



ANNUAL REPORT

30 JUNE 2023



CORPORATE DIRECTORY

DIRECTORS

Gary Comb (Chairman)
Simon Noon (Managing Director & CEO)
Richard Monti (Non-Executive Director)
Andrew Parker (Non-Executive Director)

COMPANY SECRETARY

Jerry Monzu

REGISTERED OFFICE

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WEST PERTH WA 6005

SHARE REGISTRY

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Level 5
191 St Georges Terrace
PERTH WA 6000

BANKERS

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WEST PERTH WA 6005

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SECURITIES EXCHANGE LISTING

Boab Metals Limited shares are listed on the
Australian Securities Exchange (Home Branch - Perth)
ASX Code: BML

WEBSITE ADDRESS

www.boabmetals.com

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FORWARD LOOKING STATEMENTS

This Annual Report may contain forward looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties, and other factors, many of which are beyond the Company’s control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement. The inclusion of such statements should not be regarded as a representation, warranty, or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements). The information in this document does not consider the objectives, financial situation or needs of any person. Nothing contained in this document constitutes investment, legal, tax, or other advice.

CHAIRMAN'S REPORT

Dear Shareholders,

On behalf of your Board of Directors, I am pleased to present the 2023 Annual Report and recap on the progress that Boab Metals Limited has made over the past financial year at our flagship Sorby Hills Lead-Silver Project and toward delivering on our objective to become a profitable low-cost producer and responsible economic contributor to the east Kimberley community.

The release of the Sorby Hills Definitive Feasibility Study was a standout achievement. The study delivered a material increase in value over the Sorby Hills Prefeasibility Study and represents an outstanding result given the difficult macroeconomic conditions under which it was completed. I would like to commend Simon and the team on the outcome, however, acknowledge that the job is not yet done as our focus is firmly toward reaching a Final Investment Decision at Sorby Hills and subsequently, delivery of the project.

To that end, I am pleased to report that Project development has continued at pace, with Front End Engineering & Design, project optimisation, final approvals and other pre-Final Investment Decision deliverables all well advanced. Constructive discussions with potential Financiers and our selected Offtakers continue to provide us with confidence that funding for the Project can be secured despite the highly inflationary environment and very challenging market conditions we are currently faced with.

Our clear objective over the coming 12 months is to reach a fully funded Final Investment Decision at Sorby Hills and commence our journey to becoming Australia's next Lead-Silver producer. Our strategy will be to move the Project forward diligently, proactively and cost-effectively, whilst encouraging opportunities that lead to value creation such as our recent discovery at the Keep Seismic Target.

The Board is grateful for the support of all shareholders and would like to commend all staff on their hard work and dedication during the year. We look forward to an exciting year ahead.

Gary Comb

Gary Comb
Chairman

MANAGING DIRECTOR'S REPORT

Throughout the 2023 financial year, the Boab team has focused on workstreams required to bring about a Final Investment Decision on our 75% owned Sorby Hills Lead-Silver Project located in the east Kimberley Region of Western Australia.

A standout achievement of the year has been the delivery of the Sorby Hills Definitive Feasibility Study (DFS) which produced a robust outcome and supports the Company's progress toward a Final Investment Decision.

Key highlights of the study included:

- improved 18.3Mt Production Target (a ~24% increase over the Sorby Hills Prefeasibility Study) underpinned by 83% Reserve (including a 53% increase in Proved Reserves);
- increased process plant throughput of 2.25Mtpa (versus 1.25Mtpa considered in the Sorby Hills Prefeasibility Study) delivering an average of 103ktpa Lead-Silver Concentrate;
- reduced unit C1 operating costs of US\$0.39/lb payable Pb (versus US\$0.47/lb payable Pb in the Sorby Hills Prefeasibility Study);
- upfront Capital Cost of A\$245M, of which 75% was supported by live tendered pricing; and
- strong value metrics including A\$1.0B in operating cashflow, A\$705M net cash flow, pre-tax NPV_s of A\$370M, IRR of 35%, and an average annualised EBITDA of A\$119M.

I'm extremely proud of the hard work the Boab team has put into the Sorby Hills DFS and the high-quality product that has been delivered.

In conjunction with completing the DFS, Boab has been busy preparing for a Final Investment Decision at Sorby Hills. Primarily, the appointment of tier-1 engineering firm GR Engineering Services as the preferred EPC contractor, and the subsequent commencement of Front-End Engineering & Design, has seen the firming up of detailed project designs and the exploration and incorporation of value-adding and cost-saving initiatives across the Project. The increase in Project size and scope has necessitated review and amendment of previously received environmental approvals. The Company is diligently working through these processes, together with the standard set of statutory permits and approvals required for construction and operations.

Engagement with Financiers continues to be constructive. Similarly, negotiations with selected Offtakers, concerning the Sorby Hills concentrate, are well advanced with the final award being subject to exploring opportunities for Offtakers to provide finance to support senior lenders finance.

Boab's proud support of the local community continued throughout the period with our ongoing sponsorship of the renowned Ord Valley Muster held in May 2023. Furthermore, the execution of a Heads of Agreement with the Shire of Wyndham and East Kimberley for the development and long-term lease of a new 180-person accommodation facility in Kununurra provides further evidence of the potential synergies and significant economic opportunities between the Sorby Hills Project and the East Kimberley community.

Looking forward, I am excited by the opportunity that the coming year brings. Our flagship Sorby Hills Project is approaching development-ready, and I am confident we will secure the required funding to bring the project to fruition. Additionally, the recent and very exciting exploration success at Sorby Hills and the progress made at our Manbarrum and Eight Mile Creek Projects, offer enormous potential and further our vision to establish a long-life mining hub in the east Kimberley Region.

MANAGING DIRECTOR'S REPORT

I would like to take this opportunity to acknowledge all of our staff and their families for their continued hard work. I would like to also extend my appreciation to my fellow Board members for their invaluable guidance over the 2023 financial year.

Lastly, a big thank you to our shareholders, both new and old, for your confidence in Boab Metals. We look forward to rewarding your continued support over the coming year.

Simon Noon

Simon Noon
Managing Director & CEO

REVIEW OF OPERATIONS

OVERVIEW

During the Financial Year to 30 June 2023, Boab Metals Ltd (“**Boab**”) has continued to focus on reaching a Final Investment Decision at its 75% owned Sorby Hills Project (“**Sorby Hills**” or “the **Project**”), located within the Kimberley Region of Western Australia. Sorby Hills is the largest undeveloped, near-surface Lead-Silver-Zinc deposit in Australia.

Key activities undertaken during the period included:

Completion of the Sorby Hills Definitive Feasibility Study (“DFS”)

- An updated 47.3Mt at 3.1% Pb, 35g/t Ag and 0.4% Zn Mineral Resource Estimate by CSA Global achieving a 78% increase in Measured Resources;
- Six open-pit deposits delivering a 18.3Mt Production Target underpinned 83% by Ore Reserves, including a 12% increase in overall Reserves and 53% increase in Proved Ore Reserves versus the Pre-Feasibility Study;
- 2.25Mtpa conventional crush-grind-flotation Process Plant;
- A\$1.0Bn in operating cashflow, A\$705M net cash flow, Pre-Tax NPV₈ of A\$370M, IRR of 35% and an average annualised EBITDA of A\$119M;
- Pre-production Capital Cost of A\$245M and C1 cash cost of US\$0.39/lb payable Pb (including a net Silver credit of US\$0.38/lb payable Pb) delivering an average operating margin of 41%; and
- High-confidence study with up-to-date tendered pricing for 75% of the Capital Costs.

Preparation for a Final Investment Decision

- Selection of GR Engineering Services (“**GRES**”) as preferred EPC contractor and the commencement for Front End Engineering & Design (“**FEED**”);
- Undertaking Project optimisation workstreams to refine and improve economic outcomes;
- Implementation of a cost-effective accommodation solution including the purchase a second-hand facility to accommodate workers throughout construction and the execution of a Head of Agreement with the Shire of Wyndham and East Kimberley with respect to a new long term facility built in Kununurra;
- Progressing final approvals including securing of an EPA S45c amendment with respect to an increased Project development area;
- Ongoing engagement and progress with Tier-1 Offtakers and debt Financiers with respect to securing debt finance to support upfront funding of the Project.

REVIEW OF OPERATIONS

Phase VI and Phase VII Drilling Programs

- Phase VI Drilling Program successfully completed with a total of 3,020m drilled across 28 Reverse Circulation (RC) drill holes with mud rotary collars.
 - SHRC_157 (Beta): **7m @ 19.17% PbEq, (16.23% Pb & 82g/t Ag) from 72m**, including 3m @ 41.38% PbEq, (35.26% Pb & 174g/t Ag) from 72m.
 - SHRC_149 (Norton North): **2m @ 16.64% PbEq, (10.92% Pb & 163g/t Ag) from 103m** (hole terminated in mineralisation).
- Phase VII Drilling Program successfully completed with a total of 2,634m drilled across 22 diamond holes using sonic drilling technology to penetrate the unconsolidated cover rocks.
 - Identification of an exciting new zinc rich mineralisation zone approximately 1–2 km south of the existing Sorby Hills deposits.



Figure 1: Phase VII Drilling at Sorby Hills Project

REVIEW OF OPERATIONS

Stakeholder Engagement

- Productive discussions held with the local indigenous group the, Miriuwung Gajerrong people, to significantly progress the definition of a mutual Benefits Agreement.
- Boab's proud support of the east Kimberley region continued throughout the period with ongoing sponsorship of the renowned Ord Valley Muster and Teach Learn Grow tutoring and mentorship initiative (Figure 2).



Figure 2: Ord Valley Muster 2023 and Simon Noon - Managing Director/CEO with team at Teach Learn Grow, East Kimberley.

SORBY HILLS DEFINITIVE FEASIBILITY STUDY

On January 2023, Boab released a DFS on the Project (ASX Announcement 19 January 2023).

The DFS proposed the open-pit mining and processing of 18.3Mt of ore from five of the six deposits, namely: Omega, A, B, Beta and Norton. Mined ore will be treated via a simple crush-mill-flotation circuit at an initial rate of 1.5Mtpa expanding to 2.25Mtpa after 1 year of production. Concentrate produced at the Project will be transported ~150km by road in sealed half-height containers to Wyndham Port from where it will be shipped to market (Figure 3).

Over the initial 8.5-year processing period contemplated by the DFS, 18.3Mt of ore is to be mined and processed through the Sorby Hills process plant to deliver an average 103ktpa of concentrate containing 64ktpa of payable Lead and 2Moz p.a. of payable Silver to generate a pre-tax NPV₈ of A\$370M and IRR of 35% (Figure 4). The DFS economics are underpinned by 15.2Mt of Ore Reserves, and a large, well-defined 47.3Mt Mineral Resource that offers significant potential for low-risk mine life extensions.

The result demonstrated robust economics (Table 1) and supported the Company's progress toward a Final Investment Decision.

REVIEW OF OPERATIONS

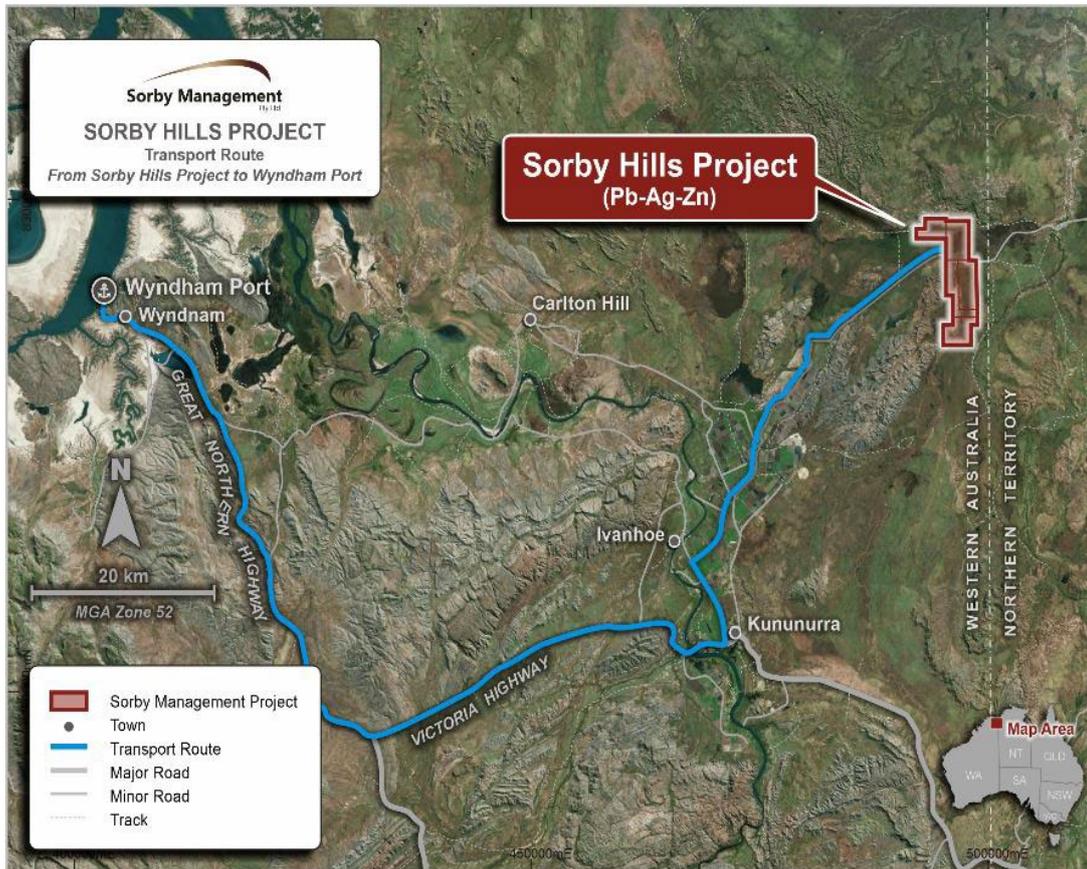


Figure 3: Location of the Sorby Hills Project relative to Kununurra and route to Wyndham Port.

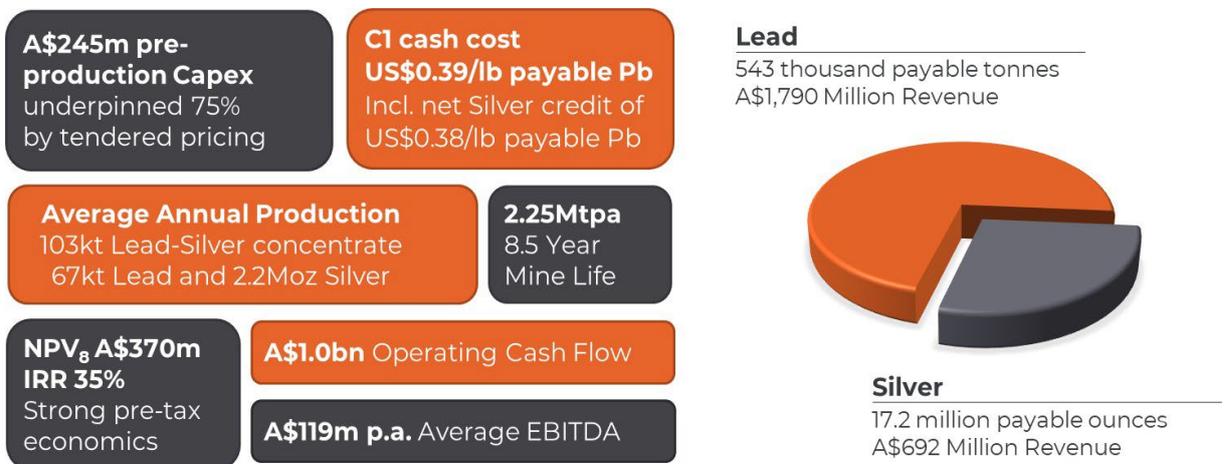


Figure 4: Highlights of the Sorby Hills Project DFS.

REVIEW OF OPERATIONS

Table 1: Key Life of Mine Metrics

Item	Unit	Value
Physicals		
Life of Mine	Years	8.5
ROM Mined	'000 t	18,263
Strip Ratio	Waste : Ore (t:t)	7.5
Processed Tonnes	'000 t	18,263
Lead / Silver Grade	%, g/t	3.4, 39
Lead / Silver Recovery	%	91%, 82%
Concentrate Produced	'000 dmt	872
Avg Lead / Silver Grade	%, g/t	65.5, 666.5
Payable Lead	'000 t	543
Payable Silver	'000 oz	17,232
Cash Flow		
Gross Revenue	A\$M	2,481
Selling Costs	A\$M	(285)
Operating Costs	A\$M	(1,191)
Net Operating Cash Flow	A\$M	1,005
Pre-Production Capital	A\$M	(245)
Sustaining Capex & Closure	A\$M	(55)
Net Project Cash Flow	A\$M	705
Value Metrics		
Pre-Tax NPV₈	A\$M	370
Pre-Tax IRR	%	35%
Average Annual EBITDA	A\$M	119

Macroeconomic assumptions for Lead, Silver and FX were based on the forward curves extracted from Bloomberg on 16 January 2023.

PREPARATION FOR A FINAL INVESTMENT DECISION

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 focused on FEED workstreams in preparation for EPC contract award.

The output resulted in a refined process plant design and the issue of tender packages for long-lead items. Furthermore, the optimised site layout (Figure 5) 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.

REVIEW OF OPERATIONS



Figure 5: 3D Model of the Sorby Hills Process Plant layout looking northward from the ROM Pad toward the processing facilities and administration buildings.

Project Optimisation

Mining Schedule 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 in the B and Omega South pits. 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 allows for the lower grades 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 metal production and revenue.

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 has worked 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.

Power Supply Initiatives

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 by 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

REVIEW OF OPERATIONS

credentials of the Sorby Hills Project, lower operating costs and reduced exposure to fluctuations in the price of diesel.

Concentrate Logistics

GHD completed a road safety assessment for the Sorby Hills Project. The final report will be 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.

Cost Effective Accommodation Solution

Kununurra Accommodation Facility

Boab has executed a Heads of Agreement with the Shire of Wyndham and East Kimberley (“**SWEK**”) for the construction and long-term lease of a new 180 person accommodation facility within Kununurra (ASX Announcement 19 July 2023).

Under the terms of the agreement, Boab will secure a 10-year lease of the new facility in return for funding pre-construction work including approvals workstreams and conceptual designs. Pre-construction workstreams funded by SMPL will be rebated against lease fees. SWEK will fund and oversee detailed design and construction of the facility.

Construction Camp

During the period, a 178 room camp was acquired for a total purchase price of A\$1.29 million, staged in two tranches: A\$259,000 deposit paid upfront, and A\$1.04 million balance paid in Q4 2022 (ASX Announcement 15 September 2022). The acquisition represented a significant saving to the Project relative to a new camp bought outright or via a lease finance arrangement.

The camp was transported to site during Q4 2022 and will be utilised throughout the project construction phase to house project employees and contractors.

Approvals

As part of the Sorby Hills DFS and ongoing project execution workstreams, Boab has sought two sets of amendments to the Project original EPA Approval received in 2014. The amendments primarily relate to changes in the “development area” 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 re-referred the Project to the Department of Climate Change, Energy, the Environment and Water (“**DCCEEW**”) under the Environmental Protection and Biodiversity Conservation Act (“**EPBC**”). Sorby Hills was previously approved under the EPBC Act in 2013. 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.

In addition to the key approvals above, the Company continued 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.

REVIEW OF OPERATIONS

Engagement with Financiers and Offtakers

Following the conclusion of the DFS, Boab continued to progress constructive discussions with potential financiers of the Sorby Hills Project. In parallel, the lender's Independent Technical Expert completed its review of the Project.

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.

PHASE VI AND PHASE VII DRILLING PROGRAMS

During the financial year, Boab completed a Phase VI drilling program and commenced a Phase VII drilling program at Sorby Hills.

Phase VI Drilling Program

The Phase VI drilling program comprised a total 3,020m drilled across 28 RC holes, including some that were pre-collared by mud rotary drilling and completed with RC drilling (Figure 6). The primary objective of the program was to facilitate an increase in the portion of the Beta and the Norton Deposits classified as Ore Reserves (ASX Announcement 23 January 2023).

Positive drilling results from the Phase VI program include:

- **SHRC_157 (Beta):** 7m @ 19.17% PbEq, (16.23% Pb & 82g/t Ag) from 72m
 - Incl. 3m @ 41.38% PbEq, (35.26% Pb & 174g/t Ag) from 72m.
- **SHRC_136 (Beta):** 20m @ 7.39% PbEq, (5.58% Pb & 52g/t Ag) from 65m
 - Incl. 8m @ 13.86% PbEq, (10.49% Pb & 96g/t Ag) from 77m.
- **SHRC_151 (Beta):** 5m @ 5.13% PbEq, (3.70% Pb & 41g/t Ag) from 45m.
- **SHRC_163 (Beta):** 13m @ 2.90% PbEq, (2.26% Pb & 18g/t Ag) from 49m.
- **SHRC_149 (Norton N):** 2m @ 16.64% PbEq, (10.92% Pb & 163g/t Ag) from 103m (terminated in mineralisation).
- **SHRC_147 (Norton N):** 11m @ 5.74% PbEq, (3.84% Pb & 54g/t Ag) from 86m.
- **SHRC_143 (Norton N):** 13m @ 4.06% PbEq, (2.82% Pb & 35g/t Ag) from 95m.
 - Incl. 5m @ 5.35% PbEq, (3.91% Pb & 41g/t Ag) from 95m.

Drilling results from the Beta Deposit further confirmed the revised mineralisation model for the deposit and opened the prospect for further mineralisation extensions (Figure 7). Drilling results in the northeast portion of the Norton Deposit increased the confidence level in the continuity of high-grade mineralisation beyond the current pit designs (Figure 8). Overall, the Phase VI program delivered positive results in key locations for future Resources and Reserves growth.

REVIEW OF OPERATIONS

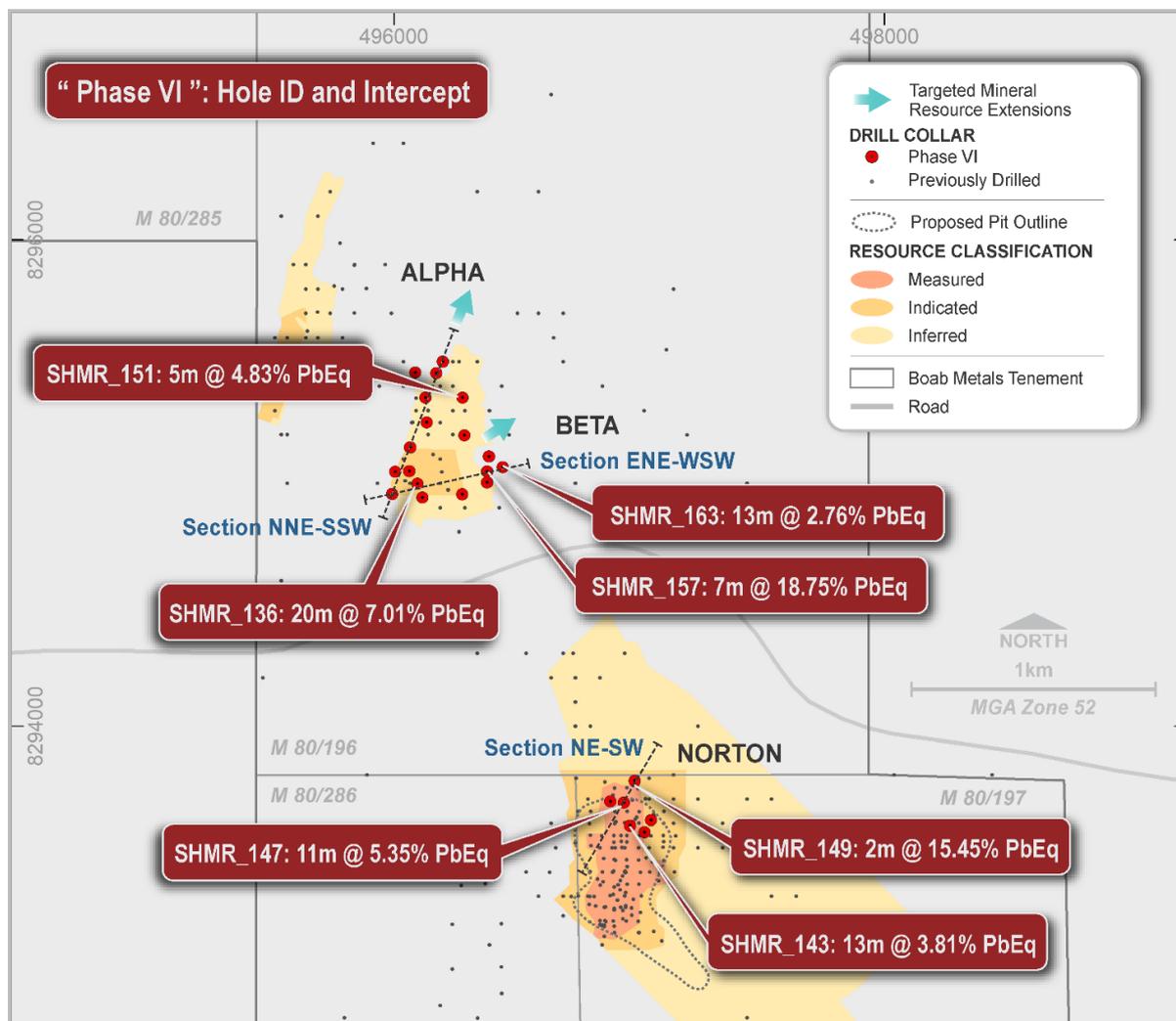


Figure 6: Phase VI drill hole locations overlain on the 2021 Mineral Resource surface projections. Selected intercepts mentioned in the highlights are shown as PbEq.

REVIEW OF OPERATIONS

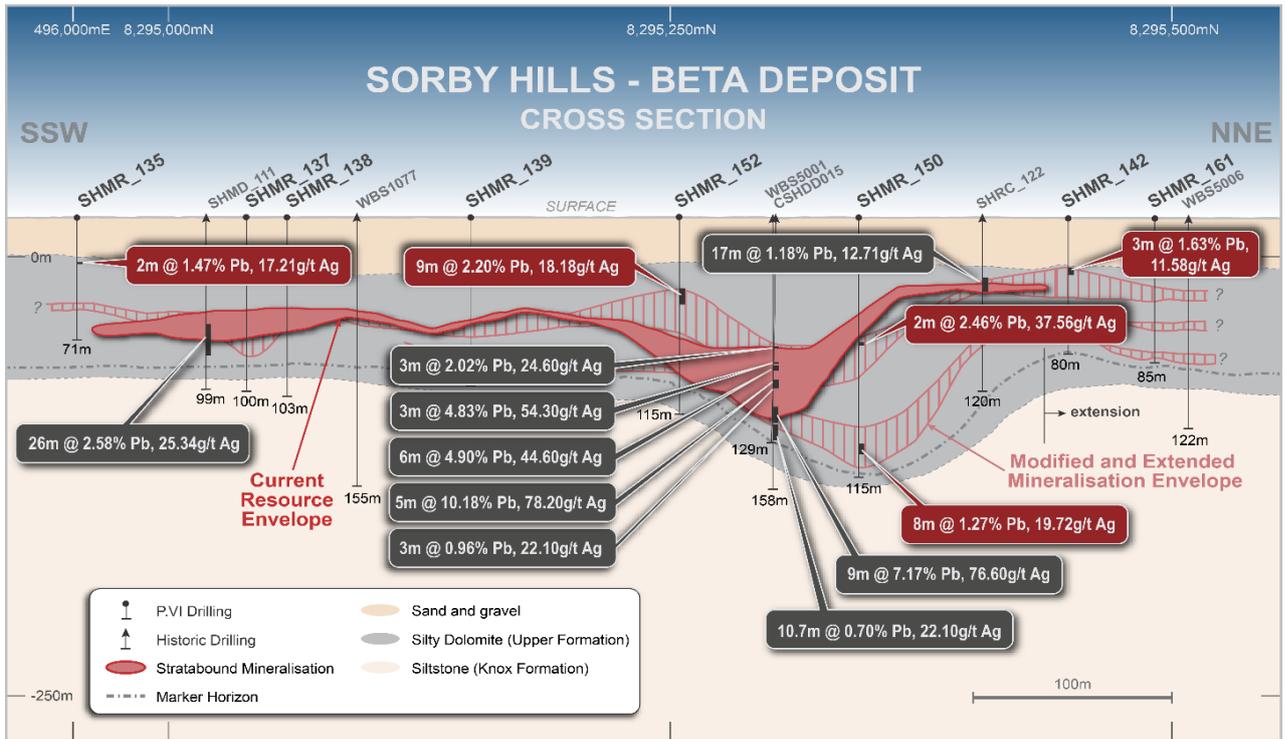


Figure 7: Beta Cross Section trending NNE with incorporation of Phase VI intercepts and reinterpreted outline of the mineral resource envelopes.

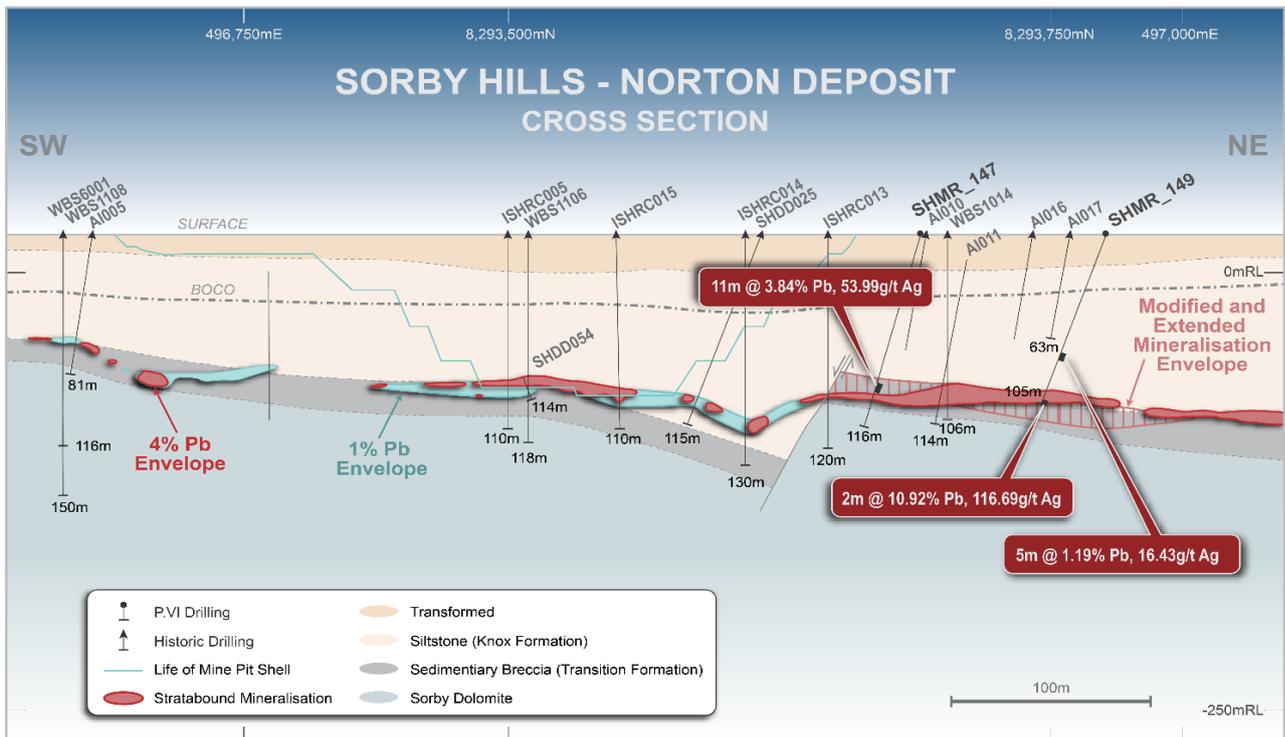


Figure 8: Norton Cross Section trending NE showing the position of Phase VI drill holes, intercepts and reinterpreted outline of the Mineral Resource envelopes.

REVIEW OF OPERATIONS

Phase VII Drilling Program

The Phase VII drilling program was launched in June 2023 with the objective increasing the size of the Norton deposit Reserve base via:

- additional metallurgical testwork to potentially improve conservative metal recoveries adopted in the Sorby Hills Definitive Feasibility Study; and
- testing extensions to the Norton deposit mineralisation adjacent to the current open pit design, including that identified in SHMR_149 which was stopped in high grade mineralisation (2m @ 10.9%Pb) due to technical issues with the drill rig.

The program was successfully completed in August 2023 with a total of 22 holes drilled for 2,634 m (24% more than originally planned) including an additional hole at Beta and a further exploration hole drill into the recently identified Keep Seismic Target (Figure 9).

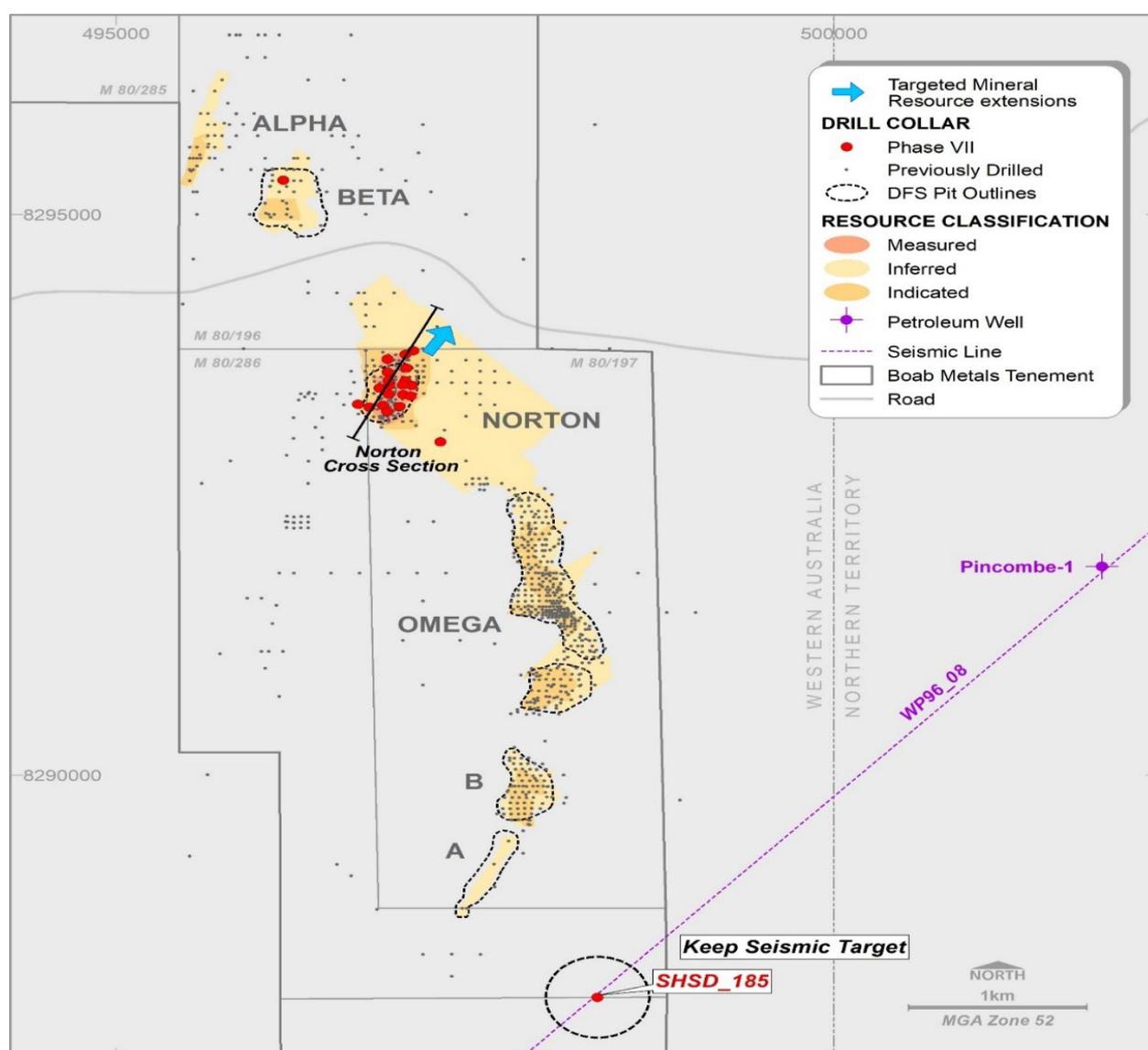


Figure 9: Plan view of the Sorby Hills Project showing the locations of Phase VII drill holes.

REVIEW OF OPERATIONS

Mineralisation observed in drill holes at Norton and Beta was consistent with the current geological model and with the objectives of the program.

Significantly, new sphalerite (Zinc) and galena (Lead) massive-sulphide mineralisation was intersected in hole SHSD_185 drilled at the Keep Seismic Target (Figures 8, 9 and 10).

The upper interval of mineralisation was intersected at the base of the impermeable Milligan's Shales which is part of the Middle Carboniferous sediments, from a down-hole depth of 82.5 m for about 5.5 m. It consists of disseminated and thin bands of massive sulphide filled veins of galena (PbS), marcasite (FeS) and sphalerite (ZnS) immediately below the shale. This stratigraphic position is the main host of the Sandy Creek zinc deposit at Boab's Manbarrum project located on the eastern side of the Burt Range Trough in the Northern Territory.

The lower mineralisation interval – the principal target – was intersected from 242.5 meters over an interval length of about 15 meters with intermittent intervals of massive colloform sulphides dominated by sphalerite and disseminated coarse crystalline galena (Figure 11) with the lowermost massive sphalerite bed located a 266.2 m.

While the intersected mineralisation is predominantly of a stratabound, replacement-type nature it centres around a fault breccia at a depth of ~ 251.3 m which shows evidence of zinc and lead sulphide mineralisation.

Boab is of the view that the initial result at the Keep Seismic Target is a major exploration success demonstrating not only proof of concept but more importantly the potential of the Burt Range Basin to host significantly more base metal mineralisation.

Assays for the Phase VII drilling program are expected to be received early in the December quarter of 2023.

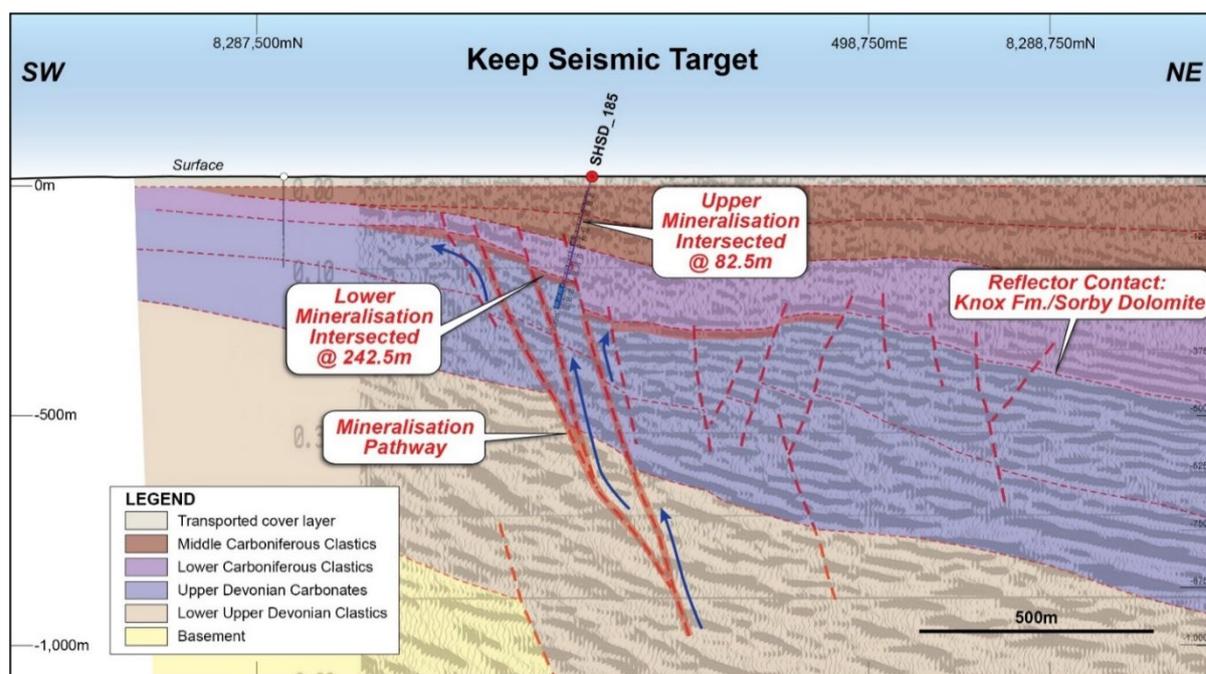


Figure 10: Geological interpretation of SHSD_185 and seismic line WP_96-08.

REVIEW OF OPERATIONS

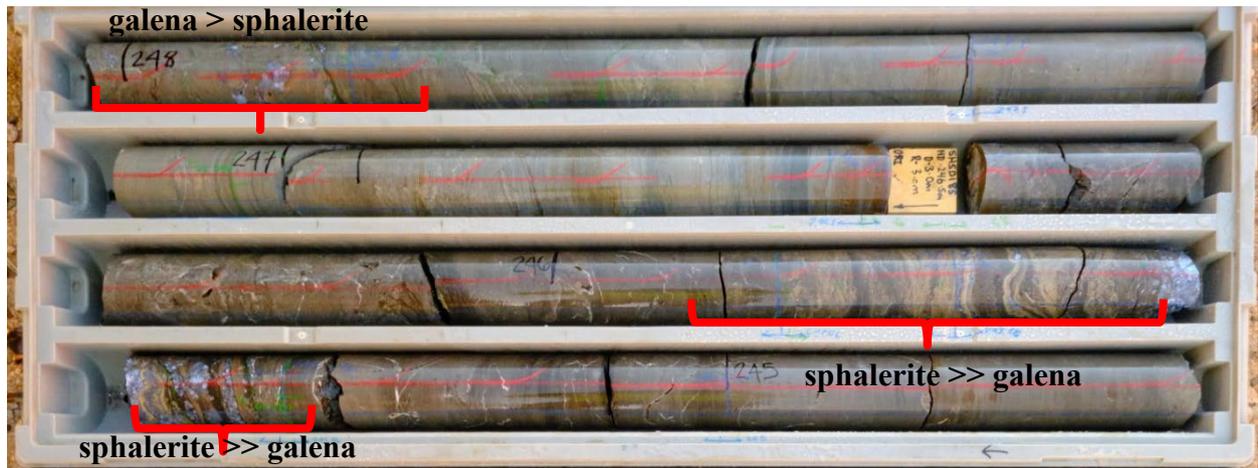


Figure 11: Photograph of drill core interval 244.6 m to 248.04 m showing massive sphalerite + galena mineralisation intervals.



Figure 12: Close up photograph of drill core interval 245.3 m to 246.1 m showing colloform massive sulphides (low-iron sphalerite = cream coloured & galena = blue grey)

DIRECTORS' REPORT

FINANCIAL AND OPERATING REVIEW

FINANCIAL REVIEW

The Group began the financial year with a cash reserve of \$6,317,527. During the year, total exploration expenditure incurred by the Group amounted to \$4,185,218 (2022: \$4,436,892). In line with the Group's accounting policies, all exploration expenditure incurred in the ordinary course of operations was expensed. The result for the year was an operating loss after income tax of \$5,904,209 (2022: \$6,804,523). As at 30 June 2023, available cash funds totalled \$4,578,654 (2022: \$6,317,527).

OPERATING RESULTS

Summarised operating results for the year are as follows:

	2023	
	Revenues	Results
	\$	\$
Geographic Segments		
<i>Australia</i>		
Revenues and (loss) from ordinary activities before income tax expense	298,865	(5,887,346)
<i>Colombia</i>		
Revenues and profit from ordinary activities before income tax expense	-	(16,863)
Revenue/(Loss before income tax)	298,865	(5,904,209)
Shareholder Returns	2023	2022
Basic Loss per share (cents per share)	(3.58)	(4.44)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year there were no significant changes in the state of affairs of the Group other than as disclosed in this report.

DIRECTORS' REPORT

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Boab Metals Limited has executed a Heads of Agreement with the Shire of Wyndham and East Kimberley (SWEK) for the construction and long term lease of a new 180-person accommodation facility within Kununurra, 50Km from its 75% owned Sorby Hills Lead-Silver-Zinc project located in the Kimberley Region of Western Australia.

Under the HOA, Boab will fund pre-construction work including approvals, workstreams and conceptual design in return for securing a 10-year lease for the facility with an option to extend for a further 5 years.

Boab's pre-construction costs will be rebated against leasing costs.

SWEK will fund and oversee detailed design and construction of the facility.

There were no matters subsequent to the end of the financial year that materially affected the financial accounts and required separate disclosure.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group will continue exploration and development activities and to assess commercial opportunities for corporate growth, including the acquisition of interests in projects, as they arise. Due to the unpredictable nature of these opportunities, developments may occur at short notice.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to substantial environmental regulation regarding its exploration activities. The Group endeavours to maintain an appropriate standard of environmental care through awareness of, and compliance with, new and existing environmental legislation. The Directors are not aware of any breach of environmental legislation for the year under review.

RISK MANAGEMENT

The Board is responsible for ensuring that risks and opportunities are identified on a timely basis and that activities are aligned with these. At this stage of the Company's development the Board has not established a separate risk management committee under the belief that it is crucial for all Board members to be a part of this process. The Board has several mechanisms in place to ensure that managements' objectives are aligned with Board identified risks. Mechanisms include board approval of a strategic plan (designed to meet stakeholders' needs and reduce business risk), and Board approved operating plans and budgets (with progress monitored by the Board).

Financial Risks

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Various methods are used to measure risks to which the Group is exposed, including sensitivity analysis for interest rate, foreign exchange and other price risks, and ageing analysis for credit risk.

DIRECTORS' REPORT

RISK MANAGEMENT (CONTINUED)

Risk management is carried out by the accounting team under Board approved policies covering identification and analysis of risk exposure, risk limits, and appropriate procedures and controls. Reporting is provided to the Board.

Environmental Risks

The Company's operations and activities are subject to the environmental laws of Australia and any other places the Company may conduct business. As with most exploration projects, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations.

Further, the Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur expenses and undertake investments which could have a material adverse effect on the Company's operations, financial position and performance.

Regulatory Social License Risks

Exploration and prospective production are dependent upon the granting and maintenance of appropriate licences, permits and regulatory consents and authorisations, which may not be granted or may be withdrawn or by made subject to limitations at the discretion of government or regulatory authorities. Although the authorisations may be renewed following expiry or grant (as the case may be), there can be no assurance that such authorisations will be continued, renewed or granted, or as to the terms of renewals or grants. If the Company cannot obtain or retain the appropriate authorisations or there is a material delay in obtaining or renewing them or they are granted subject to onerous conditions, then the Company's ability to conduct its exploration or development operations may be affected.

Corporate Governance Risks

The Directors support and adhere to the principles of corporate governance in order to mitigate and safeguard any potential risks in this area, recognising the need for the highest standard of corporate behaviour and accountability. The Directors are focused on fulfilling their responsibilities individually, and as a Board, for the benefit of all Company stakeholders. That involves recognition of, and a need to adopt, principles of good corporate governance. The Board supports the guidelines on the '*Principles of Good Corporate Governance and Recommendations – 4th Edition*' established by the ASX Corporate Governance Council. Given the size and structure of the Group, the nature of its business activities, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, it has adopted a range of modified systems, procedures and practices which enable it to meet the principles of good corporate governance. The Groups' practices are consistent with the guidelines and where these do not directly relate to the recommendations in the guidelines the Group considers that its adopted practices are appropriate. Corporate Governance policies can be found on the Company website.

DIRECTORS' REPORT

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Group has paid an insurance premium in respect of a Directors' and Officers' Liability insurance contract. The insurance premium relates to liabilities that may arise from an officer's position, except for conduct involving a wilful breach of duty or improper use of information or position to gain personal advantage. The contract of insurance prohibits the disclosure of the nature of the liabilities and the amount of premium.

DIRECTORS MEETINGS

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director while they held the position. During the financial year, 6 board meetings were held (2022: 5).

Directors	Board of Directors	
	Eligible	Attended
Gary Comb	6	6
Simon Noon	6	6
Richard Monti	6	6
Andrew Parker	6	6

INFORMATION ON DIRECTORS

GARY COMB *BE(Mech), BSc, Dip Ed.*
Chairman

Gary was appointed 9 March 2020. Gary is an engineer with over 30 years' experience in the Australian mining industry, with a strong track record in successfully commissioning and operating base metal mines. He was Chairman of Flinders Resources Limited from 2013 until its takeover in 2018. Mr Comb was previously the Managing Director of Jabiru Metals Limited and the CEO of BGC Contracting Pty Ltd.

Interests in Shares, Options and Performance Rights

680,237 Ordinary Shares.

600,000 Class "B" Unlisted Performance Rights

800,000 Class "C" Unlisted Performance Rights

Other Directorships in Listed Entities in the past three years

Cyprium Metals Limited.

DIRECTORS' REPORT

SIMON NOON *MAICD, FAIM*
Managing Director & CEO

Simon was appointed 19 October 2013. Simon is an experienced mining executive having spent the past 15 years managing Public Resources Companies. Simon has a strong background in strategic management, business planning, finance and capital raising across a variety of commodities.

Simon's experience includes managing Groote Resources Ltd from a Market Cap under \$10M to market highs in excess of \$200M. After leaving Groote, Simon co-founded West Rock Resources Ltd where he held the position of Managing Director until the company was acquired by Boab Metals Ltd in 2013. As Managing Director of West Rock, Simon secured and operated joint ventures and strategic alliances with mid and top tier miners.

Since his appointment in 2013, Simon has managed the Company's exploration and evaluation of a range of projects across Australia and South America. Most notably, Simon led the Company's transformative acquisition of Sorby Hills in Western Australia in 2018.

Over the past 4 years, Simon has overseen the rapid development of Sorby Hills including a 50% increase in the size of the Mineral Resource and the delivery of a high-quality Pre-Feasibility Study and Definitive Study detailing the Project's low risk and robust economics.

Simon is a passionate member of the WA resources industry, a member of the Australian Institute of Company Directors and an Associate Fellow of the Australian Institute of Management.

Interests in Shares, Options and Performance Rights

2,362,000 Ordinary Shares

2,000,000 Class "B" Unlisted Performance Rights

2,400,000 Class "C" Unlisted Performance Rights

Other Directorships in Listed Entities in the past three Years - Nil

RICHARD MONTI

BSc (Hons), Grad Dip AppFin., MAusIMM
Non-Executive Director

Richard was appointed 12 October 2009 and resigned as Non-Executive Chairman on 6 March 2020, from this date Richard assumed the role of Non-Executive Director. Richard is a geologist with a successful career of over thirty years in the international mineral resource industry resulting in broad industry knowledge and strong strategic planning capabilities. Richard has over sixty-three director-years' experience on sixteen ASX and TSX listed mining and exploration companies from micro-caps through to mid-size miners and has built and managed teams of up to seventy personnel. Richard was principal of a corporate advisory firm, Ventnor Capital, from 2005 to 2010 and is currently principal of Terracognita which supplies advice to resource industry companies.

Interests in Shares, Options and Performance Rights

1,404,982 Ordinary Shares.

400,000 Class "B" Unlisted Performance Rights

500,000 Class "C" Unlisted Performance Rights

DIRECTORS' REPORT

INFORMATION ON DIRECTORS (CONTINUED)

Other Directorships in Listed Entities in the past three years

Zinc of Ireland NL, Black Dragon Gold, Alto Metals Limited and Caravel Minerals Limited.

ANDREW PARKER *LLB*

Non-Executive Director

Andrew was appointed on 12 October 2009, and holds a law degree from the University of Western Australia and has significant experience in the exploration and mining industry and a wealth of expertise in corporate advisory, strategic consultancy, and capital raisings. Before joining Boab, he co-founded Trident Capital Pty Ltd, a corporate advisory and venture capital firm where he held the position of Managing Director until 2008. Andrew is also the Non-Executive Chairman of ASX listed Widgie Nickel Limited.

Interests in Shares, Options and Performance Rights

369,005 Ordinary Shares.

400,000 Class "B" Unlisted Performance Rights

500,000 Class "C" Unlisted Performance Rights

Other Directorships in Listed Entities in the past three years

Widgie Nickel Limited.

JERRY MONZU *FGIA, CPA, Bbus*

Company Secretary

Jerry is a corporate executive with over 25 years' experience in corporate governance, finance and accounting across various industry sectors with Australia and globally, acting as Company Secretary, Chief Financial Officer and Non-Executive Director of several private and listed ASX, JSE and AIM companies throughout his career.

DIRECTORS' REPORT

REMUNERATION REPORT - AUDITED

Our remuneration report is set out under the following main headings:

PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION;
DETAILS OF REMUNERATION;
SERVICE AGREEMENTS;
SHARE-BASED COMPENSATION; and
ADDITIONAL INFORMATION.

The information provided under headings A-E includes disclosures that are required under Accounting Standard AASB 124 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited.

A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Remuneration Policy

The remuneration policy of the Group aligns Directors and Executives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the policy is appropriate and effective in its ability to attract and retain high calibre Executives and Directors.

The Board's policy for determining the nature and amount of remuneration for Directors and Executives of the Group is as follows:

- All Executives receive a base salary (based on factors such as experience) plus statutory superannuation.
- The Board reviews Executive packages with reference to the Group's performance, Executive performance and information from relevant industry sectors and comparable listed companies. Independent external advice is sought where required.
- The Board may exercise discretion in relation to approving incentives, bonuses, and the issue of options.
- All remuneration paid to Directors and Executives is valued at the cost to the Group and expensed.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting (currently \$300,000). Director fees are not linked to the performance of the Group however, to align Director and shareholder interests, the Directors are encouraged to hold Company shares.

Performance Based Remuneration

The Group has issued performance rights which form part of the Directors and Executive remuneration packages. These performance rights have various vesting conditions based on market and operational hurdles being met.

DIRECTORS' REPORT

REMUNERATION REPORT - AUDITED (CONTINUED)

Group Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The Group's remuneration policy encourages the alignment of personal and shareholder interests through the issue of options to Directors and Executives. The Board believes this policy is effective in increasing shareholder wealth. The Group currently benchmarks remuneration paid against other peer group companies and the Board acts in its capacity as the Remuneration Committee in assessing Executive remuneration. The Company did not use any external remuneration consultants in the financial year.

Voting and comments on the Remuneration Report at the 2022 Annual General Meeting

At the Company's 2022 Annual General Meeting ("AGM"), a resolution to adopt the 2022 remuneration report was put to a vote and passed unanimously on a show of hands with proxies received also indicating majority. 79.15% of validly appointed proxies were in favour of adopting the remuneration report. No comments were made on the remuneration report at the AGM.

B. DETAILS OF REMUNERATION

Details of the remuneration of the Directors and Key Management Personnel as defined in AASB 124 *Related Party Disclosures* of the Group are set out in the following table. Given the size and nature of operations of the Group, no other employees are required to have their remuneration disclosed in accordance with the Corporations Act 2001.

DIRECTORS' REPORT

REMUNERATION REPORT - AUDITED (CONTINUED)

Director	Salary & Fees	Non-Monetary (1,2)	Super-annuation	Shares issued on achievement of Performance Rights Milestone	Options / Performance Rights	Total	Proportion of remuneration performance related
	\$	\$	\$	\$	\$	\$	%
G. Comb							
2023	100,000	-	10,500	21,000	54,730	186,230	41%
2022	100,000	-	11,187	-	(11,778)	99,409	-
S. Noon							
2023	332,308	9,743	27,500	84,000	190,010	643,561	43%
2022	320,000	24,963	27,500	-	(55,340)	317,123	-
R. Monti							
2023	48,000	-	5,040	14,000	35,684	102,724	48%
2022	48,000	-	4,800	-	(11,529)	41,271	-
A. Parker							
2023	48,000	-	5,040	14,000	35,684	102,724	48%
2022	48,000	-	4,800	-	(9,223)	43,577	-
P. Hewitt							
2023	98,462	-	10,338	-	53,584	162,384	33%
2022	-	-	-	-	-	-	-
D. English							
2023	-	-	-	-	-	-	-
2022	199,480	(9,581)	19,304	-	(9,340)	199,863	-
Totals							
2023	626,770	9,743	58,418	133,000	369,692	1,197,623	-
2022	715,480	15,382	67,591	-	(97,210)	701,243	-

¹ Relates to the movement in leave provisions for the period.

² (See Note 28).

No retirement benefits are payable post-employment under the Group's executive services agreements.

DIRECTORS' REPORT

REMUNERATION REPORT - AUDITED (CONTINUED)

C. SERVICE AGREEMENTS

Material terms of the Executives service agreements are as follows:

Gary Comb – Chairman

- Remuneration payable of \$100,000 per annum plus statutory superannuation;
- The right to participate in the Company's Employee Share Incentive Plan as approved by the Board; and
- The right to resign with no formal resignation period.

Simon Noon - Managing Director

- Remuneration payable of \$320,000 per annum plus statutory superannuation;
- Either party may terminate the agreement without cause on three months' written notice;
- The right to participate in the Company's Employee Share Incentive Plan as approved by the Board; and
- The Managing Director will not be paid a separate Director's fee for service to the Board.

Richard Monti - Non-Executive Director

- Remuneration payable of \$48,000 per annum plus statutory superannuation;
- The right to participate in the Company's Employee Share Incentive Plan as approved by the Board; and
- The right to resign with no formal resignation period.

Andrew Parker - Non-Executive Director

- Remuneration payable of \$48,000 per annum plus statutory superannuation;
- The right to participate in the Company's Employee Share Incentive Plan as approved by the Board; and
- The right to resign with no formal resignation period.

Paul Hewitt – Director of Operations

- Remuneration payable of \$320,000 per annum plus statutory superannuation;
- The right to participate in the Company's Employee Share Incentive Plan as approved by the Board; and
- The right to resign with a two-month notice period.

D. SHARE-BASED COMPENSATION

During the year Performance Rights of 760,000 were converted to shares and issued to Directors as an additional compensation (2022: Nil Performance Rights).

DIRECTORS' REPORT

REMUNERATION REPORT - AUDITED (CONTINUED)

Performance Income as a Proportion of Total Compensation

There were no cash performance based bonuses paid during the year (2022: Nil). During the FY23, the Group issued Performance rights Class A, B and C to Key management personnel as disclosed below. On 24 January 2023 760,000 Class "A" Performance Rights converted into Ordinary Shares upon the successful completion of the Definitive Feasibility Study, the charge to the Profit and Loss for these securities was \$133,000.

E. ADDITIONAL INFORMATION

Movements in Shares

Movement in the number of ordinary shares in the Company held (directly, indirectly or beneficially) by each Director and Key Management Personnel, including their related parties, is shown below. There were 760,000 shares issued as part of Director remuneration during the year (2022: Nil).

KMP	Held at 1 July 2022	Movement ⁽⁴⁾	Held at 30 June 2023
G Comb	560,237	120,000	680,237
R. Monti	1,324,982	80,000	1,404,982
S. Noon	1,882,000	480,000	2,362,000
A. Parker	369,005	80,000	449,005
P. Hewitt ⁽³⁾	-	-	-
	4,136,224	760,000	4,896,224

KMP	Held at 1 July 2021	Movement	Held at 30 June 2022
G. Comb	560,237	-	560,237
R. Monti	1,324,982	-	1,324,982
S. Noon	1,817,119	64,881 ⁽¹⁾	1,882,000
A. Parker	369,005	-	369,005
D. English ⁽²⁾	-	-	-
	4,017,343	64,881	4,136,224

(1) Movement relates to shares purchased on market.

(2) David English resigned on 6 January 2022, no shares were held by Mr English either directly or beneficially as at his resignation date.

(3) Paul Hewitt was appointed to the position of Project Director on 13 March 2023, no shares were held by Mr Hewitt either directly or beneficially as at the date of this report.

(4) Movement is represented by the conversion of Class "A" Performance Rights. These Performance Rights were approved by Shareholders at the Annual General Meeting of the Company held in October 2022 and converted into Ordinary Shares upon the successful completion of the Definitive Feasibility Study.

DIRECTORS' REPORT

REMUNERATION REPORT - AUDITED (CONTINUED)

Movement in Options

There were no KMP options on issue during the financial year ended 30 June 2023 (2022 : Nil)

Movements in Performance Rights

Movement in the number of Performance Rights in the Company held (directly, indirectly or beneficially) by Directors and Key Management Personnel, including their related parties, during the reporting period is as follows:

KMP	Held at 1 July 2022	Issued during the Period	Cancelled during the period	Converted into Ordinary shares ⁽⁴⁾	Held at 30 June 2023	Vested at 30 June 2023
G. Comb	160,000	1,520,000 ⁽¹⁾	(160,000) ⁽³⁾	(120,000)	1,400,000	-
R. Monti	-	980,000 ⁽¹⁾	-	(80,000)	900,000	-
S. Noon	-	4,880,000 ⁽¹⁾	-	(480,000)	4,400,000	-
A. Parker	-	980,000 ⁽¹⁾	-	(80,000)	900,000	-
P. Hewitt	-	700,000 ⁽²⁾	-	-	700,000	-
	160,000	9,060,000	(160,000)	(760,000)	8,300,000	-

⁽¹⁾ Class A, B and C Performance Rights issued to Directors of the Company with Shareholder Approval obtained at the Annual General Meeting of the Company held on 20 October 2022, these Performance Rights have a zero exercise price, various vesting conditions and convert into 1 Ordinary Share per Performance Right.

⁽²⁾ Paul Hewitt was appointed to the position of Project Director on 13 March 2023, these Performance rights were issued by the Board of the Company under the Company's Employee Incentive Plan Performance Rights, they have non market vesting conditions a zero exercise price and convert into 1 Ordinary Share per Performance Right.

⁽³⁾ Per the conditions of the new Performance Rights Class A, B and C issued under Shareholder Approval these original class "D" Performance rights were cancelled on 25 October 2022.

⁽⁴⁾ Class "A" Performance Rights converted into Ordinary Shares upon the successful completion of the Definitive Feasibility Study.

KMP	Held at 1 July 2021	Other Changes	Held at 30 June 2022	Vested at 30 June 2022
G. Comb	420,000	(260,000) ⁽¹⁾	160,000	-
R. Monti	200,000	(200,000) ⁽¹⁾	-	-
S. Noon	960,000	(960,000) ⁽¹⁾	-	-
A. Parker	160,000	(160,000) ⁽¹⁾	-	-
D. English ⁽²⁾	280,000	(280,000) ⁽²⁾	-	-
	2,020,000	(1,860,000)	160,000	-

⁽¹⁾ These Performance Rights were converted into Ordinary Shares in the 2022 financial year as the attaching Performance Milestones were met.

⁽²⁾ Mr English resigned on 6 January 2022 and held 280,000 Performance Rights up to the date of his resignation, these Performance Rights were cancelled on his resignation.

DIRECTORS' REPORT

Performance Rights

9,060,000 Performance Rights were granted during the year to Directors and Key Management Personnel (2022: Nil). During the year 160,000 Class "D" Performance Rights were cancelled per the terms of the Shareholder Approval obtained at the Annual General Meeting of the Company held on 20 October 2022. 760,000 Class "A" Performance Rights were converted into Ordinary Shares in the Company upon the achievement of a milestone.

The Performance Rights will, if not vested lapse on 25 October, 2027.

Performance rights will be automatically exercisable when the performance hurdle has been achieved. Each performance right which vests will entitle the holder to be issued one share in the Company.

On 22 February 2023, the Company granted 700,000 performance rights to Mr. Paul Hewitt (Project Director) as part of the Employee Securities Incentive Plan (ESIP). The performance rights will vest upon the successful achievement of the financial investment decision (FID). Given the non-market based vesting condition the fair value per right was determined to be the share price on grant date of \$0.22. The performance rights expire 12 months from issue date.

Performance Rights Valuation

	Class A Performance Rights	Class B Performance Rights	Class C Performance Rights
Methodology	Monte Carlo	Monte Carlo	Monte Carlo
Iterations	760,000	3,400,000	4,200,000
Grant date	20 October 2022	20 October 2022	20 October 2022
Expiry date	25 October 2027	25 October 2027	25 October 2027
Share price at grant date (\$)	0.175	0.175	0.175
Exercise price (\$)	nil	nil	nil
VWAP hurdle (\$)	0.50	0.60	0.70
Risk-free rate (%)	3.701	3.701	3.701
Volatility (%)	100	100	100
Dividend yield (%)	nil	nil	nil
Fair value per right (\$)	0.1576	0.1532	0.1494

The fair value of the performance rights has been calculated using the Monte Carlo valuation method with key inputs noted above.

DIRECTORS' REPORT

Performance Rights Issued to Directors

Security	Recipient	Number	Details	Vesting condition	Exercise price	Expiry date
Class A Performance Rights	Gary Comb	120,000	Performance Rights issued for nil consideration each exercisable into one ordinary share at any time between meeting the vesting condition and the expiry date	Upon achievement of: <ul style="list-style-type: none"> - successful completion of a definitive feasibility study; or - the volume weighted average price ("VWAP") of the Company's shares traded on the Australian Securities Exchange ("ASX") is equal to or greater than \$0.50 for 10 consecutive business days 	nil	25 October 2027
	Simon Noon	480,000				
	Andrew Parker	80,000				
	Richard Monti	80,000				
Class B Performance Rights	Gary Comb	600,000	Performance Rights issued for nil consideration each exercisable into one ordinary share at any time between meeting the vesting condition and the expiry date	Upon achievement of: <ul style="list-style-type: none"> - The Company successfully securing Project Finance¹ in an amount not less than \$50 million; or - The VWAP of the Company's shares traded on the ASX is equal to or greater than \$0.60 for 10 consecutive business days 	nil	25 October 2027
	Simon Noon	2,000,000				
	Andrew Parker	400,000				
	Richard Monti	400,000				
Class C Performance Rights	Gary Comb	800,000	Performance Rights issued for nil consideration each exercisable into one ordinary share at any time between meeting the vesting condition and the expiry date	Upon achievement of: <ul style="list-style-type: none"> - completion of first commercial production (as defined in the terms and conditions); or - The VWAP of the Company's shares traded on the ASX is equal to or greater than \$0.70 for 10 consecutive business days 	nil	25 October 2027
	Simon Noon	2,400,000				
	Andrew Parker	500,000				
	Richard Monti	500,000				

END OF THE REMUNERATION REPORT

DIRECTORS' REPORT

OPTIONS OVER ORDINARY SHARES

There were no options on issue as at the date of the Directors Report.

Performance Rights

Performance rights on issue at the date of the Directors Report had the following expiry dates and exercise prices:

Details	Performance Rights	Exercise Price	Grant Date	Expiry Date
Class "B" Performance Rights	3,400,000	Nil	20/10/2022	24/10/2027
Class "C" Performance Rights	4,200,000	Nil	20/10/2022	24/10/2027
Employee Performance Rights	700,000	Nil	22/02/2023	28/03/2024
	8,300,000			

NON-AUDIT SERVICES

No non-audit services were provided by the auditor of the Group, BDO Audit (WA) Pty Ltd during the financial year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Signed in accordance with a resolution of the Directors.

Gary Comb

Gary Comb
Chairman
22 September 2023

AUDITOR'S INDEPENDENCE DECLARATION



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Australia

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF BOAB METALS LIMITED

As lead auditor for the review of Boab Metals Limited for year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Boab Metals Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', is written over a light blue horizontal line.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth,

22 September 2023

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$	2022 \$
Revenue	5	298,865	251,492
Expenditure			
Exploration Expenses	6	(3,821,297)	(4,436,892)
Development Expenses		(363,921)	-
Salaries and Employee Benefits Expenses		(860,509)	(858,676)
Depreciation Expenses	6,11	(22,837)	(17,087)
Corporate Expenses		(440,902)	(231,044)
Occupancy Expenses		(42,009)	(65,747)
Consulting Expenses		(119,970)	(180,115)
Administration Expenses		(104,856)	(274,433)
Share Based Payments Expenses	27	(369,692)	97,210
Depreciation of Right of Use Assets		(70,305)	(64,559)
Write Down of Investment		-	(1,024,672)
(Loss) Before Income Tax		(5,917,433)	(6,804,523)
Income Tax	7	-	-
Total (Loss) for the Year		(5,917,433)	(6,804,523)
Movement in Foreign Exchange Translation Reserve	18	15,992	316
Total Comprehensive (Loss)		5,901,441	(6,804,207)
(Loss) Attributed to the Members		5,917,433	(6,804,523)
Total Comprehensive (Loss) Attributed to the Members		5,901,441	(6,804,207)
Basic and Diluted Loss per Share for Loss Attributable to the Ordinary Equity Holders of the Company (Cents per Share)		(3.58)	(4.44)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	2023 \$	2022 \$
Current Assets			
Cash and Cash Equivalents	8	4,578,654	6,317,527
Trade and Other Receivables	9	510,954	350,051
Prepayments	9	49,928	36,458
Total Current Assets		5,139,536	6,704,036
Non-Current Assets			
Exploration and Evaluation Assets	10	4,643,995	4,668,040
Investments		60,000	60,000
Other Assets		76,333	74,889
Plant and Equipment	11	1,676,350	61,800
ROU Asset		28,957	98,631
Total Non-Current Assets		6,485,635	4,963,360
Total Assets		11,625,171	11,667,396
Current Liabilities			
Trade and Other Payables	12	803,622	616,271
Provisions	13	162,047	143,093
Lease Liabilities		30,495	69,974
Total Current Liabilities		996,164	829,338
Non-Current Liabilities			
Lease Liabilities		-	30,220
Provisions	14	71,564	65,070
Deferred Tax Liabilities	15	162,647	162,647
Total Non-Current Liabilities		234,211	257,937
Total Liabilities		1,230,375	1,087,275
Net Assets		10,394,796	10,580,121
Equity			
Contributed Equity	16	53,677,822	48,198,398
Reserves	18	1,445,843	1,193,159
Accumulated Losses		(44,728,869)	(38,811,436)
Total Equity		10,394,796	10,580,121

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2023

	Issued Capital	Share / Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
2023	\$	\$	\$	\$	\$
Balance at 1 July 2022	48,198,398	1,526,601	(333,442)	(38,811,436)	10,580,121
(Loss) for the Year	-	-	-	(5,917,433)	(5,917,433)
Other Comprehensive (Loss) for the Year	-	-	15,992	-	15,992
Total Comprehensive (Loss) for the Year	-	-	15,992	(5,917,433)	(5,901,441)
Issue of Shares/Options	5,658,588	-	-	-	5,658,588
Performance Right converted to shares	133,000	-	-	-	133,000
Share Based Payments	-	236,692	-	-	236,692
Share issue costs	(312,164)	-	-	-	(312,164)
Balance at 30 June 2023	53,677,822	1,763,293	(317,450)	(44,728,869)	10,394,796
2022					
Balance at 1 July 2021	47,698,398	1,623,811	(333,758)	(32,006,913)	16,981,538
(Loss) for the Year	-	-	-	(6,804,523)	(6,804,523)
Other Comprehensive (Loss)/Income for the Year	-	-	316	-	316
Total Comprehensive (Loss) for the Year	-	-	316	(6,804,523)	(6,804,207)
Share/Option Issue Expense	500,000	-	-	-	500,000
Share Based Payments	-	(97,210)	-	-	(97,210)
Balance at 30 June 2022	48,198,398	1,526,601	(333,442)	(38,811,436)	10,580,121

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 30 JUNE 2023

	Notes	2023 \$	2022 \$
Cash Flows from Operating Activities			
Expenditure on Mining Interests		(4,091,678)	(4,846,003)
Payments to Suppliers and Employees		(1,574,995)	(1,984,288)
Interest Received		88,983	35,915
Management Fees		200,753	304,033
Other Income		-	1,100
Net Cash Outflow from Operating Activities	25	(5,376,937)	(6,489,243)
Cash Flows from Investing Activities			
Payments of Security Deposit – Bank Guarantee		-	(28,300)
Cash Transferred from Security Deposits		-	40,541
Payments for Purchase of Property, Plant and Equipment		(1,644,730)	(36,507)
Proceeds from sale of Motor vehicle		9,000	-
Net Cash Outflow from Investing Activities		(1,635,730)	(24,266)
Cash Flows from Financing Activities			
Proceeds From Issues of Shares		5,658,588	-
Payment of Share Issue Costs		(312,164)	-
Payments on Lease Liability		(72,630)	(65,924)
Net Cash Inflow from Financing Activities		5,273,794	(65,924)
Net (Decrease)/Increase in Cash and Cash Equivalents		(1,738,873)	(6,579,433)
Cash and Cash Equivalents at the Beginning of the Financial Year		6,317,527	12,896,960
Cash and Cash Equivalents at the End of the Financial Year	8	4,578,654	6,317,527

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The financial report includes the financial statements for Boab Metals Limited (“Parent” or “Company”) and its subsidiaries (the “Group”) for the year ended 30 June 2023. The financial report was authorised for issue in accordance with a resolution of the Board of Directors of Boab Metals Limited 22 September 2023. Boab Metals Limited is a company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group is exploration of mineral tenements in Australia.

(a) BASIS OF PREPARATION

This general-purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Interpretations, and the Corporations Act 2001.

(i) *Compliance with IFRS*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (“AIFRS”). Compliance with AIFRS ensures that the financial statements and notes of Boab Metals Limited comply with International Financial Reporting Standards (“IFRS”).

(ii) *Historical Cost Convention*

Financial statements have been prepared under the historical cost convention.

(iii) *Going Concern Basis*

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the Group is dependent upon maintaining enough funds for its operations and commitments. The Directors continue to monitor the funding requirements of the Group and are confident that funding can be secured as required to enable the Group to continue as a going concern and are of the opinion that the financial report has been appropriately prepared on a going concern basis.

(b) PRINCIPLES OF CONSOLIDATION

(i) *Subsidiaries*

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than half of the voting rights.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) *Subsidiaries (continued)*

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 1(d)). Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with policies adopted by the Group.

(ii) *Investment in Joint Ventures*

A joint venture is an arrangement under which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint control is defined as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Interests in joint ventures are accounted for using the equity method.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not amortised or tested individually for impairment. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in the joint venture. An impairment loss is measured by comparing the recoverable amount of the investment with the carrying amount. An impairment loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Upon loss of significant influence over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Investment in Joint Operations

A joint arrangement occurs whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under a joint arrangement, the Group as operator, recognises in relation to its interest in a joint arrangement its:

- assets, including its share of any assets held jointly;
- liabilities, including its share of any liabilities incurred jointly;
- revenue from the sale of its share of the output arising from the joint operation;
- share of the revenue from the sale of the output by the joint operation; and
- expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Australian Accounting Standards applicable to the certain assets, liabilities, revenues, and expenses. When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation. When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

(c) FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars, Boab's functional and presentation currency, unless otherwise stated.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) *Transactions and balances (continued)*

Foreign exchange gains and losses relating to borrowings are presented in the income statement within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) *Group companies*

The results and financial position of foreign operations that have a functional currency other than the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate.

(d) **SEGMENT REPORTING**

Operating segments are identified, and segment information disclosed based on internal reports received by the Board.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) REVENUE RECOGNITION

Interest revenue is recognised on a time proportionate basis that considers the effective yield on the financial assets. Grant income received from Governments is recognised on a cash basis upon receipt. The Group recognised revenue from the Sorby Hills Joint Venture in accordance with its proportional holding.

(f) INCOME TAX

The income tax expense or revenue for the year is the tax payable on the current periods taxable income (based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses). Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax laws and rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) IMPAIRMENT OF ASSETS

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. To assess impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets

or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) CASH AND CASH EQUIVALENTS

For presentation purposes on the cash flow statement, cash and cash equivalents includes cash on hand and deposits held by financial institutions.

(i) TRADE AND OTHER RECEIVABLES

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Trade receivables for goods and services are generally due for settlement within 30 days from date of invoice.

The group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables would be grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) PLANT AND EQUIPMENT

All plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation of plant and equipment is calculated using the straight-line method to allocate their cost (net of their residual values) over their estimated useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(h)).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(k) EXPLORATION AND EVALUATION COSTS

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current, and they are expected to be recouped through sale or successful development and exploration of the area of interest, or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Where an area of interest is abandoned, or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Group during the financial year which remain unpaid at the end of the period. The amounts are unsecured and are paid on standard commercial terms.

(m) EMPLOYEE BENEFITS

(i) *Wages and Salaries, Leave and Other Employee Benefits*

Provisions are made for employee benefits for services rendered during the period. These benefits include salaries and leave benefits. Liabilities arising in respect of employee benefits are measured at their nominal amounts based on remuneration rates to be paid when the liability is settled.

(ii) *Share-Based Payments*

The Group provides benefits to employees (including Directors) and consultants of the Group in the form of share-based payments whereby employees and contractors render services in exchange for shares or rights over shares (“equity-settled transactions”). The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“vesting date”).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of options that the Directors think will vest ultimately. This opinion is formed based on the information available at balance date.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction (net of tax) from the proceeds. Incremental costs directly attributable to the issue of new shares or options, for the acquisition of a business, are not included in the cost of the acquisition as part of the purchase consideration.

(o) EARNINGS PER SHARE

(i) *Basic Earnings Per Share*

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Parent entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) *Diluted Earnings Per Share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(p) GOODS AND SERVICES TAX ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The carrying amount of certain assets and liabilities is often determined based on estimates and assumptions of future events. The key estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) *Deferred Taxation*

The potential deferred tax asset arising from the tax losses and temporary differences has not been recognised as an asset because recovery of the tax losses is not yet considered probable.

(ii) *Capitalised Exploration Costs*

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether future economic benefits are likely, either from exploration or sale, or where activities have not reached a stage which permits reasonable assessment.

(iii) *Share-Based Payments*

The Group measures the cost of equity-settled and cash-settled transactions by reference to the fair value of the goods and services received or, if this cannot be reliably measured, the fair value of the equity instruments at the date at which they are granted. The fair value of the equity instruments is determined by using the Black-Scholes model and the assumptions and carrying amount at the reporting date is disclosed in Note 27.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) LEASES

The Group as lessee

At inception of a contract the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows;

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Group as lessor

The Group does not have any property which has been leased out, and therefore not applicable.

NOTES TO THE FINANCIAL STATEMENTS

2. NEW AND AMENDED ACCOUNTING POLICIES ADOPTED BY THE GROUP

The Group has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period.

- ***AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current***

The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current. The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

- ***AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates***

The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

3. FINANCIAL RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Various methods are used to measure risks to which the Group is exposed, including sensitivity analysis for interest rate, foreign exchange and other price risks, and ageing analysis for credit risk.

Risk management is carried out by the accounting team under Board approved policies covering identification and analysis of risk exposure, risk limits, and appropriate procedures and controls. Reporting is provided to the Board on a monthly basis.

NOTES TO THE FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

MARKET RISK

(i) *Foreign Currency Risk*

The Group completes certain transactions denominated in foreign currency and is exposed to foreign currency risk through exchange rate fluctuations. Foreign currency risk arises from future commercial transactions and recognised financial assets and financial liabilities in a currency other than the Group's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Based on the net exposure to foreign currencies, a change in the foreign exchange rate as at the end of the year would not have a significant effect on the Group's financial results.

(ii) *Price Risk*

Presently, the Group is not directly exposed to commodity price risk as it is in the exploration phase. The Group is indirectly exposed to price movements for commodities such as gold, copper and silver as these may affect the Group's ability to access capital markets.

(iii) *Interest Rate Risk*

The Group's main interest rate risk arises from cash and term deposits held at variable interest rates as term deposits issued at fixed rates expose the Group to fair value risk. The Group's policy is to maximise interest rate returns, having regard to the cash requirements of the business.

(iv) *Credit Risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount (net of any provisions for impairment of those assets) as disclosed in the statement of financial position and notes to the financial statements.

(v) *Liquidity Risk*

Liquidity risk management requires the Group to maintain enough liquid assets to pay debts as and when they fall due. The Group manages liquidity risk by maintaining adequate cash reserves through continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

INTEREST RATE RISK

The Group is exposed to market interest rate movements on short-term deposits. Group policy is to monitor the interest rate yield curve to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. At 30 June 2023, if interest rates had changed by +/- 100 basis points from the year-end rates with all other variables held constant, pre-tax loss would have been \$46,285 lower/higher (2022 – change of 100 bps: \$63,659 lower/higher) as a result of lower interest income.

NOTES TO THE FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

INTEREST RATE RISK (Continued)

The Group's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instrument	Floating Interest Rate \$	Fixed Interest Rate Maturing in:			Non-Interest Bearing \$	Total Carrying Amount \$
		>1 Year \$	1 - 5 Years \$	<5 Years \$		
2023						
<i>Financial Assets</i>						
Cash and Cash Equivalents	4,578,654	-	-	-	-	4,578,654
Investments	-	-	-	-	60,000	60,000
Trade & Other Receivables	-	-	-	-	510,954	510,954
Deposits	49,843	-	-	-	26,490	76,333
Total Financial Assets	4,628,497	-	-	-	597,444	5,225,941
<i>Financial Liabilities</i>						
Trade Creditors	-	-	-	-	-	-
Other Creditors and Accruals	-	-	-	-	-	-
Lease Liabilities	-	30,495	-	-	-	30,495
Total Financial Liabilities	-	30,495	-	-	-	30,495

Weighted average effective interest rate is 0.03%

2022

<i>Financial Assets</i>						
Cash and Cash Equivalents	6,317,527	-	-	-	-	6,317,527
Investments	-	-	-	-	60,000	60,000
Trade & Other Receivables	-	-	-	-	350,051	350,051
Deposits	48,399	-	-	-	26,490	74,889
Total Financial Assets	6,365,926	-	-	-	436,541	6,802,467
<i>Financial Liabilities</i>						
Trade Creditors	-	-	-	-	589,433	589,433
Other Creditors and Accruals	-	-	-	-	26,838	26,838
Lease Liabilities	-	69,974	30,220	-	-	100,194
Total Financial Liabilities	-	69,974	30,220	-	616,271	716,465

NET FAIR VALUES

All financial assets and liabilities have been recognised at the balance date at amounts approximating their carrying value.

CREDIT RISK EXPOSURES

The Group has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount (net of provision for doubtful debts) of those assets as disclosed in the balance sheet and notes to the financial statements. A formal credit risk management policy is not maintained.

NOTES TO THE FINANCIAL STATEMENTS

4. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified based on internal reports provided to the Board in order to allocate resources to the segments and assess performance. Information reported to the Board is based on exploration in the principal locations of the Group's projects, Australia and Colombia. The revenues and profit generated by each of the Group's operating segments, assets and liabilities are summarised as follows:

	Australia		Colombia		Total	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Segment Revenues	298,865	251,491	-	1	298,865	251,492
Segment Operating (Losses)	(5,900,570)	(6,787,157)	(16,863)	(17,366)	(5,917,433)	(6,804,523)
Segment Assets	11,621,551	11,661,294	3,620	6,102	11,625,171	11,667,396
Segment Liabilities	1,227,604	1,082,894	2,771	4,381	1,230,675	1,087,275

5. REVENUE

From Continuing Operations	Consolidated	
	2023 \$	2022 \$
Sorby Hills Project Revenue	201,745	160,662
Interest	95,463	35,915
Other Income	1,657	54,915
	298,865	251,492

6. EXPENSES

Loss Before Income Tax Includes the Following Expenses:	Consolidated	
	2023 \$	2022 \$
Depreciation of Plant and Equipment	22,837	17,087
Depreciation of ROU Asset	70,305	64,559
Exploration and Evaluation Expenditure	3,821,297	4,436,882
Development Expenses	363,921	-
Write-down of Borroloola Exploration Asset	-	1,024,672

NOTES TO THE FINANCIAL STATEMENTS

7. INCOME TAX

	Consolidated	
	2023	2022
	\$	\$
Income Tax Expense/Benefit		
Current Tax	-	-
Deferred Tax	-	-
Adjustments for Current Tax of Prior Years	-	-
	-	-
Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Loss from Continuing Operations Before Income Tax Expense	(5,917,433)	(6,804,523)
Prima Facie Tax Benefit at the Australian Tax Rate of 25% (2022: 25%)	(1,479,358)	(1,701,131)
Tax Effect of Amounts which are not Deductible (Taxable) in Calculating Taxable Income		
Other Items	10,686	278,460
	(1,468,672)	(1,422,671)
Tax Effect of Current Year Tax Losses and other temporary differences for which no DTA has been recognised	1,468,672	1,422,671
Income Tax Expense/(Benefit)	-	-
Unrecognised Temporary Differences		
Deferred Tax Assets		
<i>On Income Tax Account</i>		
S. 40-880 Deductions	150,912	172,810
Write off Acquired Tenement Costs over 15 year	1,039,870	1,397,142
Accruals and Provisions	53,380	51,771
Carry Forward Tax Losses	9,515,703	7,835,423
	10,759,865	9,457,146
Deferred Tax Liabilities Prepayments	-	-
Total Unrecognised Temporary Differences	10,759,865	9,457,146

	Consolidated	
	2023	2022
	\$	\$
Deferred Tax Liabilities		
Beginning Exploration and Evaluation on Acquisition	162,647	169,153
Reduction of Deferred Tax Liability Due to Impairment	-	(6,506)
Deferred Tax Liability - Exploration and Evaluation Assets	162,647	162,647

The deferred tax assets have not been brought to account, as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

8. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated	
	2023	2022
	\$	\$
Cash at Bank	4,578,654	6,317,527
Cash and Cash Equivalents as Shown in the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows	4,578,654	6,317,527

9. CURRENT ASSETS - OTHER

	Consolidated	
	2023	2022
	\$	\$
Trade and Other Receivables	510,954	350,051
Prepayments	49,928	36,458
	560,882	386,509

The above receivables are within initial trade terms and therefore have not been impaired.

10. NON-CURRENT ASSETS - EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	2023	2022
	\$	\$
Balance at Beginning of the Year	4,668,040	5,160,560
Additions	-	538,658
Reclassification of costs	(24,045)	-
Disposal/Write down of Assets	-	(1,024,672)
Reduction of Deferred Tax Liability	-	(6,506)
Balance at the End of the Year	4,643,995	4,668,040

11. NON-CURRENT ASSETS - PLANT AND EQUIPMENT

	Consolidated	
	2023	2022
	\$	\$
Plant and Equipment		
Cost	1,755,525	110,304
Accumulated Depreciation	(79,175)	(48,504)
Net Carrying Amount	1,676,350	61,800
Plant and Equipment - Movement		
Opening Net Book Amount	61,800	42,380
Additions	1,646,387	36,507
Disposal	(9,000)	-
Depreciation Charge	(22,837)	(17,087)
Closing Net Carrying Amount	1,676,350	61,800

On 1 September 2022, Boab purchased a camp totaling \$1,568,000 (inclusive of freight and insurance), to be used as accommodation at Sorby Hills Project.

NOTES TO THE FINANCIAL STATEMENTS

12. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	2023	2022
	\$	\$
Trade Payables	442,173	589,433
Other Payables and Accruals	361,449	26,838
	803,622	616,271

The above payables are within initial trade terms and therefore are not past due.

13. CURRENT LIABILITIES - PROVISIONS

	Consolidated	
	2023	2022
	\$	\$
Current		
Provision for Annual Leave	162,047	143,093
	162,047	143,093

14. NON-CURRENT LIABILITIES - PROVISIONS

	Consolidated	
	2023	2022
	\$	\$
Non-Current		
Provision for Long Service Leave	71,564	65,070
	71,564	65,070

15. NON-CURRENT LIABILITIES - DEFERRED TAX LIABILITIES

	Consolidated	
	2023	2022
	\$	\$
Deferred Tax Liabilities Comprise Temporary Differences Attributable to:		
Beginning Exploration and Evaluation on Acquisition	162,647	169,153
Movement as a Result of Change in Tax Rate	-	(6,506)
Deferred Tax Liability	162,647	162,647

NOTES TO THE FINANCIAL STATEMENTS

16. CONTRIBUTED EQUITY

SHARE CAPITAL

	2023		2022	
	Shares	\$	Shares	\$
Ordinary Shares Fully Paid	174,462,770	53,677,822	153,493,527	48,198,398
Total Contributed Equity	174,462,770	53,677,822	153,493,527	48,198,398

MOVEMENTS IN ORDINARY SHARE CAPITAL

	2023		2022	
	Shares	\$	Shares	\$
Beginning of the Financial Year	153,493,527	48,198,398	152,307,006	47,698,398
Issued during the year:				
Share Placement/Share Purchase Plan	20,209,243	5,658,588	-	-
Conversion of Performance Rights to shares	760,000	133,000	-	-
Shares Issued for Manbarrum Acquisition	-	-	1,186,521	500,000
Less Transaction costs	-	(312,164)	-	-
	174,462,770	53,677,822	153,493,527	48,198,398

On 1 December 2022, Boab conducted a placement of 20,209,243 Ordinary Shares to sophisticated and professional investors at \$0.28 per share raising \$5,568,588 before capital raising costs of \$312,164.

Additionally, on 24 January 2023, 760,000 Performance Rights were converted into fully paid Ordinary Shares on the achievement of a performance rights milestone.

ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Parent entity proportionate to the number of and amounts paid for shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each share is entitled to one vote.

CAPITAL RISK MANAGEMENT

Safeguarding its ability to continue as a going concern is the Group's objective when it comes to managing capital in order to provide benefits to both shareholders and stakeholders and maintain an optimal capital structure to reduce cost of capital. When an opportunity to invest in, or explore, a project is seen as value adding relative to the share price at the time of investment, the Group will seek to raise capital if required.

17. DIVIDENDS

No recommendation for payment of dividends or dividend payments were made during the report period.

NOTES TO THE FINANCIAL STATEMENTS

18. RESERVES

Share/option reserve is used to recognise the fair value of shares and options issued.

	Consolidated	
	2023	2022
	\$	\$
Share/Option Reserve	1,763,293	1,526,601
Foreign Currency Translation Reserve	(317,450)	(333,442)
	1,445,843	1,193,159

SHARE/OPTION RESERVE

	Consolidated	
	2023	2022
	\$	\$
Balance at Beginning of Year	1,526,601	1,623,811
Reclassification of Performance Rights upon conversion to ordinary shares	(7,219)	-
Issue of Options / Performance Rights	243,911	-
Reversal of Lapsed Performance Rights	-	(97,210)
Balance at End of Year	1,763,293	1,526,601

Details of movement in share options

	2023		2022	
	No of share Options	Weighted Average Exercise Price	No of share Options	Weighted Average Exercise Price
Outstanding at Beginning of Year	-	-	400,000	0.50
Expired during the year	-	-	(400,000)	0.50
Outstanding at the End of the Year	-	-	-	-

Details of movement in performance rights

	2023	2022
	Number of Performance Rights	Number of Performance Rights
Balance at Beginning of Year	160,000	2,020,000
Granted during the year	(9,060,000)	-
Forfeited/ Cancelled during the year	(160,000)	(280,000)
Converted during the year	(760,000)	-
Expired during the year	-	(1,580,000)
Balance at End of Year	8,300,000	160,000

NOTES TO THE FINANCIAL STATEMENTS

18. RESERVES (CONTINUED)

FOREIGN CURRENCY TRANSLATION RESERVE

Foreign currency translation reserve is used to recognise exchange differences arising from the translation of financial statements of foreign operations that do not use Australian dollars as their functional currency.

	Consolidated	
	2023	2022
	\$	\$
Balance at Beginning of Year	(333,442)	(333,758)
Exchange Differences Arising on Translation of Foreign Operations	15,992	316
Balance at End of Year	(317,450)	(333,442)

19. PARENT ENTITY INFORMATION

	Parent	
	2023	2022
	\$	\$
Total Current Assets	4,330,046	3,948,989
Total Non-Current Assets	6,479,150	2,245,749
Total Assets	10,809,196	6,194,738
Total Current Liabilities	252,578	263,076
Total Non-Current Liabilities	71,564	165,264
Total Liabilities	324,142	428,340
Equity		
Issued Capital	53,677,822	48,198,398
Share Based Payments Reserve	1,763,293	1,526,601
Accumulated Losses	(44,956,061)	(43,958,601)
Total Equity	10,485,054	5,766,398
Results of The Parent Entity		
Loss for the Year	(997,460)	(660,881)
Other Comprehensive Income	-	-
Total Comprehensive Loss for the Year	(997,460)	(660,881)

CAPITAL AND CONTINGENT LIABILITIES

The parent entity had no capital or contingent liabilities as at 30 June 2023 (2022: Nil).

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 1, except for investments in subsidiaries being accounted for at cost (less any impairment) in the parent entity.

NOTES TO THE FINANCIAL STATEMENTS

20. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in Note 1b(i):

Subsidiary	Incorporated	Ownership	
		2023	2022
West Rock Resources Pty Ltd	Australia	100%	100%
Sorby Hills Pty Ltd	Australia	100%	100%
Sorby Management Pty Ltd	Australia	100%	100%
West Rock Resources Panama Corp.	Panama	100%	100%
Manbarrum Pty Ltd	Australia	100%	100%
Pacifico Minerals Sucursal Colombia (Branch)	Colombia	100%	100%
Pacifico Holdings SAS	Colombia	100%	100%

21. REMUNERATION OF AUDITORS

During the period the following fees were paid, or payable, for services provided by the auditors of the Group.

	Consolidated	
	2023	2022
	\$	\$
Audit Services		
Stantons Audit and Review of Financial Reports	-	52,408
BDO Audit and Review of Financial Reports ¹	47,870	-
Total Remuneration for Audit Services	47,870	52,408

¹ In December 2022, BDO Audit (WA) Pty Ltd was appointed as Boab Metals Limited auditor.

²No non-audit services were provided by BDO Audit (WA) Pty Ltd.

NOTES TO THE FINANCIAL STATEMENTS

22. COMMITMENTS AND CONTINGENCIES

The Group plans to conduct exploration work on its tenements to meet obligations and retain rights of tenure. If required, the Group can reduce these expenditure obligations by establishing joint venture agreements, applications for expenditure exemptions, or selective relinquishment of exploration tenements. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast future expenditure. The annual commitment across the Group for the next year is \$1,567,872 (2022: \$1,978,574).

Exploration Commitments	Consolidated	
	2023	2022
	\$	\$
Within One Year	1,567,872	1,978,574
Later than One Year But Not Later Than Five Years	2,057,447	2,190,371
Over Five Years	598,935	976,896
	4,224,254	5,145,841

There are no material contingent assets of the Group at balance date (2022: Nil). In 2019 the acquisition of the Sorby Hills Project included a provision for a 1% net smelter royalty payable to Quintana MH Holding Company LLC that has been classified as a material Contingent Liability, this is still in existence as at balance date 30 June 2023.

The terms of the acquisition of the Manbarrum Project included a Net Smelter Return (NSR) Royalty of 1.25% payable on future revenue generated from the sale of minerals extracted from the Manbarrum Project. The royalty will be secured by a mining mortgage over the Manbarrum Project tenements that may be subordinated to potential project financiers provided certain conditions are met. Boab has retained the right to buy-back the royalty at market value subject to the completion of a Pre-Feasibility Study on the Manbarrum Project.

23. INTERESTS IN JOINT OPERATIONS

The Group recognises its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated into the financial statements under the appropriate classifications.

Information relating to joint operations that are material to the Group are set out below:

- Borroloola West Project (Boab 51%). Net assets carried as at 30 June 2023 are Nil (2022: Nil).
- Sorby Hills Project (Boab 75%). Net assets carried as at 30 June 2023 are \$4,373,828 after write off of exploration costs of \$3,557,546 and development costs of \$363,921 (2022: \$6,496,367 after a write off of exploration costs of \$4,355,745, development costs 2022 - Nil).

NOTES TO THE FINANCIAL STATEMENTS

24. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Boab Metals Limited has executed a Heads of Agreement (HOA) with the Shire of Wyndham and East Kimberley (SWEK) for the construction and long term lease of a new 180-person accommodation facility within Kununurra, 50Km from its 75% owned Sorby Hills Lead-Silver-Zinc project located in the Kimberley Region of Western Australia.

Under the HOA, Boab will fund pre-construction work including approvals, workstreams and conceptual design in return for securing a 10-year lease for the facility with an option to extend for a further 5 years.

Boab's pre-construction costs will be rebated against leasing costs.

SWEK will fund and oversee detailed design and construction of the facility.

There have been no other matters that would require disclosure subsequent to the end of the financial year.

25. CASH FLOW RECONCILIATION

RECONCILIATION OF NET LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	2023	2022
	\$	\$
Net Loss for the Year	(5,917,433)	(6,804,523)
Non-Cash Items		
Depreciation of Non-Current and ROU Assets	93,143	81,646
Interest on Lease Liabilities	2,300	2,071
Share Based Payments - Director/Staff Options	369,692	(97,210)
Gain on sale of Motor Vehicle	(1,657)	-
Write Down of Borroloola investment	-	1,024,672
Foreign Exchange (Gain)/Loss	-	-
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Trade and Other Receivables	(145,884)	9,786
Decrease/(Increase) in Prepayments	(13,470)	(23,680)
Increase/(Decrease) in Operating, Trade and Other Payables	210,926	(714,289)
Increase/(Decrease) in Provisions	25,448	32,284
Net Cash Outflow from Operating Activities	(5,376,935)	(6,489,243)

NOTES TO THE FINANCIAL STATEMENTS

26. LOSS PER SHARE (POST CONSOLIDATION)

	Consolidated	
	2023	2022
Earnings per share	cents	cents
Basic loss per share (cents per share)	(3.58)	(4.44)
Diluted loss per share (cents per share)	(3.57)	(4.44)

	Consolidated	
	2023	2022
	\$	\$
Net (loss)	(5,917,433)	(6,804,523)
Loss used to calculate earnings per share	(5,917,433)	(6,804,523)
Loss used to calculate diluted earnings per share	(5,917,433)	(6,804,523)

	Number of Shares	
	2023	2022
Weighted average number of ordinary shares used in calculating earnings per share	165,503,035	153,226,966
Weighted average number of ordinary shares used in calculating diluted earnings per share	165,523,857	153,226,966

27. SHARE BASED PAYMENTS

ORDINARY SHARES

Share Based Payments	Consolidated	
	2023	2022
	\$	\$
Issued to Directors and Key Management Personnel	369,692	-
Reversal of previously recognised expense due to Performance Rights being forfeited or expiring prior to vesting	-	(97,210)
	369,692	(97,210)

During the year 760,000 Performance Rights were converted to shares and issued to Directors (2022: Nil). There were no ordinary shares issued to Directors in lieu of cash payments (2022: Nil).

NOTES TO THE FINANCIAL STATEMENTS

27. SHARE BASED PAYMENTS (CONTINUED)

OPTIONS OVER ORDINARY SHARES

No Options were issued in 2023 (2022: Nil) and there were no options on issue as at 30 June 2023.

Performance Rights

9,060,000 Performance Rights were granted during the year to Directors and Key Management Personnel (2022: Nil). During the year 160,000 Class “D” Performance Rights were cancelled per the terms of the Shareholder Approval obtained at the Annual General Meeting of the Company held on 20 October 2022. 760,000 Class “A” Performance Rights were converted into Ordinary Shares in the Company upon the achievement of a milestone.

Performance rights on issue as at 30 June 2023 are as follows;

Details	Performance Rights	Exercise Price	Grant Date	Expiry Date
Class “B” Performance Rights	3,400,000	Nil	20/10/2022	24/10/2027
Class “C” Performance Rights	4,200,000	Nil	20/10/2022	24/10/2027
Employee Performance Rights	700,000	Nil	22/02/2023	28/03/2024
	<u>8,300,000</u>			

NOTES TO THE FINANCIAL STATEMENTS

Performance Rights Valuation Inputs

	Class A Performance Rights	Class B Performance Rights	Class C Performance Rights
Methodology	Monte Carlo	Monte Carlo	Monte Carlo
Iterations	760,000	3,400,000	4,200,000
Grant date	20 October 2022	20 October 2022	20 October 2022
Expiry date	25 October 2027	25 October 2027	25 October 2027
Share price at grant date (\$)	0.175	0.175	0.175
Exercise price (\$)	nil	nil	nil
VWAP hurdle (\$)	0.50	0.60	0.70
Risk-free rate (%)	3.701	3.701	3.701
Volatility (%)	100	100	100
Dividend yield (%)	nil	nil	nil
Fair value per right (\$)	0.1576	0.1532	0.1494

The fair value of the performance rights has been calculated using the Monte Carlo valuation method with key inputs noted above.

The Performance Rights will, if not vested lapse on 25 October 2027.

Performance rights will be automatically exercisable when the performance hurdle has been achieved. Each performance right which vests will entitle the holder to be issued one share in the Company.

On 22 February 2023, the Company granted 700,000 performance rights to Mr. Paul Hewitt (Project Director) as part of the Employee Securities Incentive Plan (ESIP). The performance rights will vest upon the successful achievement of the financial investment decision (FID). Given the non-market based vesting condition the fair value per right was determined to be the share price on grant date of \$0.22. The performance rights expire 12 months from issue date.

NOTES TO THE FINANCIAL STATEMENTS

27. SHARE BASED PAYMENTS (CONTINUED)

Performance rights issued to Directors

Security	Recipient	Number	Details	Vesting condition	Exercise price	Expiry date
Class A Performance Rights	Gary Comb	120,000	Performance Rights issued for nil consideration each exercisable into one ordinary share at any time between meeting the vesting condition and the expiry date	Upon achievement of: <ul style="list-style-type: none"> - successful completion of a definitive feasibility study; or - the volume weighted average price ("VWAP") of the Company's shares traded on the Australian Securities Exchange ("ASX") is equal to or greater than \$0.50 for 10 consecutive business days 	nil	25 October 2027
	Simon Noon	480,000				
	Andrew Parker	80,000				
	Richard Monti	80,000				
Class B Performance Rights	Gary Comb	600,000	Performance Rights issued for nil consideration each exercisable into one ordinary share at any time between meeting the vesting condition and the expiry date	Upon achievement of: <ul style="list-style-type: none"> - The Company successfully securing Project Finance¹ in an amount not less than \$50 million; or - The VWAP of the Company's shares traded on the ASX is equal to or greater than \$0.60 for 10 consecutive business days 	nil	25 October 2027
	Simon Noon	2,000,000				
	Andrew Parker	400,000				
	Richard Monti	400,000				
Class C Performance Rights	Gary Comb	800,000	Performance Rights issued for nil consideration each exercisable into one ordinary share at any time between meeting the vesting condition and the expiry date	Upon achievement of: <ul style="list-style-type: none"> - completion of first commercial production (as defined in the terms and conditions); or - The VWAP of the Company's shares traded on the ASX is equal to or greater than \$0.70 for 10 consecutive business days 	nil	25 October 2027
	Simon Noon	2,400,000				
	Andrew Parker	500,000				
	Richard Monti	500,000				

NOTES TO THE FINANCIAL STATEMENTS

28. RELATED PARTY TRANSACTIONS

Other than the transactions with Directors and Key Management Personnel as disclosed in the Remuneration Report, there were no related party transactions to report for the period.

KEY MANAGEMENT PERSONNEL COMPENSATION

	Consolidated	
	2023	2022
	\$	\$
Short Term Employee Benefit	636,513	730,862
Shares issued on achievement of Performance Rights milestone	133,000	-
Share Based Payments	369,692	(97,210)
Post-Employment Benefit	58,418	67,591
	1,197,623	701,243

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements accompanying the notes are in accordance with the Corporations Act 2001, and:
 - a. Comply with Accounting Standards, the Corporations Act 2001 and other mandatory professional reporting requirements;
 - b. Give a true and fair view of the financial position as at 30 June 2023 and of the performance for the report period for the consolidated entity.
2. In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
3. In the Directors' opinion, the financial statements and notes are prepared in compliance with IFRS and interpretations issued by the International Accounting Standards Board.
4. The remuneration disclosures as set out on pages 24-31 of the Directors' Report comply with Accounting Standards AASB 124 *Related Party Disclosures* and section 300A of the Corporations Act 2001.
5. The Directors have been given the declarations required under section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors.

Gary Comb

Gary Comb
Chairman
22 September 2023

INDEPENDENT AUDITOR'S' REPORT



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INDEPENDENT AUDITOR'S REPORT

To the members of Boab Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Boab Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

INDEPENDENT AUDITOR'S' REPORT



Accounting for Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
<p>At 30 June 2023, we note that the carrying value of the Exploration and Evaluation Asset is significant to the financial statements, as disclosed in note 10.</p> <p>As a result, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular:</p> <ul style="list-style-type: none">• Whether the conditions for capitalisation are satisfied; and• Whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment.	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none">• Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date;• Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and directors' minutes;• Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;• Considering whether any facts of circumstances existed to suggest impairment testing was required; and• Assessing the adequacy of the related disclosures in Note 10 of the Financial Report.

INDEPENDENT AUDITOR'S' REPORT



Other Matter

The financial report of Boab Metals Limited, for the year ended 30 June 2022 was audited by another auditor who expressed an unmodified opinion on that report on 2 September 2022.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S' REPORT



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 31 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Boab Metals Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', with the BDO logo above it.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth,

22 September 2023

SHAREHOLDER INFORMATION

AS AT 19 SEPTEMBER 2023

Additional information is set out below in accordance with the listing rules of the Australian Stock Exchange Limited and is current as at 19 September 2023.

1. STATEMENT OF ISSUED CAPITAL

Distribution of holdings for Ordinary Shares on Issue 'BML':

Number of Holders by Holding Size	Holders	Total Units	% of Issued Capital
1 - 1,000	161	37,300	0.02%
1,001 - 5,000	1,209	3,383,273	1.94%
5,001 - 10,000	615	4,776,485	2.74%
10,001 - 100,000	1,261	43,399,988	24.88%
100,001 and over	276	122,865,724	70.43%
Total	3,522	174,462,770	100.00%

Ordinary shares carry one vote per share without restriction. The number of fully paid ordinary shareholdings held in less than marketable parcels is 956 (based on a share price of \$0.155).

1. UNQUOTED SECURITIES

Distribution of holdings for Performance Rights on issue:

"B" class Performance Rights on issue expire on 25 October 2027 and have vesting conditions attached. Each Performance Right vests into one Ordinary Fully Paid Share on conversion.

Number of Holders by Holding Size	Holders	Total Units *	% of Issued Capital
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 and over	4	-	100.00%
Total	4	3,400,000**	100.00%

* Performance Shares do not carry any voting rights until they vest and are converted into Ordinary Fully Paid shares.

** Mr Simon Alexander Noon holds 58.9% or 2,000,000 "B" class Performance Rights.

SHAREHOLDER INFORMATION

AS AT 19 SEPTEMBER 2023

2. UNQUOTED SECURITIES (continued)

“C” class Performance Rights on issue expire on 25 October 2027 and have vesting conditions attached. Each Performance Right vests into one Ordinary Fully Paid Share on conversion.

Number of Holders by Holding Size	Holders	Total Units *	% of Issued Capital
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 and over	4	-	100.00%
Total	4	4,200,000**	100.00%

* Performance Shares do not carry any voting rights until they vest and are converted into Ordinary Fully Paid shares.

** Mr Simon Alexander Noon holds 57.1% or 2,400,000 “B” class Performance Rights.

Employee Incentive Performance Rights on issue expire on 28 March 2024 and have vesting conditions attached. Each Performance Right vests into one Ordinary Fully Paid Share on conversion.

Number of Holders by Holding Size	Holders	Total Units *	% of Issued Capital
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 and over	1	700,000	100.00%
Total	1	700,000	100.00%

* Employee Incentive Performance Rights do not carry any voting rights until they vest and are converted into Ordinary Fully Paid shares.

On-Market Buy back

There is no current on-market buy back.

Restricted Securities

The Company has no restricted securities currently on issue.

SHAREHOLDER INFORMATION

AS AT 19 SEPTEMBER 2023

SUBSTANTIAL SHAREHOLDERS

Holder**	Number	%
VILLIERS QUEENSLAND PL*	15,246,527	8.74

* Denotes merged holders.

** The holders detailed above held more than 5% of the Issued Capital of the Company as at the date of this additional Shareholder information.

3. QUOTATION

Fully paid ordinary shares are quoted on the Australian Stock Exchange Limited. There is a total of 174,462,770 shares on issue. The top twenty shareholders, as listed below, hold 35.31% of these shares:

Position	Holder Name	Holding	%
1	VILLIERS QUEENSLAND PL*	15,246,527	8.74%
2	ZERO NOMINEES PTY LTD	7,547,620	4.33%
3	CITICORP NOMINEES PTY LIMITED	5,862,557	3.36%
4	MR BRENT DAVID CONNOLLY	4,390,000	2.52%
5	CURIOUS COMMODITIES PTY LTD <CURIOUS COMMODITIES TRAD A/C>	2,771,163	1.59%
6	SURPION PTY LTD <M W SUHR & CO A/C>	2,600,000	1.49%
7	MR GRAHAM CHARLES POWELL	2,485,000	1.42%
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,429,563	1.39%
9	SIMON NOON*	2,362,000	1.35%
10	MR WARWICK DYSON	2,000,000	1.15%
11	SOJOURN SERVICES PTY LTD <SOJOURN A/C>	1,875,000	1.07%
12	LADAKH PTY LTD	1,773,182	1.02%
13	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,583,187	0.91%
14	MIEI RAGAZZI PTY LTD <UGUCCIONI S/F A/C>	1,575,000	0.90%
15	BNP PARIBAS NOMS PTY LTD <DRP>	1,434,523	0.82%
16	RICHARD MONTI*	1,324,982	0.76%
17	TODD RIVER METALS PTY LTD	1,186,521	0.68%
18	GREENFEET PTY LTD	1,100,000	0.63%
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,032,000	0.59%
20	BOLTON & LING SUPER PTY LTD <THE BOLTON LING S/F A/C>	1,017,888	0.58%
	Total	61,596,713	35.31%
	Total Issued Capital - Ordinary Shares	174,462,770	100.00%

*Denotes merged holders.

SHAREHOLDER INFORMATION

AS AT 19 SEPTEMBER 2023

4. SCHEDULE OF INTERESTS IN MINING TENEMENTS HELD

Farm-In Agreements/ Project Tenements	Location	% Held
Sorby Hills Project M80/196 M80/197 M80/285 M80/286 M80/287 E80/5317	Western Australia	75% 75% 75% 75% 75% 100%
Borroloola West Project EL31354 EL26938 EL26939 EL28508 EL28658 EL30305 MLN624	Northern Territory Australia	100% 51% 51% 51% 51% 51% 51%
Manbarrum Project EL24395 MA24518 MA26581	Northern Territory Australia	100% 100% 100%
Urrao Project 2791	Colombia	100%