**SMPL**") and the Shire of Wyndham and East Kimberley **for the construction and long-term lease of a new 180-person accommodation Facility located in Kununurra.**
- Under the HOA, **SMPL will fund pre-construction work** including approvals, workstreams and conceptual design **in return for securing a 10-year lease for the facility** with an option to extend for a further 5 years.
- **SMPL's pre-construction costs will be rebated against leasing costs.**
- **SWEK will fund and oversee detailed design and construction of the facility.**
- The HOA is further evidence of the **potential synergies** and **significant economic opportunities** between the **Sorby Hills Project and the East Kimberley community.**

Boab Managing Director and CEO, Simon Noon, stated:

"We are delighted to announce this significant partnership and enormous opportunity with SWEK. The Heads of Agreement represents an outstanding example of stakeholders working together to deliver a mutually beneficial outcome.

For the Company, the agreement provides for a cost-effective pathway to secure a brand-new, fit for purpose accommodation facility that will provide employees with the opportunity to access local services and participate in local community activities such as sporting clubs.

For the Shire, the agreement is an opportunity to develop an important piece of infrastructure that can be leveraged by the community for years to come and furthermore, to fund that infrastructure via the support of a long-term anchor tenant.

We look forward to progressing this exciting workstream with SWEK over the coming months."

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Background

Boab Metals is developing its 75% owned Sorby Hills Lead Silver Project located 50km northeast of Kununurra in the Kimberley Region of Western Australia. In January 2023, Boab released a Definitive Feasibility Study (“**DFS**”) on the Sorby Hills Project and is now progressing towards a Final Investment Decision.

The Heads of Agreement executed between SMPL and SWEK for the construction and long-term lease of a new accommodation facility within Kununurra represents a key milestone and exciting development on the road towards bringing Sorby Hills into production.

Key Terms of the Heads of Agreement

- SMPL to fund approvals workstreams and preliminary design of the new facility;
- SWEK to fund detailed design and construction of the new facility;
- SMPL to be offered a 10-year lease commencing the day SMPL personnel occupy the facility with a 3-year + 2-year extension option;
- Pre-construction workstreams funded by SMPL to be rebated against lease fees;
- In addition to the worker accommodation, the development may include a number of self-contained affordable accommodation units to meet demands for key affordable worker accommodation in the local Kununurra area. The self-contained units will be a separable portion under the one construction contract; and
- Condition precedents include a Final Investment Decision on the Sorby Hills Project.

In September 2022, Boab announced it had secured a second-hand accommodation camp and transferred it to site for installation and refurbishment. The Company intends to use this camp during the construction phase of the Project and transfer its workforce into the new facility once operations commence. The second-hand camp would be resold once construction is complete.

The HOA with SWEK is a demonstration of the constructive and co-operative relationship that exists between Boab and local stakeholders and strengthens the deep roots that the Company has established within the community, most recently on display at the Ord Valley Muster of which Boab Metals was a proud sponsor.

The Company looks forward to working with SWEK on this workstream over the coming months and bringing about this important piece of infrastructure that will benefit the Project and the community for many years to come.



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 HenanYuguang 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.