

6 July 2023

Quarterly Activities and Cashflow Report for the period ending 30 June 2023

Boab Metals Limited (ASX: **BML**) (“**Boab**” or “**Company**”) is pleased to provide the following activity and cashflow report for the quarter ending 30 June 2023. 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

- **Front End Engineering & Design and Project Optimisation workstreams progress**
 - Finalisation of Project Design Criteria, Process Flow Diagrams and, optimised Plant Layout with preferred EPC Contractor GR Engineering Services (“**GRES**”);
 - Re-optimisation of Mining Schedule and Tailings Strategy Update to increase Project cash flows over the initial production years;
 - Rationalisation of Contract Packages to realise cost-saving synergies across the mining and bulk earthworks activities; and
 - Boab, GRES, and Horizon Power working towards an optimised solution to reduce, and potentially remove, the need for a diesel-fuelled back-up to the grid power delivered from the Ord River Hydro Power Plant.
- **Phase VII drill program commenced with 19 diamond holes targeting mine life extensions and enhanced metallurgical recoveries at the Norton Deposit.**
- **Approvals workstreams progressing with positive determinations anticipated to be received in Q3 ahead of a Final Investment Decision.**
- **Construction Financing and Offtake continue to progress.**
- **The Company had a cash balance of approximately A\$4.6M as at 30 June 2023.**

***Boab Managing Director and CEO, Simon Noon, stated:** “Since completing the DFS earlier in the year, the Boab team has been heavily focused on examining opportunities to refine and optimise the Project, to the benefit of our shareholders. As we draw nearer to a Final Investment Decision on the Project, I am excited to be working closely with all our stakeholders to bring the Sorby Hills Project to realisation as soon as practicable.”*

Background

Boab 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 Project (ASX Announcement 19 January 2023) that demonstrated robust economics (Figure 1) and supported progress toward a decision to mine.

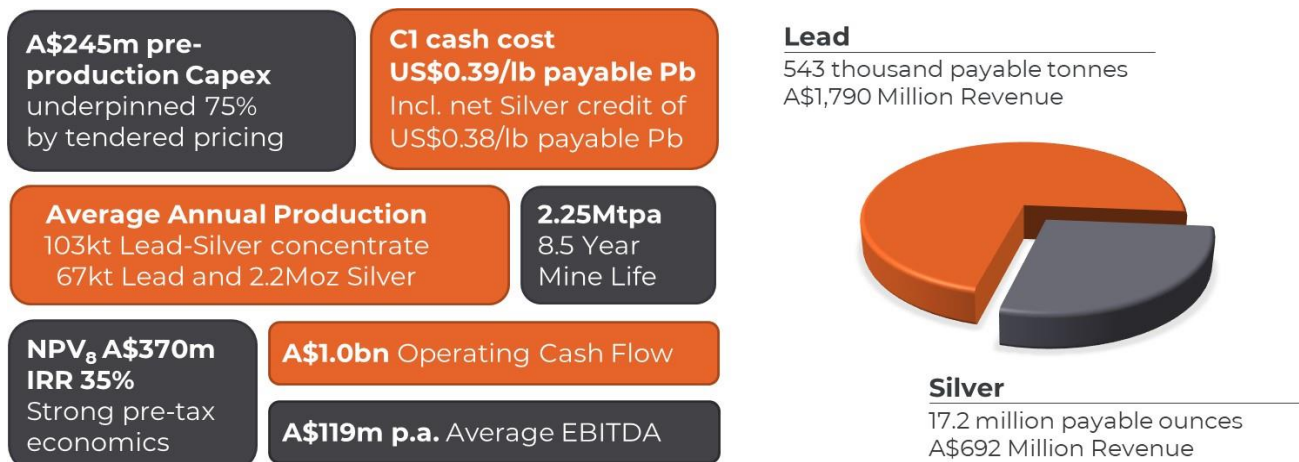


Figure 1: Highlights of the Sorby Hills Project DFS.

After completing the DFS, Boab has advanced multiple project optimisations, operational readiness, and financing workstreams in preparation for Final Investment Decision (“FID”).

Early Works and Project Optimisation

Front End Engineering & Design

Following the selection of GRES as the preferred EPC Contractor for the Sorby Hills Project (ASX Announcement 21 November 2022) and the subsequent execution of an Engineering & Services Agreement (ASX Announcement 13 March 2023), Boab and GRES have focused on Front End Engineering & Design (“FEED”) workstreams in preparation for EPC contract award.

Weekly progress meetings with GRES have sought to finalise process design criteria and process flow diagrams, optimise site layout (Figure 2), and generate 3D models of the Process Plant and Non-Process Infrastructure (Figure 3). The output has resulted in a refined process plant design and the issue of tender packages for long-lead items.

Furthermore, the optimised site layout has allowed for an amended bulk earthworks design to be undertaken by Coffey, and subsequently, a re-estimate of materials quantities that will form the basis of updated tenders for the Early Earth Works program.

FEED remains on track for completion in Q3 2023.

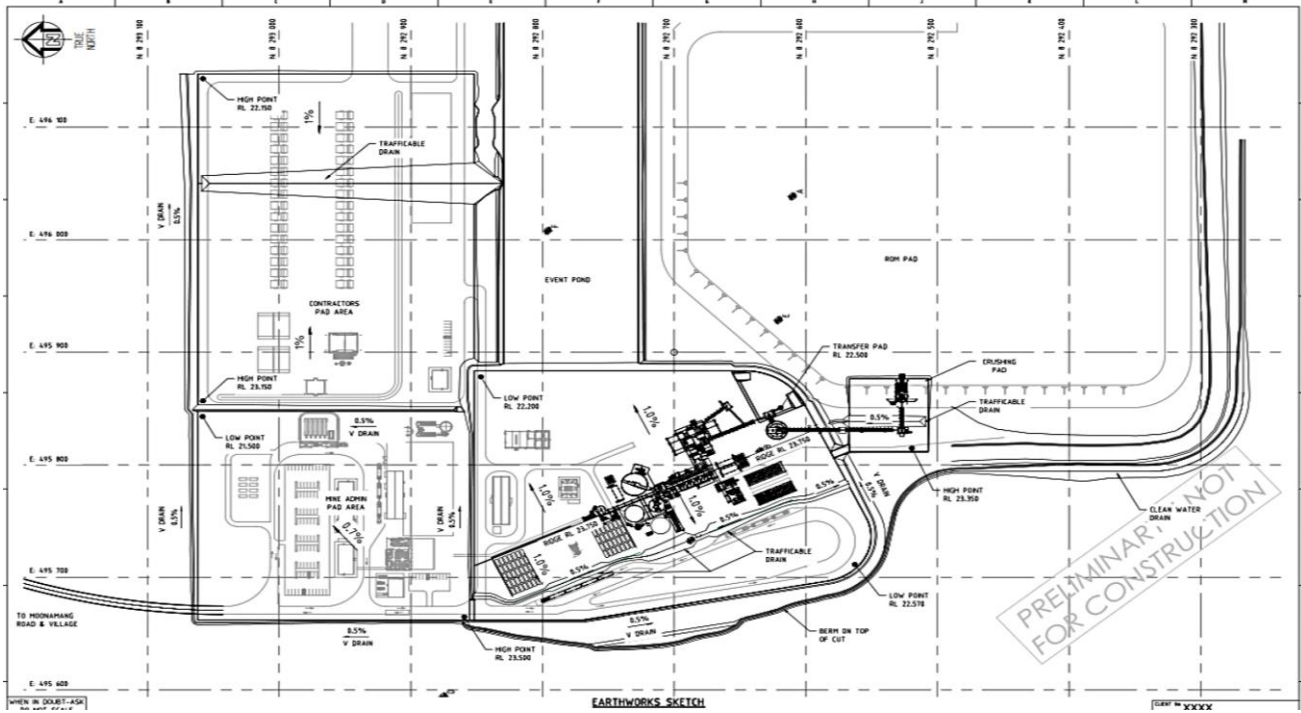


Figure 2: Site Layout of the Sorby Hills Process Plant and Non-Process Infrastructure.



Figure 3: 3D Model of the Sorby Hills Process Plant layout looking northward from the ROM Pad toward the processing facilities and administration buildings.

Mining Schedule Optimisation and Tailings Strategy Update

The Sorby Hills DFS tailings strategy incorporated both above-ground tailings storage within an integrated waste landform (“IWL”) and in-pit tailings deposition. The rationale for this decision had been the opportunity to reduce the IWL footprint and necessitated that the Sorby Hills deposits were to be mined in a particular sequence that provided sufficient tailings storage capacity as and when required.

Subsequent to the DFS, Boab has determined that the initial footprint of the IWL is sufficient to support additional raises that will provide capacity for approximately 6 years of above-ground tailings storage. The changed strategy does not materially impact pre-production capital costs and allows for mining of the lower grade zone of the Omega South pit (which was to be completed and used for tailings deposition from Year 5) to be replaced by higher grades of the Omega and Norton pits in the mining schedule, thus bringing forward increased metal production and revenue.

The updated mining schedule developed by Entech Mining Pty Ltd is shown in Figure 4.

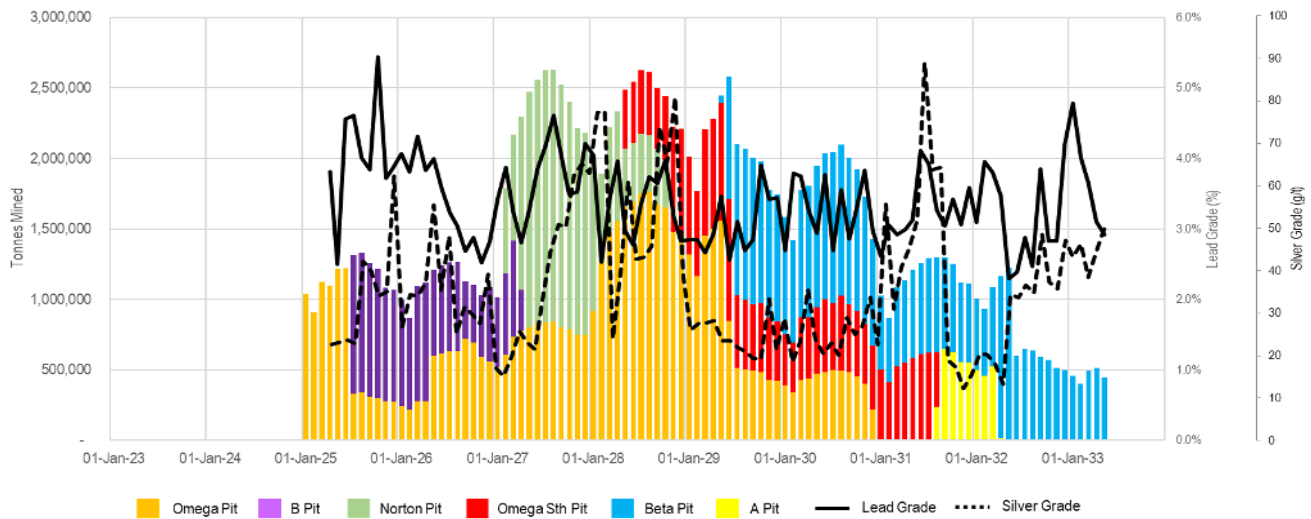


Figure 4: Updated Mining Schedule colour coded by pit.

Rationalisation of Contract Packages

The updated mining schedule and tailings strategy has provided Boab with the opportunity to explore a rationalisation of contract packages, including the bundling of the mining contract with bulk earthworks activities.

Boab is currently working closely with contractors who have previously tendered for the mining and bulk earthworks packages to help them refine their pricing based on the updated schedule and the bundled contract. The Company is confident the updated approach to contracting will deliver a positive outcome for the Project.

Power Supply

Boab has executed a Heads of Agreement with Horizon Power to provide a power solution for the Sorby Hills Project that is underpinned by green energy from the Ord River Hydroelectric Power Plant (ASX Announcement 22 April 2022). Whilst the availability of power from the hydroelectric plant is expected to be more than 90%, the DFS conservatively included 100% redundancy in the form of a 12MW diesel-fuelled back-up power plant located on-site.

In consultation with GRES and Horizon Power, Boab is working towards an optimised solution whereby the need for diesel power redundancy is both reduced and potentially replaced by an alternate power source such as an on-site solar farm. A positive outcome would further enhance the clean energy credentials of the Sorby Hills Project, lower operating costs and reduce exposure to fluctuations in the price of diesel.

Boab continues to work with Horizon Power on finalising the design of the power solution and the negotiation of a Power Purchase Agreement.

Approvals

The Sorby Hills Project was first referred under the Environmental Protection and Biodiversity Conservation Act (“**EPBC**”) in 2013 and was deemed “Not a Controlled Action”. The Project subsequently received approval from the WA Environmental Protection Authority (“**EPA**”) in 2014. The EPA approval was further renewed in 2019 (ASX Announcement 29 May 2019).

As part of the Sorby Hills DFS and ongoing project execution workstreams, Boab has sought two sets of amendments to the original EPA Approval primarily relating to changes in the “development area” with respect to the site access route and refinement of the water management strategy within the tenements. The first of these amendments was approved in July 2022 (ASX Announcement 1 July 2022). The second amendment process is nearing completion, with updated water balance modelling from GHD and independent third-party engineering reports from tailings and water storage specialist Red Earth Engineering supporting the application.

In light of the EPA amendments, and other design changes to the process plant and site layout, Boab has decided to re-refer the Project to the Department of Climate Change, Energy, the Environment and Water (“**DCCEEW**”) under the EPBC. Self-assessment by Boab utilising the ‘Protected Matters Search Tool’ has been completed on the DCCEEW website and identified no new potential impacts from the proposed operations, outside those that were assessed previously.

Boab anticipates positive outcomes of the EPA amendment process and EPBC referral to be received during Q3 2023.

In addition to the key approvals above, the Company continues to advance other permits and approvals related to construction and operations including EPA Part V Works Approval, Mining Proposal, Water Extraction Licence and Mining Operational Notification.

Concentrate Logistics

GHD has recently completed a road safety assessment for the Sorby Hills Project. The final report will be submitted to the Shire of Wyndham and East Kimberley (SWEK) for review and subsequently used in the application for concessional loading made to Main Roads Western Australia. A successful concessional loading application would result in improved haulage costs from the mine site to Wyndham Port.

During May, Cambridge Gulf Limited (“CGL”), operator of Wyndham Port, submitted a works approval to the Western Australian Department of Water and Environmental Regulation (“DWER”) with respect to the storage and handling of concentrate from the Sorby Hills Project.

Boab, via SHPL, has entered a Port Access and Stevedoring Services Agreement with CGL for a term extending to at least 2034 with an option to roll over on a yearly basis thereafter (ASX Announcement 31 March 2022).

Phase VII Drilling Program

Boab has recently announced the commencement of its Phase VII drilling campaign at Sorby Hills. The planned drilling program comprises 2,000m across 19 diamond drill holes focused on the Norton Deposit (see ASX Announcement 16 June 2023).

Objectives of the Phase VII drill program include enhancing conservative metallurgical recoveries adopted for the Norton deposit in the Sorby Hills DFS and investigating high-grade mineralisation adjacent to the current Norton deposit open pit design. The Phase VII drilling program is anticipated to take approximately 6 weeks to complete with assay results targeted for mid Q3 2023. A successful program could see a significant increase in the metal recovered from the Norton deposit and an increase in overall mine life. Subject to the successful completion of the drilling and metallurgical programs Boab will likely commission an update of the Mineral Resource Estimate in Q4 2023.

Stakeholder Engagement

Ord Valley Muster

Sense of community plays a key role in the economic and social well-being of stakeholders across the east Kimberley Region. The Ord Valley Muster has been a highlight of the Kimberley community calendar for 20 years.

Since 2022, Boab Metals has been the proud sponsor of the Ord Valley Muster. The 2023 edition of the Ord Valley Muster was held between 19th-27th of May 2023 and featured a diverse range of events & experiences including dining under the stars, music, community fair, comedy, storytelling, and rodeo. Once again, the Ord Valley Muster was enthusiastically supported by the Kununurra community and the large numbers of visitors who were attracted to the region and the event was deemed hugely successful (Figure 5).

With respect to Boab, the support received from the local community for the Sorby Hills Project has been overwhelming and provides additional impetus for the delivery of the Project.

Indigenous Engagement

Productive meetings were held with the local indigenous group the, Miriuwung Gajerrong people, and their representatives during May and June 2023 and have significantly progressed the definition of a mutual Benefits Agreement and outlined the pathway forward to finalising the agreement.

Boab is committed to working collaboratively with the local Miriuwung Gajerrong people to deliver long-term and sustainable benefits, including business and employment opportunities and skills development.



Figure 5: Boabs Managing Director, Simon Noon speaking at the 2023 Ord Vally Muster

Financing and Offtake

Boab continues to progress constructive discussions with potential project financiers of the Sorby Hills Project. In parallel, the lender's Independent Technical Expert is finalising its review of the Project, including the optimised mining schedule and updated tailings strategy.

Negotiation of offtake terms with multiple Tier-1 counterparties is substantially complete. Boab is now exploring options for offtaker financing with these groups, to work in tandem with senior secured debt.

Timeline to Production

Receipt of EPA amendments approval and EPBC referral outcome, completion of FEED, and awarding of Offtake are all scheduled for completion during Q3 2023, paving the way to finalisation of project financing arrangements and subsequently a Final Investment Decision.



Financial and Corporate Overview

The consolidated cash balance of the Company as at 30 June 2023 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.

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Managing Director & CEO

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Email: 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 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.

Compliance Statements

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves.

Information included in this Quarterly Report relating to Exploration Results has been extracted from the ASX Announcements titled "Assays Confirm Further Positive Outcome for Sorby" dated 23 January 2023, "Sorby Hills DFS Metallurgical Testwork Results" dated 19th November 2021 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 these announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the form in which they were first presented.

Information included in this Quarterly Report relating to Mineral Resources has been extracted from the Mineral Resource Estimate dated 17 December 2021, 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 Mineral Resource Estimate and that all material assumptions and technical parameters underpinning the estimates, 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.

Information included in this Quarterly Report relating to Ore Reserves, Production Targets and Financial Forecasts has been extracted from the Sorby Hills Definitive Feasibility Study and dated 19 January 2023, 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 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 Ore Reserves Statement.

Metal Equivalent Calculation Method

The contained metal equivalence formula is based on the Sorby Hills DFS including:

- Lead Price US\$2,253.19/t;
- Lead recovery of 91.0% (weighted average of oxide and fresh Pb recoveries);
- Lead Payability rate of 95%;
- Silver Price US\$27.4/oz;
- Silver recovery of 81.8% (weighted average of oxide and fresh Ag recoveries); and
- Silver Payability rate of 95%.

It is Boab's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold.

The formula used to calculate lead equivalent grade is:

$$\text{MetalEq (\%)} = G_{\text{pri}} + (G_{\text{pri}} \times [\sum_i R_i S_i V_i G_i] / (R_{\text{pri}} S_{\text{pri}} V_{\text{pri}} G_{\text{pri}}))$$

where R is the respective metallurgical metal recovery rate, S is the respective smelter return rate, V is metal price/tonne or ounce, and G is the metal commodity grade for the suite of potentially recoverable commodities (i) relative to the primary metal (pri).

Metal equivalents are highly dependent on the metal prices used to derive the formula. Boab notes that the metal equivalence method used above is a simplified approach. The metal prices are based on the DFS values adopted and do not reflect the metal prices that a smelter would pay for concentrate nor are any smelter penalties or charges included in the calculation. Owing to limited metallurgical data, zinc grades are not included at this stage in the lead equivalent grade calculation.

DFS Macroeconomic Assumptions

Assumption	Unit	FY2023	FY2024	FY2025	FY2026	FY2027+
Lead Price	US\$/t	2,259	2,268	2,269	2,254	2,251
Silver Price	US\$/oz	24.8	25.8	26.4	27.3	27.5
Exchange Rate	A\$:US\$	0.70	0.70	0.70	0.69	0.68

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%



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")	
		June 2023	
Consolidated statement of cash flows		Current quarter	Year to date (12 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)	(1,140)	(3,907)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(197)	(774)
	(e) administration and corporate	(162)	(927)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	54	96
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	40	200
1.9	Net cash from / (used in) operating activities	(1,405)	(5,312)
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and	(59)	(1,734)
	(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	-	-
	(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	(59)	(1,734)

3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,659
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	-	(313)
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	-	5,346

4	Net increase / (decrease) in cash and cash equivalents for the		
4.1	Cash and cash equivalents at beginning of period	6,082	6,318
4.2	Net cash from / (used in) operating	(1,405)	(5,312)
4.3	Net cash from / (used in) investing	(59)	(1,734)
4.4	Net cash from / (used in) financing	-	5,346
4.5	Effect of movement in exchange rates	-	-
4.6	Cash and cash equivalents at end of	4,618	4,618

5	Reconciliation of cash and cash	Current	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	1,531	2,077
5.2	Call deposits	3,087	4,005
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)	4,618	6,082

6	Payments to related parties of the entity and their associates	Current	
		\$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.)

APPENDIX 5B

	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)	(1,405)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,405)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	4,618
8.5	Unused finance facilities available at quarter end	-
8.6	Total available funding (Item 8.4 + Item 8.5)	4,618
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.28
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	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: 06 July 2023

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.