

21 July 2021

## Strategic Acquisition of Manbarrum Zinc-Lead-Silver Project

Boab Metals Limited (ASX: **BML**) (“**Boab**” or the “**Company**”) is pleased to announce that it has agreed to acquire the strategically located Manbarrum Zinc-Lead-Silver Project, located in the Northern Territory (“**Manbarrum Project**”).

### HIGHLIGHTS

- **Boab to acquire 100% of the Manbarrum Zinc-Lead-Silver Project, located 25km east of the Company’s flagship Sorby Hills Lead-Silver Zinc Project.**
- **Mineral Resources declared at two prospects within the Manbarrum project area.**
- **175km<sup>2</sup> of prospective tenements (including two granted mining leases) covering geology genetically related to that found at Sorby Hills will allow for an effective transfer of technical knowledge to maximise exploration and Resource development potential at Manbarrum.**
- **Conceptual open pit mining studies completed by CSA Global in 2018 delivered positive results based on an on-site processing facility and identified the opportunity to improve project economics via toll treating at a future plant located at Sorby Hills.**
- **The Company remains focused on bringing the Sorby Hills Project into production and will concurrently investigate how the Manbarrum Project may incorporate into Boab’s broader regional production strategy.**

### Boab Managing Director and CEO, Mr Simon Noon stated:

*“The acquisition of the Manbarrum asset is both a logical step and exciting strategic opportunity for the Company to grow its Resource base and further establish itself as a long-term mineral producer and economic contributor to the Kimberley region.*

*The synergies between Manbarrum and Sorby Hills are clear. The location of Manbarrum with respect to Sorby Hills and its genetic relation to Sorby Hills will allow for the systematic exploration and economic evaluation of a highly prospective and underexplored geological domain.*

*While our near-term focus will remain squarely on bringing Sorby Hills into production, the Company looks forward to exploring opportunities to leverage our experience at Sorby Hills to fully realise the value adding potential of the Manbarrum Project.”*

**Managing Director**

Simon Noon

**Company Secretary**

Jerry Monzu

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## Manbarrum Project

The Manbarrum Project is located within the Northern Territory, 25 km east of Boab's flagship Sorby Hills Project (Figure 1). Both the Sorby Hills and the Manbarrum projects will soon be accessible all-year round via a heavy duty sealed road currently under construction from the town of Kununurra (Figure 1).

Zinc-dominated mineralisation has been discovered and delineated by drilling within the Manbarrum Project at two locations, Sandy Creek and Djibitgun (16<sup>th</sup> January 2007, TNG Limited). Both occurrences are located along the eastern margin of the onshore Bonaparte Basin (Burt Range Sub-basin) with Sorby Hills being the geographical counterpart on the western margin of the sub-basin (Figures 2 & 3). Both mineralisation districts are part of the Late Devonian – Early Carboniferous metallogenic Mississippi Valley Type (“MVT”) mineral system.

A JORC 2012 resource has previously been reported on the Manbarrum Project. To date the Boab has not undertaken independent verification of the resource and will not be able to publicly report it until and subject to, Boab undertaking its own assessment of the resource and underlying exploration results. However, readers wishing to view the original announcement can refer to the Todd River Resources prospectus dated 4 April 2017.

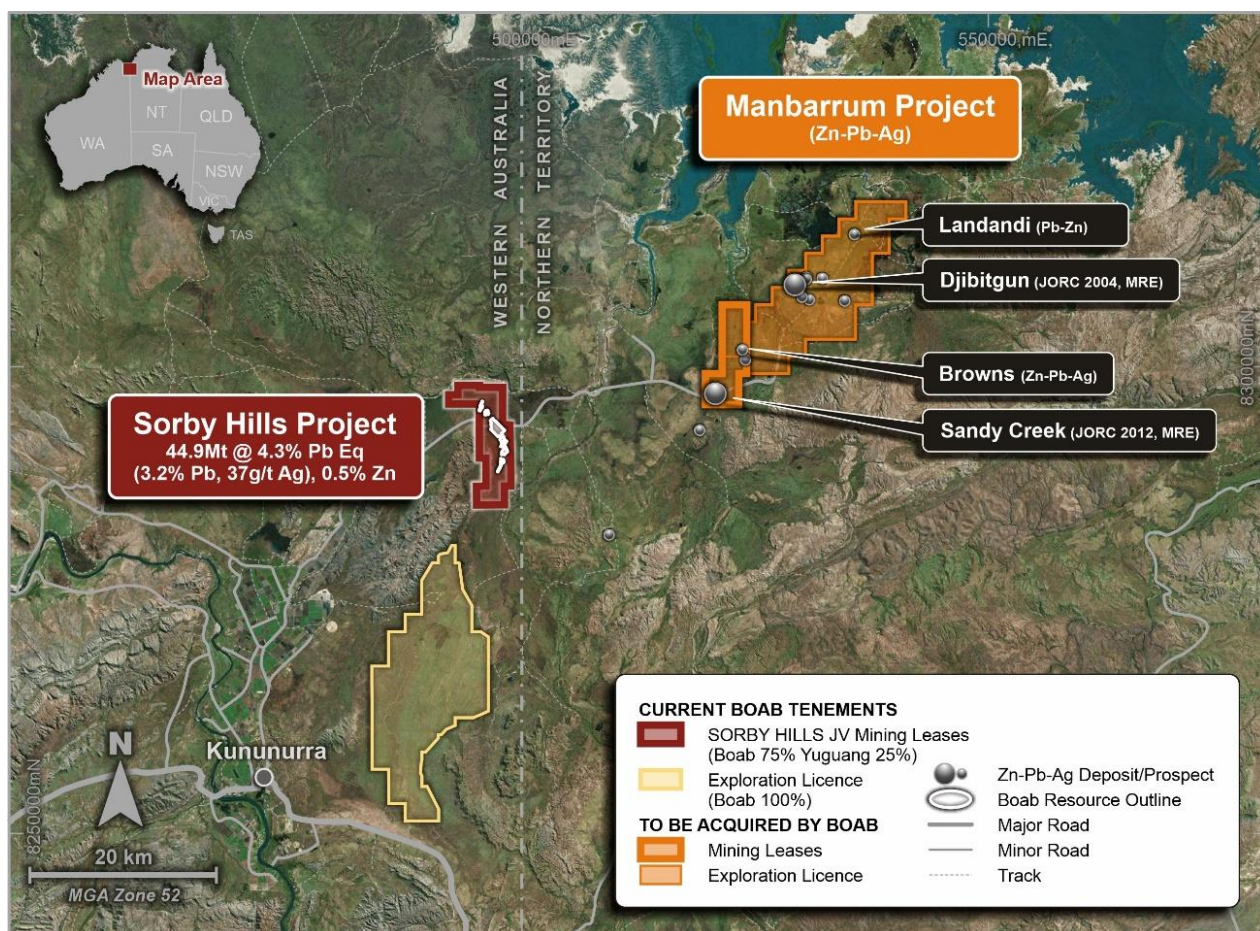


Figure 1: Location of the Manbarrum Project relative to the Sorby Hills Project

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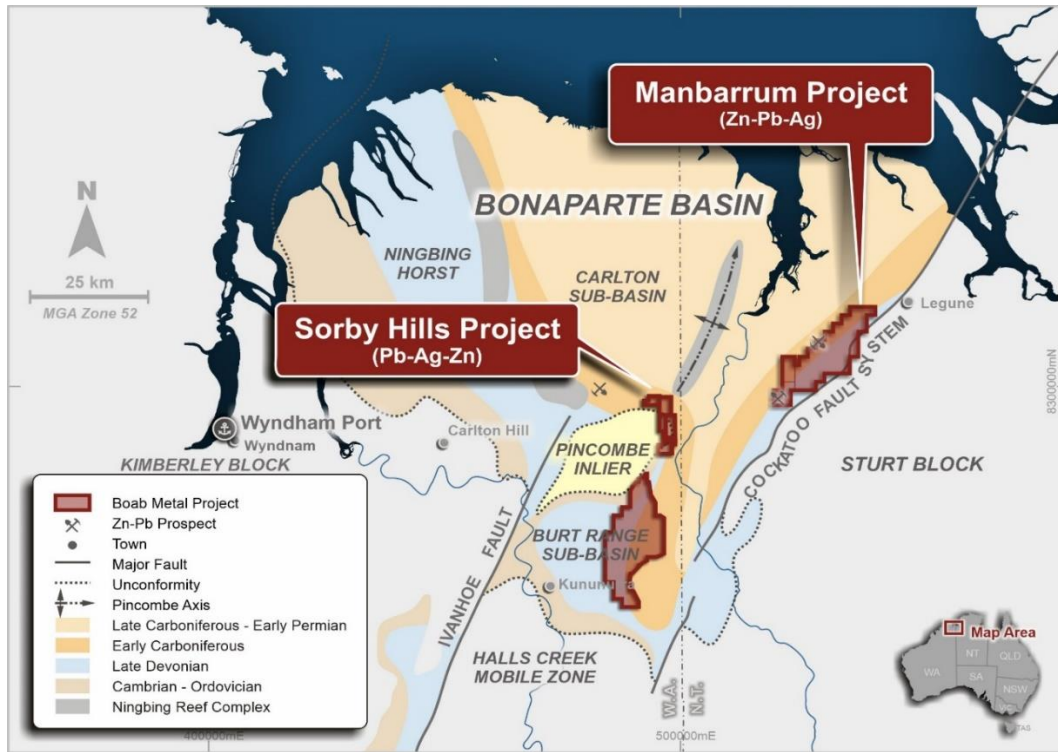
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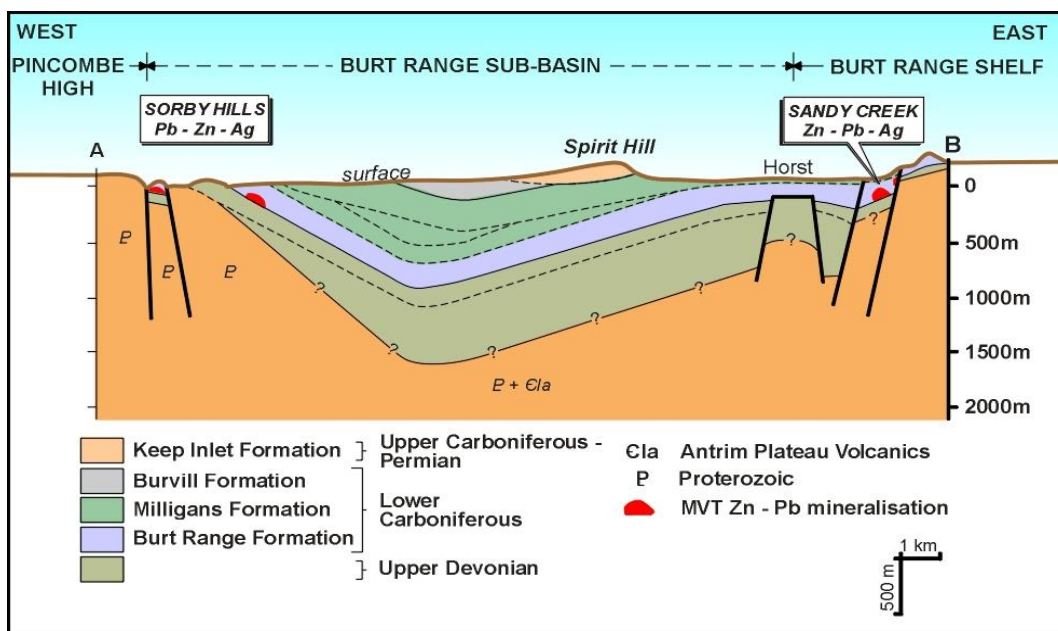
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Conceptual open pit mining studies completed by independent consultant CSA Global in 2018 delivered positive results based on an on-site processing facility and identified the opportunity to improve project economics via toll treating at a future plant located at Sorby Hills. Boab has not yet undertaken verification of these results. However, readers wishing to view the original announcement can refer to the Todd River Resources announcement dated 10 April 2018.



**Figure 2: Location of the Manbarrum Project, Sorby Hills Project and Eight Mile Creek Tenements within the context of the regional geology of the Bonaparte Basin. Boab’s tenements are located along the margin of the Burt Range Sub-Basin northeast of Kununurra.**



**Figure 3: Cross-section of the Burt Range sub-basin geology showing the stratigraphic relationship between the Manbarrum Project and Sorby Hills.**

The Manbarrum Project includes the Sandy Creek zinc-dominated Mineral Resource which present owner Todd River Resources explored between 2006 and 2009 under the direction of Boab's current exploration manager.

Mineralisation at Sandy Creek consists of a large tabular horizon of mineralisation in sandy carbonate rocks immediately below a regional shale horizon (Milligans Formation) and secondly, mineralisation in steeply-dipping, high grade fissure zones which in the past have resulted in exceptional intercepts.

The Boab technical team is of the view that these high-grade zones present very attractive exploration targets and future work will leverage exploration knowledge gained from the Sorby Hills deposit to refine the Sandy Creek geological model with a view to increasing the Resource size and grade with subsequent drilling programs.

## **Exploration Strategy and Approach**

"Mississippi Valley-type" mineralisation also referred to as carbonate-hosted zinc-lead (silver) mineralisation is globally known to form mineral districts hosting 10's to 100's of millions of tonnes of base metal mineralisation. Global exploration has shown that most MVT districts include multiple deposits ranging in size from 0.5 Mt to 10 Mt located along the periphery of a basin.

The smaller Burt Range Sub-basin within the Bonaparte Basin is analogous to global MVT districts in terms of size, source of metals, pathways for the expulsion of mineralisation and trap sites for mineralisation. This view is supported by seismic data that is interpreted to show in excess of 4 km of source rock sediments accumulated in the basin from which the metals that form the mineralisation could have derived. The integration of seismic data from petroleum exploration into the mineral exploration in the region has not been attempted before in this area and will provide an additional tool to guide exploration.

Boab's exploration team takes the view that the Burt Range Sub-basin is highly prospective for MVT deposits has the significant exploration potential remaining.

Over the mid to long term, Boab is planning to implement an exploration strategy that is aimed at:

- integrating all technical data into a basin-wide exploration model,
- defining priority target areas within and outside the land holding for targeting or acquisition,
- assessing the untested geochemical, geophysical and structural geological anomalies inherent in the Manbarrum Project data set,
- carrying out a synthesis of mineralisation settings across the sub-basin, and
- reviewing the scope for re-interpretation and targeting of the high-grade mineralisation at Sandy Creek and Djibitgun,

There are multiple Zn-Pb-Ag soil anomalies located along the eastern basin margin, coincident with faults mapped from seismic and gravity data that have yet to be drill tested. Furthermore, the synthesis of IP anomalies, gravity and geochemistry anomalies throughout the project area will aid the interpretation of ore-fluid trap locations for future investigation.

## Transaction Details

Boab has signed a Binding Agreement with Todd River Metals Pty Ltd (“**Todd River**”) to acquire 100% of the Manbarrum Project including associated mining leases, mining lease applications, exploration licences, and mining information (“**Sale Assets**”).

Consideration for the purchase of the Sales Assets comprises:

- a) the issue and allotment by Boab to Todd River (or its nominee) of A\$500,000 of fully paid ordinary shares (“**Consideration Shares**”) in the Company upon Completion of the transaction at an issue price of A\$0.4214 per share (being equal to the 30 day VWAP prior to the execution of the Binding Agreement). The Consideration Shares will be issued out of the Company’s existing capacity in accordance with ASX Listing Rule 7.1 and will be subject to a voluntary escrow period of 12 months; and
- b) 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.

## Conditions Precedent

Completion of the Transaction is subject to:

- a) Todd River receiving notice from the relevant Minister approving transfer of the Manbarrum Project tenements to Boab within 120 days or as otherwise agreed; and
- b) execution of an agreed royalty deed and mining mortgage.

The Company looks forward to providing updates on the transaction as it progresses to Completion.

**Table 1: Tenements comprising the Manbarrum Project.**

Tenement	Status	Grant Date / Application Date	Expiry Date	Area	Current Registered Holder / Applicant
ML27357	Application	15/05/2009	N/A	204 Ha	Todd River Metals Pty Ltd
EL24395	Renew Retained	16/08/2005	15/08/2023	45 blocks	Todd River Metals Pty Ltd
MA24518	Renew Retained	25/08/2005	24/08/2023	6 blocks	Todd River Metals Pty Ltd
MA26581	Granted	1/08/2008	31/07/2022	6 blocks	Todd River Metals Pty Ltd

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

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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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.