

3 October 2023

## Sorby Hills Progress Update

Boab Metals Limited (ASX: **BML**) (“**Boab**” or the “**Company**”) would like to provide the following update on progress towards a Final Investment Decision at its 75% owned Sorby Hills Lead-Silver-Zinc Project (“**Sorby Hills**” or “**the Project**”), located in the Kimberley Region of Western Australia.

In January 2023, Boab released the results of a Definitive Feasibility Study (“**DFS**”) on Sorby Hills that demonstrated robust economics including a pre-tax NPV<sub>8</sub> of A\$370 million and an IRR of 35% underpinned by a 8.5-year mine life (83% of which was classified as Ore Reserves), low operating costs (US\$0.39/lb payable Lead vs a current ~US\$1.0/lb spot price) and tendered pricing for 75% of the pre-production capital costs.

On the back of the DFS, Boab ramped up engagement with potential Project financiers including Commercial Banks, Government Agencies, and specialist mining Credit Funds. Discussions with these parties have highlighted the funding challenge facing junior project developers in a high inflation environment and provided Boab with a clear focus to further optimise the Project.

Boab’s Project optimisation exercise is well progressed, with some specific examples including:

- an updated tailings strategy to allow for the higher-grade Norton deposit to be mined earlier within the Mining sequence, thus bringing forward increased metal production and revenue;
- collection of diamond core from the Norton deposit for the purpose of additional metallurgical test work to refine conservative metal recoveries that were necessarily adopted for the DFS due to limited core availability at the time;
- completion of Front-End Engineering and Design (“**FEED**”) resulting in a more detailed process plant design and optimised plant layout;
- updated tendered pricing for the process plant from the preferred EPC contractor GR Engineering Services (“**GRES**”) based on the FEED outcomes and current raw material and labour costs. The updated price is a negligible change from that provided for the DFS;
- updated power strategy that reduces, and possibly removes, the requirement for a fully sized diesel generated back up on site, thus further reducing power costs; and
- refreshed mining tender undertaken to retest the market. The mining tender for the DFS was completed at the height of post COVID inflation and the Company is confident the updated tender with competitive pricing can deliver a positive outcome for the Project.

**Managing Director**  
Simon Noon  
**Company Secretary**  
Jerry Monzu

**Directors**  
Gary Comb (Chairman)  
Richard Monti  
Andrew Parker

**Registered Office**  
4 Clive Street  
West Perth, WA  
6005, Australia

**Telephone**  
+61 8 6268 0449  
**ASX Code** BML  
**ABN** 43 107 159 713

[www.boabmetals.com](http://www.boabmetals.com)

The Company is currently working through the completion, documentation and modelling of the Project optimisation exercise and intends to deliver the results via a Sorby Hills FEED Study to be released to the market in Q1 2024.

The production of a documented FEED Study will not hold up the engagement with potential financiers. The Company is confident the optimisation work to date will address key areas of risk and facilitate further progress with debt providers.

The Company has held positive discussions with Offtakers dating back prior to the DFS and subsequently has shortlisted and advanced negotiations with preferred parties. More recently, Boab has opened discussions with Offtakers with respect to providing finance to complement that sought from other potential lenders.

Whilst negotiations on offtake are well progressed, the Company has reserved its right to award offtake for the Sorby Hills concentrate in order to maximise the potential for securing project finance from the Offtake parties.

The Company retains a cash balance of over A\$3 million and is sufficiently funded to complete the ongoing optimisation workstreams.

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

*“Securing funding for projects in general has been tough within the current economic environment. Boab and Sorby Hills have not been immune from this challenge.*

*Whilst progress with financiers has not advanced as quickly as we had hoped, the feedback we have received has provided the Company with an opportunity to execute opportunities to enhance economic outcomes and shareholder value.*

*We thank our shareholders for their patience as we work through this process and confirm that our team remains firmly focused on advancing Sorby Hills to a Final Investment Decision.*

*I look forward to providing the market with updates on the Project optimisation as well as financing and offtake outcomes as they progress and in the short-term, releasing assay results from our recently completed Phase VII drilling program.”*

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**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)

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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.

## 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 announcement 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](http://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.