

21 January, 2025

Quarterly Activities and Cashflow Report for the period ending 31 December 2024

Boab Metals Limited (ASX: **BML**) ("**Boab**" or "**Company**") is pleased to provide the following activities and cashflow report for the quarter ending 31 December, 2024. During the quarter, the Company continued progressing its flagship Sorby Hills Lead-Silver-Zinc Project ("**Sorby Hills**" or "**the Project**"), located in the Kimberley Region of Western Australia.

HIGHLIGHTS

- **Binding US\$30 million Prepayment Terms Sheet and associated Offtake Agreement executed between Boab's 100% subsidiary Sorby Hills Pty Ltd and global commodities trader Trafigura.**

Prepayment Terms Sheet – Key Terms

- **US\$30 million Prepayment Facility** from Trafigura to be applied towards the construction and development of the Project.
- **Interest Rate of SOFR + 5% per annum.**
- **5-year Term** from first drawdown with an 18-month interest-only period.

Offtake Agreement – Key Terms

- **75% of lead-silver concentrate from Sorby Hills** for a minimum of 531,000 tonnes.
- If Boab obtains alternative financing to the Prepayment, the Offtake volume will revert to 50% (**or greater, at Boab's discretion**) for a minimum 354,000 tonnes.
- If Financial Close is not achieved on the Prepayment, the Offtake volume will revert to 25% (**or greater, at Boab's discretion**) for a minimum 177,000 tonnes.
- **WA Government consented to key amendments for Sorby Hills required under Part IV of Western Australia's Environmental Protection**
- **Boab continues to progress opportunities to further reduce capital and operating costs.**
- **Targeted Final Investment Decision in 2H 2025.**
- **The Company had a cash balance of approximately A\$3.5M as at 31 December, 2024.**

Boab Managing Director and CEO, Simon Noon, stated:

"The December quarter of 2024 saw significant project execution milestones achieved. The binding Prepayment and Offtake agreement with Trafigura is highly favourable for Boab and is the result of a thorough offtake process that demonstrated the attractiveness of the Sorby Hills concentrate. The EPA 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. We look forward to building upon these milestones and the momentum that we have generated over the past six months to advance Sorby Hills to a Final Investment Decision in 2025."

Background Information

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 the concentrate 150km from the site to the facilities at Wyndham Port. The Project comprises a Mineral Resource of 47.3Mt containing 1.5Mt Pb at 3.1% and 53Moz silver at 35g/t (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).

On 6 June 2024, Boab released the results of a Front-End Engineering & Design Study ("**FEED Study**") 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.

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 Company currently owns 75% of the Project and has executed an agreement to acquire the remaining 25% of the Project upon a Final Investment Decision (ASX release 23 September 2024).

Binding Offtake and Prepayment Agreement

During the quarter, Boab (via its 100% own subsidiary Sorby Hills Pty Ltd ("**SHPL**") executed a binding Offtake Agreement and associated US\$30 million Prepayment with global commodities trader, Trafigura (ASX release 10 December 2024).

The Prepayment terms include a 5-year term, an interest rate margin of SOFR¹ + 5%, and an 18-month interest-free period after which repayments will be paid via equal monthly instalments. Financial Close and drawdown of the Prepayment are subject to, amongst other things, the execution of full-form documentation, the finalisation of outstanding due diligence, and the Project being fully-funded.

Base offtake terms are for 75% of the Sorby Hills Lead-Silver concentrate up to a minimum of 531,000 tonnes (~7 years based on the FEED Study production schedule) with market standard metal payabilities, metal pricing based on spot pricing and a lead treatment charge linked to the quoted annual benchmark. Should Boab utilise alternative financing to the Prepayment or not reach financial close on the Prepayment, Boab shall have the discretion to reduce the offtake volumes to 50% and 25% respectively. In each case, lead treatment charges will revert to an average of the prevailing annual benchmark and the spot lead treatment charge.

The agreements are the result of a highly competitive process including other global traders and smelters that demonstrated the attractiveness of the Sorby Hills concentrate product and represent a key milestone towards a final investment decision on Sorby Hills and a cornerstone of Boab's financing solution for the Project.

¹ Secured Overnight Financing Rate

EPA Amendments

During the quarter, the Western Australian Government provided consent to key amendments to the Sorby Hills Project existing approval under the Environmental Protection Act ("**EPA**") (ASX release 23 December 2024).

The consent was the result of a detailed information exchange with the Western Australia Environmental Protection Agency department to demonstrate that the Project in its current expanded form is in accordance with requirements of the EPA. 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 of the Act to commence the implementation of the Sorby Hills Project have been received and the Company will now proceed toward 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.

Cost Reduction Initiatives

As the Company advances toward a Final Investment Decision, it continues to assess opportunities to reduce costs. Such opportunities include ongoing due diligence of the potential acquisition of Sandfire's DeGrussa process plant as a means to reduce capital costs, and the feasibility of utilising 100% grid power sourced from the Ord hydroelectric plant as a means of reducing operating costs.

KEEP confirmed as a Target for Further Exploration

In early August 2024, Boab announced the commencement of a Phase VIII drilling program to follow up on its exploration success from the 2023 campaign at the KEEP Target. The Phase VIII drilling program comprised of 4-hole deep sonic/diamond step-out drill holes for a total of 1,352m and was completed ahead of schedule and within budget.

Assay results from the Phase VIII drilling program released during the quarter (ASX release 22 October 2024) confirmed the continuity of mineralisation and support future exploration of the KEEP Target. Boab is of the view that the KEEP Zinc-Lead Prospect area is now established as a compelling sub-surface target with scope for future discovery.

Key intercepts of base metal mineralisation from the drilling of the Keep Target include:

- SHSD_184: 9.55m @ 5.10% PbEq (2.59%Pb & 2.26% Zn) and 17.6 g/t Ag from 242.6m
- SHSD_189: 2.00m @ 7.73% PbEq (1.23% Pb & 5.86% Zn) and 36.7 g/t Ag from 303.0m

- SHSD_189: 13.0m @ 1.23% PbEq (0.73% Pb & 0.45% Zn) and 2.76 g/t Ag from 314m
- SHSD_188: 7.6m @ 1.00% PbEq (0.83% Pb & 0.14% Zn) and 7.31 g/t Ag from 66.4m

Financial and Corporate Overview

The consolidated cash balance of the Company as at 31 December 2024 was A\$3.54M. During the period, the Company paid \$151k to related parties. These payments were made to Directors of Boab Metals Limited in relation to salaries and directors' fees, on normal commercial terms.

On 26 November 2024, the Company held its Annual General Meeting and advised Shareholders that all resolutions put to the meeting were passed on a poll by an overwhelming majority.

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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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.

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. 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 from site to the facilities at Wyndham Port, a distance of 150km. Established infrastructure and existing permitting allows for fast-track development and production.

Boab owns a 75% interest in the Joint Venture 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.

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 activities report relating to Exploration Results has been extracted from the announcement titled KEEP confirmed as a Target for Further Exploration dated 22 October 2024, available to view at www.boabmetals.com.au. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement.

Information included in this activities 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 activities report relating to Ore Reserves, Production Targets and Financial Forecasts has been extracted from the Sorby Hills Definitive Feasibility Study dated 19 January 2023 and Sorby Hills FEED Study Results dated 6 June 2024, both 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 Feed Study 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%.
- Zinc Price US\$2,500/t
- Zinc Recovery of 91%
- Zinc Payability 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:

$$\text{MetalEq (\%)} = \text{Gpri} + (\text{Gpri} \times [\sum_i \text{Ri Si Vi Gi}] / (\text{Rpri Spri Vpri Gpri}))$$

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.

FEED Study Macroeconomic Assumptions

Assumption	Unit	FY2025	FY2026	FY2027	FY2028	FY2029+
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 EL28658 EL30305 MLN624	NT, Australia	100% 51% 51% 51% 51% 51%	100% 51% 51% 51% 51% 51%
Manbarrum Project EL24395 MA24518 MA26581	NT, Australia	100% 100% 100%	100% 100% 100%
Urrao Project 2791	Colombia	100%	100%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity		
BOAB METALS LIMITED		
ABN		Quarter ended ("current quarter")
43 107 159 713		31 December 2024
Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(393)	(1,429)
(b) development	-	-
(c) production	-	-
(d) staff costs	(147)	(304)
(e) administration and corporate costs	(342)	(541)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	56	107
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other:-		
Recharge of staff costs and other administration costs to the Sorby JV	20	50
1.9 Net cash from / (used in) operating activities	(806)	(2,117)

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(11)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	(36)
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(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	-	(47)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,350	5,708
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(806)	(2,117)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(47)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,544	3,544

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	291	297
5.2	Call deposits	3,200	4,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	53	53
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,544	4,350
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		(151)*
6.2	Aggregate amount of payments to related parties and their associates included in item 2		
<i>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.</i>			

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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)	(806)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(806)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,544
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,544
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.39
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: Not Applicable.	
	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: Not Applicable.	

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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: Not Applicable.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

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.