



27 July 2021

Quarterly Activities and Cashflow Report for the period ending 30 June 2021

Boab Metals Limited (ASX: **BML**) ("**Boab**" or "**Company**") is pleased to provide the following activity and cashflow report for the quarter ending 30 June 2021. The quarter saw significant progress toward the development of the Company's 75% owned Sorby Hills Lead-Silver-Zinc Project ("**Sorby Hills**" or "**the Project**"), located in the Kimberley Region of Western Australia.

HIGHLIGHTS

- **Measured Resources at Sorby Hills increased by 4Mt (56%)** following an update to the Sorby Hills Mineral Resource Estimate.
- **Phase V Drilling Program commenced** targeting high impact opportunities to expand the Sorby Hills mining inventory and production capacity for the Definitive Feasibility Study.
- **New and extended mineralisation observed** in Phase V drilling completed to date including shallow intersections of Lead and Zinc mineralisation 500m to the west of the Norton deposit.
- **Additional holes have been added to Phase V drilling program** to further investigate encouraging preliminary observations.
- **Boab Metals takes on naming right sponsorship of the Ord Valley Muster.**
- **Strategic acquisition of the Manbarrum Zinc-Silver-Lead Project** located 25km east of Sorby Hills announced post quarter end.
- **The Company has a cash balance of A\$12.95m as of 30 June 2021** and is well funded to continue executing DFS workstreams and focussing on further de-risking, value-adding and exploration opportunities aimed at progressing Sorby Hills to a Final Investment Decision.

Boab Managing Director and CEO, Simon Noon, stated:

"The quarter has seen the Company leverage off a significantly de-risked Sorby Hills Mineral Resource Estimate into an exciting Phase V drilling program aimed at high impact opportunities to extract maximum value from the deposit for purposes of the DFS. We look forward to providing results from the Phase V program as they come to hand together with other significant Project developments over the coming months as we advance towards a Decision to Mine at Sorby Hills."

Managing Director

Simon Noon

Company Secretary

Jerry Monzu

Directors

Gary Comb (Chairman)

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Interim Mineral Resource Update

An updated Mineral Resource Estimate undertaken by CSA Global was released during the quarter and incorporated the results of the Phase IV drilling program (Table 1, ASX release 6 April 2021).

The updated Mineral Resource Estimate comprises 44.9Mt at 4.3% PbEq. (3.2%Pb, 0.5% Zn and 37g/t Ag using a cut-off of 1% Pb). While the overall Mineral Resource size has remained largely unchanged, the updated estimate has resulted in an increase in Measured and Indicated tonnes of 1.3Mt (6%), 24Kt contained Lead (3%) and 1.2Moz contained Silver (5%).

Importantly, the update has seen the conversion of 4.0Mt of Indicated Resources to Measured Resources (an increase of 56%) and a significant increase in shallow Resource tonnes (<60m).

A further Mineral Resource update is planned following completion of the Phase V drilling program.

Phase V Drilling Program

During the quarter, the Company commenced a Phase V drilling program at Sorby Hills. With metallurgical and geotechnical drilling complete, the Company is focused on high impact drilling to maximise the value extracted from the Sorby Hills deposit for the purpose of the DFS.

In addition to zones of mineralisation identified adjacent to the current open-pit designs, Phase V will target underexplored mineralisation pods, satellite exploration targets, possible extensions of known mineralisation trends and geophysical targets identified within the highly prospective Eight Mile Creek tenement (EL 80/5317) located immediately south and along strike from Sorby Hills.

Over 3,000m have been completed to date across 31 holes including 6 holes not previously contemplated in the original 4,200m drilling program (Figure 1). The extra holes were added in response to the success of planned holes.

Success so far has included:

- extension of the newly recognised hydrothermal mineralisation style for more than 100m beyond the current deposit envelope at northwest Omega;
- confirmation of the Alpha deposit geological model and fault-hosted Zinc mineralisation;
- extension of Mineralisation adjacent to the B-deposit; and
- new shallow Lead and Zinc mineralisation intersected in holes drilled 500m of the Omega and Norton deposits into the Wildcat Target.

The remainder of the drilling program includes a cluster of holes at the central Omega Deposit, several holes at the Beta Deposit and the drilling of conceptual targets at Eight Mile Creek.

Results to date have provided Boab with significant encouragement to further extend the Phase V drilling program.

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

Classification by Deposit	Mt	Grade				Contained Metal			
		Pb %	Zn %	Ag g/t	Pb Eq. %	Pb kt	Zn kt	Ag koz	Pb Eq. kt
A									
Inferred	0.6	5.1%	0.9%	22	5.7%	30	5	411	34
Sub Total	0.6	5.1%	0.9%	22	5.7%	30	5	411	34
B									
Measured	1.0	4.0%	0.3%	21	4.6%	40	3	673	45
Indicated	1.3	3.8%	0.3%	22	4.4%	51	5	936	59
Sub Total	2.3	3.9%	0.3%	22	4.5%	91	7	1,608	105
Omega									
Measured	7.3	3.4%	0.4%	36	4.4%	250	26	8,517	324
Indicated	6.5	3.5%	0.4%	33	4.4%	225	28	6,760	283
Inferred	2.9	3.0%	0.5%	32	3.9%	85	15	2,956	111
Sub Total	16.7	3.4%	0.4%	34	4.3%	560	69	18,233	718
Norton									
Measured	2.8	4.1%	0.3%	76	6.2%	114	9	6,745	173
Indicated	2.2	3.2%	0.5%	37	4.2%	71	10	2,606	94
Inferred	15.0	2.4%	0.5%	28	3.2%	360	70	13,716	479
Sub Total	20.0	2.7%	0.4%	36	3.7%	545	89	23,067	745
Alpha									
Indicated	1.0	2.8%	0.6%	50	4.2%	28	6	1,627	42
Inferred	1.0	3.4%	1.4%	85	5.8%	33	13	2,625	56
Sub Total	2.0	3.1%	1.0%	67	5.0%	61	19	4,251	98
Beta									
Inferred	3.3	4.6%	0.4%	61	6.3%	152	14	6,476	208
Sub Total	3.3	4.6%	0.4%	61	6.3%	152	14	6,476	208
Total Resource									
Measured	11.1	3.6%	0.3%	45	4.9%	404	38	15,934	542
Indicated	11.0	3.4%	0.4%	34	4.3%	375	49	11,929	478
Inferred	22.8	2.9%	0.5%	36	3.9%	660	117	26,184	887
Total	44.9	3.2%	0.5%	37	4.3%	1,438	203	54,046	1,907

Note: Tonnes and Grade are rounded. Reported at a 1.0% Pb Cut-Off.
 Discrepancy in calculated Contained Metal is due to rounding.
 See Appendix 1 for Lead Equivalent calculation method.
 Lead Equivalent calculation excludes Zinc.

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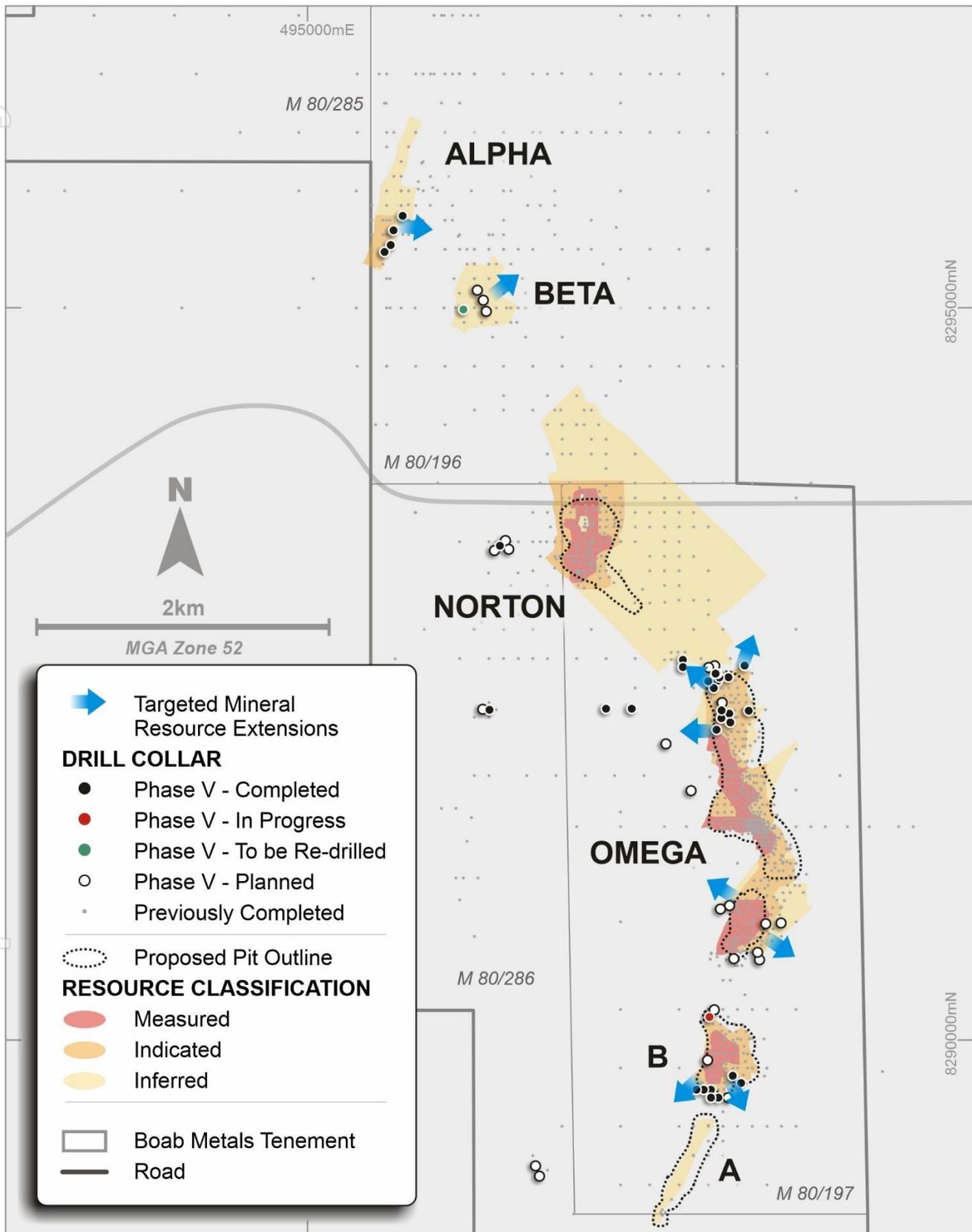


Figure 1 - Project location map and status of the Phase V drill holes.

DFS Metallurgical Testwork

The Sorby Hill DFS metallurgical testwork program continued during the quarter. Testwork to date has been in line with expectations. Encouragingly testwork has revealed opportunities to further improve concentrate grade and enhance Project economics with improved pyrite rejection.

The Company looks forward to presenting the results of the DFS metallurgical testwork program to the market during the upcoming quarter

Corporate

Boab Metals signs on as naming rights sponsor for the Ord Valley Muster

During the quarter, Boab Metals was announced as the naming rights sponsorship for the Ord Valley Muster in 2022 and 2023.

The iconic Kimberley event, which celebrated its 20th year in 2021, brings together the vibrant Kununurra community and attracts thousands of visitors to experience the stunning landscape, cultural diversity and famous Kimberley hospitality.

Taking on the naming rights sponsorship from Rio Tinto and the Argyle Diamond Mine is a big step for Boab Metals and one that the Company is incredibly proud of.



Engagement with Commercial Banks

During the quarter, Boab undertook preliminary discussions with a suite of commercial banks as a means of providing them an update on the progress of the Project and receiving early feedback to incorporate into the DFS and project execution workstreams.

In addition to commercial banks, Boab continues to engage with Federal Government agencies including the Northern Australia Infrastructure Facility (“NAIF”) and Export Finance Australia (“EFA”) with regards to providing debt finance for Sorby Hills.

Financial Overview

The consolidated cash balance of the Company as at 30 June 2021 was A\$12.95 million. During the period, the Company paid \$75k to related parties. These payments were made to Directors of Boab Metals Limited in relation to salaries and directors’ fees, on normal commercial terms.

Acquisition of the Manbarrum Zinc-Silver-Lead Project

Post quarter end, Boab announced it had entered into a binding agreement with Todd River Metals Pty Ltd to acquire the Manbarrum Zinc-Silver-Lead Project for a total consideration of:

- A\$500,000 in Boab shares at an issue price of A\$0.4214 per share (30 day VWAP); and
- a Net Smelter Return Royalty of 1.25% on future revenue generated from minerals extracted from the Manbarrum Project.

Boab has the right to buy-back the Royalty at market value following the completion of a Pre-Feasibility Study on the Manbarrum Project.

The Manbarrum Project is located 25km east of Sorby Hills and covers geology that is genetically related to that found at Sorby Hills allowing for an effective transfer of technical knowledge to maximise exploration and Resource development potential.

The Manbarrum Project comprises four tenements including 2 granted mining leases and multiple deposits that have been the subject of Mineral Resource Estimates (see Todd River Resources prospectus dated 4 April 2017) and conceptual open pit mining studies (see Todd River Resources announcement dated 10 April 2018).

While the Company remains focussed on the development of the Sorby Hills Project, the strategic acquisition of the Manbarrum Project provides an opportunity to investigate a broader regional production strategy that leverages the clear synergies between the two projects.



Figure 2: Location of the Manbarrum Project relative to the Sorby Hills Project.

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 Quarterly Report relating to Exploration Results has been extracted from the ASX Announcement titled “Update on Phase V Drilling Program at Sorby Hills” dated 8 July 2021 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 Mineral Resource Estimate.

Information included in this Quarterly Report relating to Mineral Resources has been extracted from the Mineral Resource Estimate dated 6 April 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 Pre-Feasibility Report and Ore Reserve Statement dated 25 August 2020, 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.

Appendix 1 – Metal Equivalent Calculation Method

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

- Lead Price US\$2,095/t;
- Lead recovery of 93.3% (weighted average of oxide and fresh Pb recoveries);
- Lead Payability rate of 95%;
- Silver Price US\$21.1/oz;
- Silver recovery of 80.3% (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 PFS 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.

APPENDIX 2

INTERESTS IN TENEMENTS

Farm-In Agreements/ Projects/Tenements	Location	Held at Start of Quarter	Held at End of Quarter
Sorby Hills Project			
M80/196	WA, Australia	75%	75%
M80/197		75%	75%
M80/285		75%	75%
M80/286		75%	75%
M80/287		75%	75%
E80/5317		100%	100%
Borrooloola West Project			
EL31354	NT, Australia	100%	100%
EL26938		51%	51%
EL26939		51%	51%
EL28508		51%	51%
EL28658		51%	51%
EL30305		51%	51%
MLN624		51%	51%
Mount Jukes Project			
EL51/2008	TAS, Australia	13.74%	13.74%
EL12/2009		13.74%	13.74%
Berio Project			
6822	Colombia	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")	
		June 2021	
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)	(903)	(3,244)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(241)	(517)
	(e) administration and corporate costs	(248)	(989)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	19
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
	Other		
	Recharge of staff costs and other administration costs to the Sorby JV	218	336
1.8	Stamp Duty Paid on Acquisition of the Sorby Hills Project	-	(256)
1.9	Net cash from / (used in) operating activities	(1,169)	(4,651)
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(31)
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	165
	(c) property, plant and equipment	-	27
	(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	-	161

3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	15,092
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	-	(607)
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	-	14,485

4	Net increase / (decrease) in cash and cash equivalents for the		
4.1	Cash and cash equivalents at beginning of period	14,121	2,957
4.2	Net cash from / (used in) operating activities (item 1.9)	(1,169)	(4,651)
4.3	Net cash from / (used in) investing activities (item 2.6)	-	161
4.4	Net cash from / (used in) financing activities (item 3.10)	-	14,485
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	12,952	12,952

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	12,891	14,060
5.2	Call deposits	61	61
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)	12,952	14,121

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	75 *	
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)	(1,169)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,169)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	12,952
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	12,952
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	11.08
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following	
	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: 27 July 2021
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 – eg. 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.