

30 April, 2024

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

Boab Metals Limited (ASX: **BML**) ("**Boab**" or "**Company**") is pleased to provide the following activities and cashflow report for the quarter ending 31 March, 2024. During the quarter, the Company continued progressing its 75% owned Sorby Hills Lead-Silver-Zinc Project ("**Sorby Hills**" or "**the Project**"), located in the Kimberley Region of Western Australia.

HIGHLIGHTS

- **FEED workstreams continue to deliver positive results** for the Sorby Hills Project.
 - Updated **Tenders for the Mining and Bulk Earthworks Contracts have resulted in improved pricing** over that adopted for the Sorby Hills Definitive Feasibility Study.
 - Preliminary results from detailed metallurgical testwork indicate **improved metal recoveries can be achieved at Norton**.
 - FEED Study on track to be released during the June quarter, 2024.
- The Company is **exploring opportunities to further reduce upfront capital costs and accelerate project execution**.
- **Offtake negotiations continue to progress well**.

The Company had a cash balance of approximately A\$1.4M in cash at 31 March 2024.

Boab Managing Director and CEO, Simon Noon, stated:

"Whilst it has been a relatively quiet quarter in terms of published results, the Company has been busy behind the scenes on workstreams aimed at increasing Project value via enhanced metal recoveries and reduced operating and upfront capital costs.

An updated tender for the mining and bulk earthworks contracts has delivered some of the cost reductions we had hoped for. We are confident this result, together with the reconfirmed post-FEED EPC pricing and positive preliminary results coming out of our metallurgical testwork will enhance the Project economically and further derisk project execution.

We look forward to delivering the results of these workstreams over the coming quarter via the publication of a FEED Study for the Sorby Hills Project and furthermore closing out offtake negotiations and other exciting initiatives.

FEED Study Update

The Company continues to undertake a range of project optimisation and value-enhancing workstreams as part of its Sorby Hills Front-End Engineering & Design (“**FEED**”) Study. The study is on track to be released during the upcoming quarter.

Retender of Mining and Bulk Earthworks Contracts

For the Sorby Hills Definitive Feasibility Study (“**DFS**”), the Mining and Bulk Earthworks Contracts were tendered separately and during a period of high inflation post COVID-19. Mining costs comprised 44% and bulk earthwork cost 15% of the Project DFS operating and upfront capital costs respectively (Figure 1).

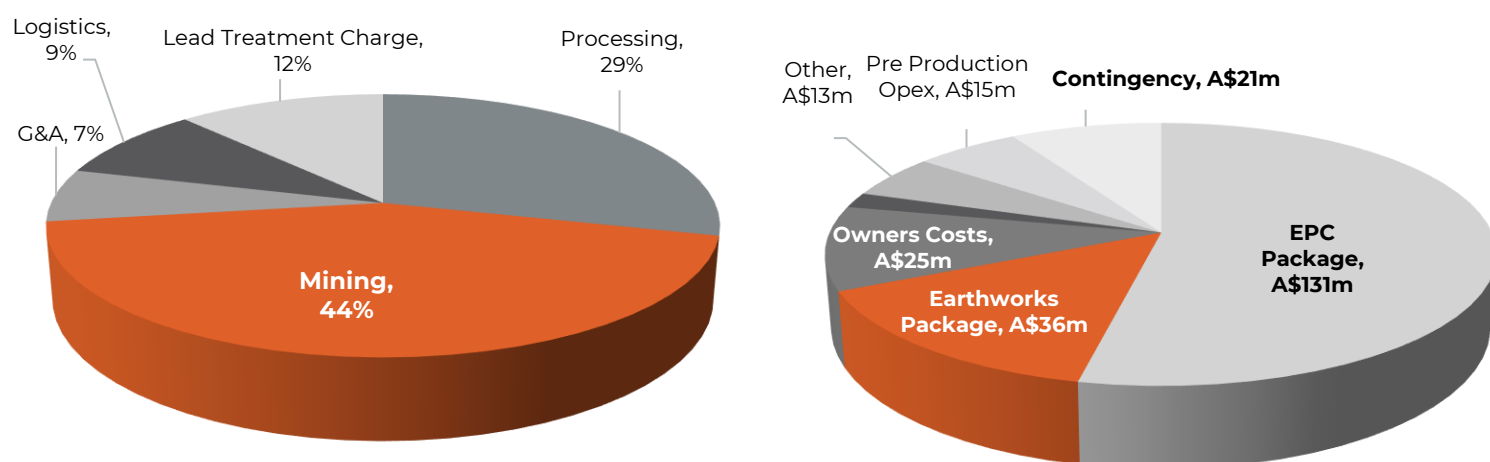


Figure 1: Breakdown of the Sorby Hills DFS Operating and Capital Costs.

Subsequent to the DFS, Boab has re-optimised the project mining schedule to bring forward metal production and GR Engineering completed FEED level design and pricing for the 2.25Mtpa Process Plant. Off the back of these workstreams, Boab undertook a tender refresh of the Mining and Bulk Earthworks Contracts on a bundled basis.

The results of the updated tender have now been received and analysed and have delivered the positive pricing result the Company had been seeking. The updated pricing will be adopted in the upcoming FEED study.

Metallurgical Test Work

Sorby Hills DFS metallurgical test work revealed variable recovery performance across ore samples collected from the Norton deposit. Due to limited available samples at the time, Boab was unable to definitively investigate the geometallurgical controls on the performance variability or test different reagent regimes to enhance recovery.

As such, the Company adopted conservative metal recoveries for the DFS (Table 1). The conservatism resulted in approximately 500kt of ore (17.7kt Lead and 1.3Moz Silver) dropping out of the Norton mining inventory compared with the Sorby Hills Pre-Feasibility Study.

During 2023, the Company undertook a Phase VII diamond drilling campaign of which 13 holes were dedicated to the collection of metallurgical core samples from the Norton deposit (Figure 2). The testwork on these samples is nearing completion and preliminary results suggest that improved recoveries can be achieved at the Norton deposit.

The updated testwork results are due to be released during the upcoming quarter and will be incorporated into the FEED Study.

Table 1: DFS metal recoveries – Norton deposit versus Sorby Hills average (inclusive of Norton).

Ore Type	Avg. Pb Recovery	Avg. Ag Recovery
Norton DFS Recovery	78%	78%
Average DFS Recovery	91%	82%

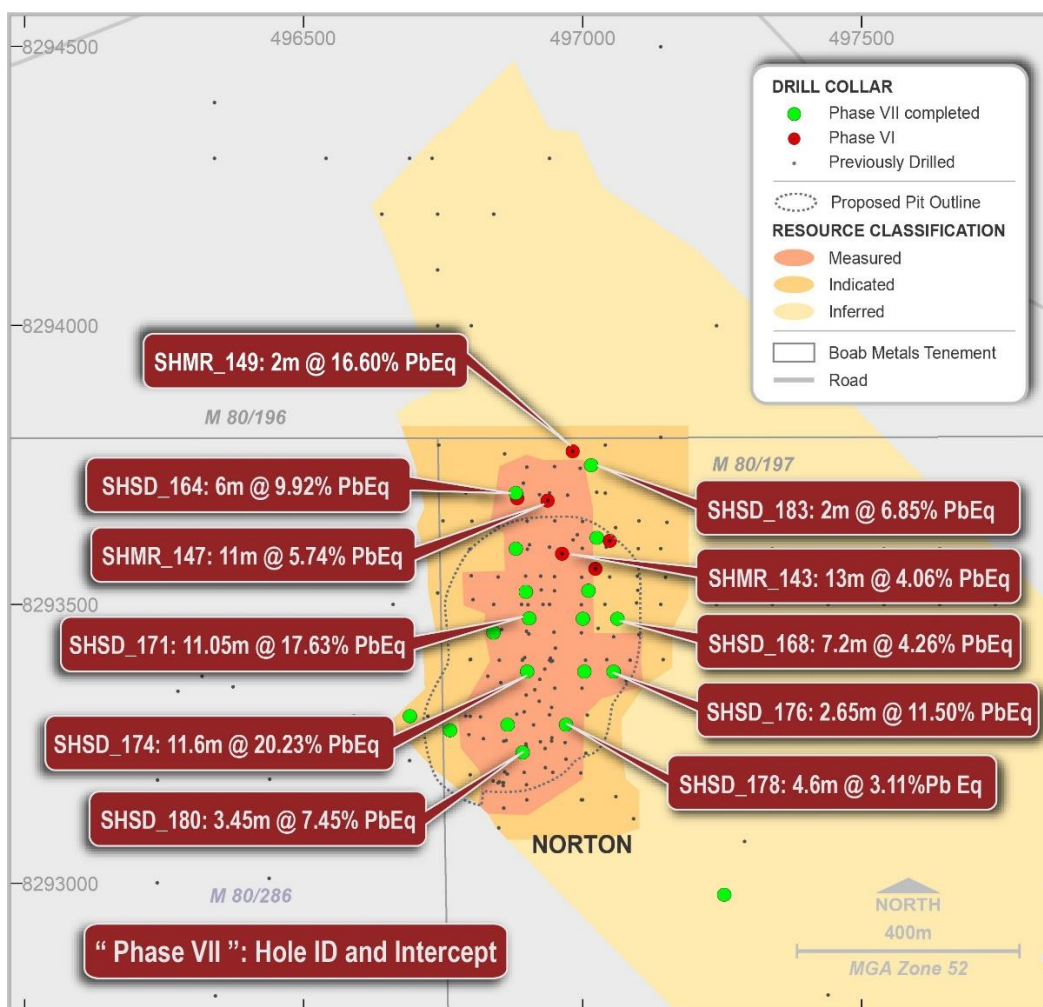


Figure 2: Location of Phase VI & VII drill hole collars completed at the Norton deposit

Offtake Update

The Company has held positive discussions with Offtakers dating back prior to the DFS and subsequently has shortlisted and advanced negotiations with preferred parties. Negotiations have advanced to a stage where the Company anticipates awarding offtake in the coming quarter.

Approvals

During the quarter, the Company completed and documented the results of environmental surveys requested by the Department of Climate Change, Energy, the Environment and Water (“DCCEEW”). The results have been submitted to DCCEEW for review.

Financial and Corporate Overview

The consolidated cash balance of the Company as at 31 March 2024 was A\$1.4M.

Boab’s ATM facility of up to \$5,000,000 has not been utilised to date.

During the period, the Company paid \$87k to related parties. These payments were made to Directors of Boab Metals Limited in relation to salaries and directors’ fees, on normal commercial terms.

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Managing Director & CEO

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About Boab Metals Limited

Boab Metals Limited (“**Boab**”, ASX: **BML**) is a Western Australian based exploration and development company with interests in Australia and South America. In Australia, the Company is currently focused on developing the Sorby Hills Lead-Silver-Zinc Joint Venture Project in WA. Boab owns a 75% interest in the Joint Venture with the remaining 25% (contributing) interest held by Henan Yuguang Gold & Lead Co. Ltd.

Sorby Hills is located 50km from the regional centre of Kununurra in the East Kimberley and has existing sealed roads to transport concentrate from site to the facilities at Wyndham Port, a distance of 150km. Established infrastructure and existing permitting allows for fast-track production.

Compliance Statements

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves.

Information included in this activities report relating to Exploration Results has been extracted from the ASX Announcements titled "Significant Intercepts at Sorby Hills" dated 8 November 2023, "Amended Drilling Announcement" dated 4 September 2023, "Assays Confirm Further Positive Outcome for Sorby" dated 23 January 2023, "High-Grade Lead-Silver Confirmed at Beta Deposit" dated 1 February 2022, and "Sorby Hills DFS Metallurgical Testwork Results" dated 19 November 2021 available to view at www.boabmetals.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in these announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the form in which they were first presented.

Information included in this activities report relating to Mineral Resources has been extracted from the Mineral Resource Estimate dated 17 December 2021, available to view at www.boabmetals.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Mineral Resource Estimate and that all material assumptions and technical parameters underpinning the estimates, continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Mineral Resource Estimate.

Information included in this activities report relating to Ore Reserves, Production Targets and Financial Forecasts has been extracted from the Sorby Hills Definitive Feasibility Study and dated 19 January 2023, available to view at www.boabmetals.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Ore Reserve Statement and that all material assumptions and technical parameters underpinning the estimates, production targets and financial forecasts continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Ore Reserves Statement.

Metal Equivalent Calculation Method

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

- Lead Price US\$2,253.19/t;
- Lead recovery of 91.0% (weighted average of oxide and fresh Pb recoveries);
- Lead Payability rate of 95%;
- Silver Price US\$27.4/oz;
- Silver recovery of 81.8% (weighted average of oxide and fresh Ag recoveries); and
- Silver Payability rate of 95%.

It is Boab's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold.

The formula used to calculate lead equivalent grade is:

$$\text{MetalEq (\%)} = G_{\text{pri}} + (G_{\text{pri}} \times [\sum_i R_i S_i V_i G_i] / (R_{\text{pri}} S_{\text{pri}} V_{\text{pri}} G_{\text{pri}}))$$

where R is the respective metallurgical metal recovery rate, S is the respective smelter return rate, V is metal price/tonne or ounce, and G is the metal commodity grade for the suite of potentially recoverable commodities (i) relative to the primary metal (pri).

Metal equivalents are highly dependent on the metal prices used to derive the formula. Boab notes that the metal equivalence method used above is a simplified approach. The metal prices are based on the DFS values adopted and do not reflect the metal prices that a smelter would pay for concentrate nor are any smelter penalties or charges included in the calculation. Owing to limited metallurgical data, zinc grades are not included at this stage in the lead equivalent grade calculation.

DFS Macroeconomic Assumptions

Assumption	Unit	FY2023	FY2024	FY2025	FY2026	FY2027+
Lead Price	US\$/t	2,259	2,268	2,269	2,254	2,251
Silver Price	US\$/oz	24.8	25.8	26.4	27.3	27.5
Exchange Rate	A\$:US\$	0.70	0.70	0.70	0.69	0.68

APPENDIX 1

INTERESTS IN TENEMENTS

Farm-In Agreements/ Projects/Tenements	Location	Held at Start of Quarter	Held at End of Quarter
Sorby Hills Project M80/196 M80/197 M80/285 M80/286 M80/287 E80/5317	WA, Australia	75% 75% 75% 75% 75% 100%	75% 75% 75% 75% 75% 100%
Borroloola West Project EL31354 EL26938 EL26939 EL28508 EL28658 EL30305 MLN624	NT, Australia	100% 51% 51% 51% 51% 51% 51%	100% 51% 51% 51% 51% 51% 51%
Manbarrum Project EL24395 MA24518 MA26581	NT, Australia	100% 100% 100%	100% 100% 100%
Urrao Project 2791	Colombia	100%	100%

Appendix 5B

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

Name of entity

BOAB METALS LIMITED

ABN

43 107 159 713

Quarter ended ("current quarter")

31 MARCH 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(535)	(1,908)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(156)	(514)
	(e) administration and corporate costs	(225)	(834)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	16	53
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other:- Recharge of staff costs and other administration costs to the Sorby JV	37	137
1.9	Net cash from / (used in) operating activities	(863)	(3,066)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-

Appendix 5B

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(e) investments	-	-
	(f) other non-current assets	-	(129)
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(129)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

Appendix 5B

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,286	4,618
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(863)	(3,066)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(129)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,423	1,423

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	371	426
5.2	Call deposits	1,000	1,860
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	52	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,423	2,286

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(87)*
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
<i>*Salaries and Directors fees paid on normal commercial terms</i>		

Appendix 5B

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

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(863)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(863)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,423
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,423
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.64
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: The Company is an exploration company that is entering into the development stage of its lifecycle, as such, the company will maintain similar spend levels for the foreseeable future and may need to raise additional capital as required.	

Appendix 5B

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

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company continually monitors its cash reserves in light of its expected cashflow requirements, in the past Boab has been successful in raising capital be it for working capital or an acquisition, the Board remains confident that further capital can be raised to meet its future requirements. Further, the Company announced on 22 December 2023 that it had entered into a "At the Market" funding arrangement with Acuity Capital for \$5m of standby equity for the period up to 31 January 2027.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes for the reasons provided in 8.8.1 and 8.8.2

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

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April, 2024

Authorised for release by the Board of Directors of Boab Metals Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.