



23 December 2024

Key Amendments Received to Sorby Hills EPA Approval

Boab Metals Limited (ASX: **BML**) ("**Boab**" or "**Company**") is pleased to announce that it has received formal notification from the Western Australian Government consenting to key amendments to the Sorby Hills Project's ("**Sorby Hills**", the "**Project**") existing approval under Western Australia's Environmental Protection Act ("**EPA**").

HIGHLIGHTS

- **Western Australian Government has provided consent to key amendments to the Sorby Hills Project existing EPA approval.**
- **The amendments provide Boab with scope to implement the Sorby Hills Project in line with the Project's FEED study, including an increase to the open pit depth and mining production rate.**
- **The amendments also provide the opportunity for Boab to further reduce capital expenditure through an optimisation of the proposed water management strategy and rationalisation of associated infrastructure.**
- **All EPA amendments required under Part IV to commence the implementation of the Sorby Hills Project have been received.**
- **The Company will now proceed toward finalising outstanding regulatory approvals and advancing toward a targeted Final Investment Decision in 2H 2025.**

Boab Managing Director and CEO, Simon Noon, stated:

"We are delighted to have secured our requested amendments to the existing Sorby Hills EPA approval. The Company has undertaken a rigorous information exchange with the Western Australia Environmental Protection Agency department to demonstrate that the Project, as conceived in our FEED Study is in accordance with requirements of the EPA and associated regulation. We welcome the decision, and the clarity and opportunity it affords, and now look forward to continuing to build upon the momentum that we have generated over the past six months toward advancing Sorby Hills to a Final Investment Decision."

Background

Sorby Hills is located **50km from the regional centre of Kununurra** in the East Kimberley of Western Australia and has access to **existing sealed roads** to transport concentrate **150km from the site to the facilities at Wyndham Port**.

On 6 June 2024, Boab released the results of a Front-End Engineering & Design Study ("**FEED Study**")¹ on the Project showing strong pre-tax economics including C1 operating costs of US\$0.36/lb payable Pb (incl. a net Silver credit of US\$0.37/lb payable Pb), **NPV₈ of A\$411M**, **IRR of 37%**, A\$778M free cash flow, and an **average annualised EBITDA of A\$126M**. Pre-production capital costs were estimated to be A\$264M.

¹ ASX Release 6 June 2024

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With operating costs covered by revenue generated by a historically non-volatile lead price, the **Project free cash flow is exposed to movements in the price of silver.**

The Project comprises a Mineral Resource of **47.3Mt containing 1.5Mt Lead at 3.1% Pb and 53Moz Silver at 35g/t Ag** (Table 1). The current Sorby Hills mine plan comprises 18.3Mt at 3.4% Pb and 39g/t Ag of which ~83% is classified as an Ore Reserve (Table 2).

Over the past 3 months, **significant progress has been made** by the Company toward advancing Sorby Hills to a Final Investment Decision including:

- **Execution of an agreement to increase Boab's interest in Sorby Hills to 100%** by acquiring joint venture partner Henan Yuguang's 25% interest²; and
- **Execution of a cornerstone debt financing facility³** with global commodities trader Trafigura comprising a US\$30M prepayment facility and associated **Offtake Agreement for 75% of Sorby Hills concentrate** production over a period of approximately 7 years.

Next Steps

With all EPA amendments required to commence Sorby Hills mining operations now received, the Company will turn its attention to **finalising outstanding regulatory approvals** including the completion and updating of documentation required under the federal Environmental Protection and Biodiversity Conservation Act ("EPBC") as a result of the increase in the Project's scope since the Project was originally assessed in 2013. EPA approval to mine the Beta Pit, which is scheduled to occur at the end of the current Project mining plan, will be sought subsequent to the commencement of operations.

The Company is exploring **cost reduction initiatives**, including the feasibility and cost-benefit of utilising the DeGrussa process plant and the feasibility of adopting a 100% grid power solution sourcing green energy from the Ord River Hydroelectric Plant. Furthermore, the amendments received to the EPA approval will facilitate an optimisation of the Project's water management strategy and a rationalisation of the proposed water management infrastructure.

Concurrently, the Company will continue discussions with potential lenders with a view to **securing further non-dilutive debt finance** to complement the Trafigura prepayment facility.

The Company is targeting a Final Investment Decision in 2H 2025.

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

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² ASX Release 23 September 2024

³ ASX Release 10 December 2024

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 Project in WA. Sorby Hills is located 50km from the regional centre of Kununurra in the East Kimberley and has access to existing sealed roads to transport concentrate the 150km from site to the facilities at Wyndham Port.

Established infrastructure and existing permitting allows for fast-track development and production. Boab owns a 75% interest in the Project with the remaining 25% interest held by Henan Yuguang Gold & Lead Co. Ltd. Boab holds an option to acquire Yuguang's interest in the Project upon reaching a Final Investment Decision.

Table 1: Sorby Hills Mineral Resource Estimate – Pb Domains only.

Resource Classification	Tonnes (Mt)	Grade			Contained Metal		
		Pb	Zn	Ag	Pb	Zn	Ag
		%	%	g/t	kt	kt	koz
Measured	12.6	3.5%	0.4%	43	444	45	17,521
Indicated	11.0	3.4%	0.4%	34	377	46	12,114
Inferred	23.6	2.7%	0.5%	31	645	117	23,406
Total Resource	47.3	3.1%	0.4%	35	1,465	207	53,042

Note: Tonnes and Grade are rounded. Reported at a 1.0% Pb Cut-Off. Discrepancies in calculated Contained Metal is due to rounding.

Table 2: Sorby Hills Ore Reserve Statement.

Ore Reserve Category	Ore (Mt)	Grade		Contained Metal	
		Pb (%)	Ag (g/t)	Pb (kt)	Ag (Moz)
Proved	10.4	3.5%	42	358	14.1
Probable	4.9	3.5%	32	172	5.0
Total Ore Reserve	15.2	3.5%	39	531	19.1

Note: Tonnes and Grade are rounded. Reported at a 1.0% Pb cut-off. The above data has been rounded to the nearest 10,000 tonnes ore, 0.1% lead grade and 1,000 lead tonnes, 1g/t silver grade and 100,000 silver ounces. Discrepancies in calculated Contained Metal is due to rounding. Ore Reserves have been calculated using metal prices of A\$3,313.91/t Pb and A\$37.89/oz Ag and royalties of 4.3% of gross revenue including allowable deductions.

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 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 announcement relating to Ore Reserves, has been extracted from the Sorby Hills Definitive Feasibility Study and dated 19 January 2023, Information included in in this announcement relating to Production Targets and Financial Forecasts has been extracted from the Sorby Hills FEED Study and dated 6 June 2024. Announcements are 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.