

FID Achieved, Fully Funded & Advancing Toward First Production

We revise our Target Share Price on Boab Metals Limited (ASX: BML, OTCQB: BMLQF) to \$1.936, implying ~223% upside from the current share price of \$0.600 and a ~145% increase from the previous Target Share Price of \$0.791 as outlined in our [Update report from September, 2025](#). The re-rating potential is supported by the achievement of Final Investment Decision (FID) at Sorby Hills, the move to 100% ownership of the DeGrussa processing plant, and the securing of approximately A\$350 million in committed funding, providing full funding certainty and materially de-risking project execution. With Sorby Hills targeting first production in H2 2027, BML has the potential to emerge as the fourth-largest ASX-listed silver producer, significantly improving cash flow visibility and market positioning.

FID De-Risks Sorby Hills and Unlocks Full Ownership

The achievement of FID at the Sorby Hills Silver-Lead Project represents a pivotal milestone for BML, formally transitioning the asset from development into construction. Importantly, FID also unlocked BML's option to consolidate 100% ownership of Sorby Hills, simplifying the project structure and allowing the company to capture the full economic upside from development and production. Combined with full funding certainty and supportive commodity markets, this step materially reduces project risk, enhances strategic flexibility, and strengthens BML's positioning as it advances toward first production by H2 2027.

Fully Funded Development Pathway with ~A\$350m in Committed Capital

BML has secured approximately A\$350 million in committed funding, providing full financial capacity to develop and construct the Sorby Hills Project through to first production. This funding comprises a A\$236 million senior project finance debt facility together with approximately A\$117 million in equity funding, including a recent Share Purchase Plan that was oversubscribed and capped at A\$7 million, alongside earlier institutional placements. Recently, Franklin Templeton increased its holding in BML, raising its stake to over 7%, signalling stronger institutional confidence in BML. The strong demand for the SPP highlights continued investor support following FID.

Rising Silver Prices and FID Position BML for Meaningful Re-Rating

We update our valuation for BML to \$1.715 per share in the base case and \$2.157 in the upside case with a Price/NAV of 0.31x. Our updated valuation for BML is anchored in the project economics and strength in silver prices, supported by a combination of factors heading towards the global energy transition. Silver continues to benefit from its dual role as both a safe-haven asset and a critical industrial metal, with growing applications across energy storage technologies providing a compelling long-term structural demand backdrop. In contrast, lead remains one of the more stable metals within the base metals complex, underpinned by its entrenched role in automotive, industrial, and backup power batteries, offering a dependable revenue and cost-offset component within the Sorby Hills Project. Against this favorable commodity environment, BML is currently trading at a discount to its ASX-listed silver peers on a resource-adjusted comparison basis, despite having secured FID, full funding certainty, and a clear pathway to production. As a result, our valuation captures meaningful near-term upside while highlighting the durability of long-term cash flows and the potential for re-rating as execution risk continues to decline and BML heads towards production.

Metals & Mining

Date	12 Feb 2026
Current Price (A\$)	0.600
Target Price (A\$)	1.936
Market Cap (A\$m)	345.5
52-week L/H (A\$)	0.110/0.670
Free Float (%)	89.79%
Bloomberg	BML AU
Reuters	BML.AX

Price Performance (in A\$)



Source CapIQ

Business Description

Boab Metals Limited (ASX: BML, OTCQB: BMLQF) is an Australian-based base and precious metals development company focused on advancing the fully-funded Sorby Hills Silver-Lead Project toward production in the East Kimberley region of Western Australia.

Analyst

Riddhesh Chandwadkar

riddhesh@sharesinvalue.com.au

Disclosure - Readers should note that East Coast Research has been engaged and paid by the company featured in this report for ongoing research coverage.

Table of Contents

Investment Rationale	3
BML Reaches Final Investment Decision, Advancing Sorby Hills into Construction	5
<i>Negative Silver AISC and Net Silver Credits</i>	7
<i>Final Investment Decision at Fully Funded Sorby Hills Silver-Lead Project</i>	7
<i>100% Sorby Hills Project Ownership Secured</i>	8
<i>Comprehensive Funding Package Secured</i>	9
<i>Equity Capital Raising</i>	9
<i>Material Capital Cost Reductions Achieved</i>	10
<i>Early Work Program Efficiencies</i>	10
<i>Enhanced Offtake Terms</i>	11
<i>Franklin Templeton Increases Strategic Stake in BML</i>	11
<i>OTCQB Market Listing Enhances U.S. Investor Access</i>	11
<i>Treatment Charge Market Dynamics</i>	12
<i>Strategic Market Positioning</i>	12
Industry Analysis	13
<i>Silver - Structural Demand Growth and Renewed Safe-Haven Appeal</i>	13
<i>Lead Industry Overview - Stable Demand Profile</i>	15
Valuation: Revised to \$1.715 - \$2.157 per share	16
<i>Assumptions</i>	16
<i>Comparing BML to Industry Peers</i>	19
<i>Equity Valuation</i>	20
<i>The catalysts for a re-rating of BML</i>	21
Key Risks	22
Appendix I: BML SWOT Analysis	23
Appendix II: BML's Leadership	24
Appendix III: Analyst's Qualifications	24
General Advice Warning, Disclaimer & Disclosures	25

Investment Rationale

Boab Metals Limited (ASX: BML, OTCQB: BMLQF) is a near-term developer transitioning into construction of the Sorby Hills Silver-Lead Project in Western Australia, offering investors leveraged exposure to two strategically important metals within a Tier-1 jurisdiction. BML is advancing a large, long-life asset with a clear pathway to production, underpinned by a robust technical foundation, optimised capital structure, and secured funding. As BML moves from development into execution, the investment proposition increasingly shifts from project optionality to cash-flow delivery and operational leverage.

The timing of Sorby Hills' development is particularly favourable against a supportive commodity price backdrop. Silver prices have re-rated sharply, driven by a combination of, elevated macroeconomic uncertainty, and strengthening structural demand from industrial applications such as solar photovoltaics, electrification, and advanced electronics. At the same time, the silver market continues to experience persistent supply deficits, with mine production and recycling growth lagging demand.

Lead market fundamentals further underpin the investment case. Lead benefits from relatively stable, replacement-driven demand, particularly from batteries and industrial applications, while supply growth remains constrained due to limited new mine development globally.

Final Investment Decision Marks a Major De-Risking Milestone

A key inflection point was reached in December 2025 with the achievement of the Final Investment Decision for Sorby Hills. This milestone confirms that all major technical, permitting, and financing hurdles have been cleared, enabling the project to progress into construction with full funding certainty through to first concentrate production targeted for H2 2027. The FID materially de-risks the investment case by removing financing overhang and execution uncertainty, while establishing a defined timeline to cash flow generation. Importantly, the funding package combines a sizeable, clean senior debt facility with strong institutional and retail equity support, reflecting market confidence in the quality and economics of the project.

Negative Silver AISC Creates Pure Margin Leverage to Silver Prices

Sorby Hills benefits from a highly attractive by-product cost structure, with the FEED Study estimating a negative silver AISC of ~US\$14/oz. Lead credit revenues are expected to fully cover operating and sustaining costs, resulting in silver production that is effectively cost-free on an AISC basis. This structure provides strong downside protection, anchored by lead economics, while delivering exceptional upside leverage to silver prices, with incremental silver revenue flowing directly to free cash flow and valuation.

100% Ownership of Sorby Hills Secured, Enhancing Strategic and Economic Control

BML exercised its option to acquire the remaining 25% joint venture interest in the Sorby Hills Project from Yuguang, consolidating 100% ownership following the achievement of FID in Q4 2025. The acquisition, for a total consideration of A\$23 million payable across three tranches, is fully accommodated within existing funding arrangements and does not require additional capital. Full ownership materially enhances BML's exposure to current silver prices, grants complete control over concentrate marketing and strategic decision-making, and simplifies project execution, while preserving full funding certainty through to first production.

~A\$350m Funding Secured, De-Risking Sorby Hills Through to Production

BML has secured a comprehensive and fully committed funding package of approximately A\$350 million, providing full financial certainty through to first production at the Sorby Hills Silver-Lead Project. The funding comprises a A\$236 million senior project finance debt facility, structured on a clean, non-dilutive basis, alongside approximately A\$117 million in equity capital raised through institutional placements and an oversubscribed A\$7 million Share Purchase Plan

(SPP) completed in early January 2026. Importantly, the equity raisings, including the SPP were executed on a 100% ownership basis following consolidation of full project ownership, ensuring the Yuguang option exercise does not create any incremental funding requirement. Collectively, this funding suite fully covers development capital, interest during construction, fees, contingencies, and working capital, materially de-risking execution and positioning BML to advance Sorby Hills into construction with a clear, fully funded pathway to first concentrate production targeted for H2 2027.

Execution Upside, Improved Commercial Terms and Expanded Investor Access

Early Works Program Efficiencies

Following the commencement of on-site early works in late October 2025, BML has delivered additional cost savings of approximately A\$5 million through efficiencies across civil design, site establishment, and bulk earthworks, in addition to another A\$20 million. These savings are incremental to the previously announced capital reductions associated with the DeGrussa processing plant acquisition, resulting in a total A\$25 million reduction to upfront capital relative to the FEED Study estimate. Together with an approximate six-month improvement in the construction timeline, these outcomes materially enhance project economics and execution certainty, particularly in the context of elevated cost inflation across the global mining sector.

Enhanced Offtake Terms and Treatment Charge Upside

With the completion of equity raisings and the securing of a binding debt facility, BML has removed the need for the previously contemplated US\$30 million Trafigura prepayment facility, enabling a reset of offtake terms on a more favourable commercial footing. The revised arrangement provides exposure to spot lead treatment charges, which were trading at deeply negative levels in late 2025, representing a material improvement relative to the positive treatment charge assumptions embedded in the FEED Study. Trafigura remains a strategic offtake partner for 50–75% of concentrate production, while full ownership of Sorby Hills affords BML enhanced flexibility to optimise marketing arrangements and capture additional value from the remaining production.

OTCQB Listing Broadens U.S. Investor Access

In October 2025, BML's ordinary shares commenced trading on the OTCQB Venture Market in the United States under the ticker BMLQF, complementing its primary ASX listing. The secondary listing enhances BML's visibility among U.S. investors and expands access to the world's largest capital market at a pivotal stage in the Company's development. The timing is particularly favourable given the recent designation of both silver and lead as U.S. critical minerals, positioning BML to attract incremental U.S. institutional and retail interest as it transitions from developer to producer.

Revised Valuation

Our valuation of BML is based on DCF framework, underpinned by the June 2024 FEED Study and updated to reflect the materially improved macroeconomic and commodity price environment. We have incorporated revised silver and lead price assumptions, inflation-adjusted operating costs, and recent project optimisations, while maintaining conservative long-term assumptions to ensure valuation robustness.

Under this framework, we derive a Base Case valuation of A\$1.715 per share, representing an upside of approximately 185.9% from the current share price. Our Bull Case valuation of A\$2.157 per share captures a more supportive commodity price environment and sustained structural tightness in silver and lead markets, implying an upside of 259.5%. Taking the mid-point of these scenarios, we arrive at a mid-point valuation of A\$1.936 per share, offering investors a compelling 222.7% upside and forming the basis of our positive investment rationale for BML.

BML Reaches Final Investment Decision, Advancing Sorby Hills into Construction

Since our previous coverage of [Boab Metals Limited \(ASX: BML\) in September 2025](#), BML has achieved several transformational milestones that have fundamentally repositioned it from a developer to an emerging base and precious metals producer.

Most significantly, **BML has made a Final Investment Decision (FID) on the Sorby Hills Lead-Silver Project and exercised its option to acquire 100% ownership, marking the formal transition into the construction and development phase.**

The Sorby Hills Silver-Lead Project remains BML's flagship asset, representing one of the largest undeveloped, near-surface lead-silver deposits in Australia and a cornerstone of the Company's long-term growth strategy. Located approximately 50 km from Kununurra in the East Kimberley region of Western Australia, Sorby Hills benefits from a highly favourable mining jurisdiction, existing sealed road access to Wyndham Port (c.150 km), and multiple infrastructure agreements that underpin its development pathway ([Figure 1](#)).

Figure 1: Location of Sorby Hills Project



Source: Company

Sorby Hills' mineralisation comprises a Mississippi Valley Type (MVT) deposit, characterised by high-grade lead and silver within a shallow, open-pit amenable orebody. Detailed resource drilling has delineated a substantial base of mineralisation, with total contained resources of Silver, Lead and Zinc providing the foundation for robust project economics.

The project has progressed through a comprehensive Definitive Feasibility Study (DFS) and subsequent Front-End Engineering & Design (FEED) study, both of which confirm attractive cost and return profiles, including low C1 operating costs and strong average annual cash flows across the projected mine life.

In support of efficient execution and capital management, BML secured the acquisition of the DeGrussa Processing Plant from Sandfire Resources (**Figure 2**), a strategic asset with equipment and spares aligned to Sorby Hills’ processing requirements. This acquisition has materially reduced upfront capital requirements relative to a new plant build and enhances execution certainty by leveraging existing, fit-for-purpose infrastructure.

Figure 2: The DeGrussa Processing Plant



Source: Company

Throughout 2025, BML has delivered a series of project enhancements that have further strengthened Sorby Hills’ investment proposition -

- **Capital cost optimisation and timeline improvements -**

Tender outcomes for the relocation, rebuild and refurbishment of the DeGrussa processing plant are expected to deliver minimum A\$20 million savings on processing capital costs and reduce the construction schedule by approximately six months, alongside an incremental A\$5 million reduction in early works expenditure. These efficiencies directly improve development economics and bring forward potential revenue.

- **Comprehensive funding package -**

BML successfully secured binding commitments for a A\$236 million project finance debt facility and firm institutional equity commitments to raise up to A\$60 million, complemented by a Share Purchase Plan (SPP) capped at A\$7 million. Collectively with existing raise of A\$50 million, this financing suite fully funds Sorby Hills through to first production and eliminates reliance on previously contemplated prepayment facilities.

- **Improved offtake terms -**

In the context of the final financing outcomes, offtake arrangements with Trafigura have been revised, with BML retaining exposure to spot treatment charge dynamics that are advantaged relative to assumptions in the FEED study, reflecting improved commercial terms and strategic positioning.

These developments position Sorby Hills for execution with reduced capital intensity, improved project timing, and stronger alignment to current market dynamics in lead and silver. The

project's strategic location, robust technical foundation, and secured funding provide a solid platform for BML as it transitions into the construction phase and advances toward first concentrate production in H2 2027.

Negative Silver AISC and Net Silver Credits

Sorby Hills exhibits one of the most attractive cost profiles among global silver-exposed development assets, with the **FEED Study estimating a negative silver AISC of ~US\$14 per ounce**. This outcome reflects the project's by-product economics, whereby **lead revenue fully covers all mining, processing, sustaining capital, and site costs, leaving silver production effectively cost-free on an AISC basis**.

Under this structure, silver does not bear operating costs; instead, it generates a net by-product credit once lead has paid for the operation. As a result, each ounce of silver produced represents incremental free cash flow, even before considering prevailing silver prices. The negative AISC therefore does not imply the absence of costs at the site level, but rather that lead acts as the economic anchor of the operation, while silver provides pure margin upside.

This cost structure delivers two key benefits for equity holders. First, it provides strong downside protection, as project viability is primarily supported by lead prices, which are historically less volatile than silver. Second, it creates exceptional leverage to silver price movements, with upside in silver prices flowing almost entirely through to cash flow and NPV.

In the current pricing environment, with silver trading materially above FEED Study assumptions, this dynamic materially enhances Sorby Hills' earnings and valuation potential relative to conventional primary silver producers.

Final Investment Decision at Fully Funded Sorby Hills Silver-Lead Project

Following the FID announced at the end of 2025 (**Figure 3**), BML has moved decisively from development into the construction and execution phase at the Sorby Hills Silver-Lead Project. This pivotal milestone commits the project to full-scale development and reflects systematic de-risking across metallurgy, engineering, permitting, and project funding.

With the project now fully funded through to first production, Sorby Hills remains scheduled for first concentrate production in H2 2027, providing a clear line-of-sight to near-term development milestones and a defined pathway to cash flow generation. Key near term activities include –

- **Processing Plant Contract Award** - Anticipated in January 2026, following completion of the competitive tender process for dismantling, relocating, and rebuilding the DeGrussa Processing Plant.
- **DeGrussa Dismantling Commencement** - Scheduled to begin around Q2 2026.
- **Mining Contract Award** - Targeted for Q2 2026.
- **Part V Works Approval** – Approved for the construction and operation of the Sorby Hills Project, maintaining project schedule integrity.
- **First Concentrate Production** - Scheduled for H2 2027.

A pivotal catalyst into FID was BML's ability to lock in a complete financing solution that materially de-risks execution. This included (i) a binding commitment for a project finance debt facility of up to A\$236 million with a clean structure (no warrants, royalties, or equity-like features), and (ii) firm commitments to raise A\$60 million via a two-tranche institutional placement (at A\$0.40/sh) alongside a Share Purchase Plan (SPP) capped at A\$7 million, which together, plus existing cash, were stated to fully fund Sorby Hills to first production. The SPP was closed early due to strong demand and oversubscription, reflecting continued retail investor support following the FID. The SPP closed on 7 January 2026, with shares expected to be issued in mid-January 2026. The early close further reinforces market confidence in the Sorby Hills Project and completes the final equity component of BML's fully funded development pathway to first production.

Figure 3: Sorby Hills Project Construction Timeline

Workstream	2025	2026				2027			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Final Investment Decision	✓								
Early Works	✓								
Camp Refurbishment									
Bulk Earthworks									
Pre-Strip Mining									
DeGrussa Plant Disassembly									
Process Plant Reconstruction									
Commissioning & Ramp-Up									
Commercial Production									

Source: Company

Importantly for equity holders, the combination of strong participation from new and existing institutional investors and the “clean” senior debt package improves funding certainty while helping limit incremental dilution versus more structured / equity-linked alternatives. The December 2025 capital raising also enabled BML to confirm that the previously contemplated Trafigura US\$30m prepayment is no longer required, with the company indicating improved offtake economics (including exposure to spot lead treatment charges) as the funding package was completed.

100% Sorby Hills Project Ownership Secured

Continuing from our previous update on [BML from September 2025](#), BML exercised its option to acquire the remaining 25% joint venture interest held by Yuguang (Australia) Pty Ltd, consolidating full ownership of Sorby Hills. The option was contingent on the fact that BML reaches an FID by Q4 2025, aligning the ownership consolidation with the development timeline of the project.

Under the acquisition terms –

- **Completion Payment** - A\$12.5 million payable to Yuguang at completion (As the option was exercised, this payment has been made).
- **Deferred Consideration** - A\$5.5 million payable 12 months after commencement of concentrate production, and A\$5.0 million payable 18 months after production commencement.
- **Total Consideration** - A\$23 million across the three tranches.

Critically, the capital raisings completed during Q4 2025 were structured on a 100% ownership basis, meaning the option exercise does not trigger any requirement for additional funding. The project remains fully funded through to first production on a wholly-owned basis.

The acquisition delivers several strategic benefits to shareholders –

- **Full Concentrate Rights** - BML now has the right to market and sell 100% of forecast concentrate production (897,000 tonnes containing 18.6 million ounces of silver and 575,000 tonnes of lead over the initial mine life).
- **Enhanced Silver Price Leverage** - Shareholders gain greater exposure to the expanding operating margins driven by current silver prices trading more than 100% above the FEED Study assumption of US\$27.4 per ounce or ~A\$40.4 per ounce equivalent.

- **Simplified Decision-Making** - Full ownership eliminates joint venture complexity and streamlines operational and commercial decisions.
- **Strategic Flexibility** - Complete control over future expansion initiatives, exploration programs, and potential mine life extension opportunities.

Comprehensive Funding Package Secured

In late November 2025, BML executed a binding commitment with Merricks Capital Pty Limited and Davidson Kempner Capital Management LP for a project finance debt facility totalling A\$236 million. This facility represents a critical enabler for project development and features several investor-friendly attributes –

- **Clean debt structure** – The facility contains no warrants, royalties, production-linked payments, or equity-like features, thereby limiting shareholder dilution while preserving full exposure to silver price upside.
- **Favourable amortisation profile** – Interest only payments for the first six months following project completion, followed by quarterly instalments of 5% each, with the remaining balance payable at maturity.
- **Fixed interest rate** – Set at 12% per annum, with interest and fees capitalised during the construction period.
- **Five-year tenor** – Commencing from financial close, with first drawdown anticipated in the second half of 2026.

The facility includes provisions for cost overruns and capitalises interest during construction, providing a comprehensive funding envelope for project delivery. Conditions precedent are expected to be satisfied in Q1 2026.

Equity Capital Raising

Building on the debt commitment, in October 2025, BML announced that it had secured firm commitments to raise A\$50 million via a placement to professional and sophisticated investors at an issue price of A\$0.40 per share. The placement was structured in two tranches, with the second tranche receiving shareholder approval at the Company's Annual General Meeting on 25 November 2025.

Additionally, BML successfully completed a two-tranche institutional placement in mid-December 2025, raising A\$60 million at A\$0.40 per share. The placement attracted strong support from both new and existing institutional investors, including cornerstone participation from Franklin Tempelton, which became a substantial shareholder through its participation in both the October and December capital raisings and Davidson Kempner Capital Management LP.

The placement was executed in two tranches –

- **Tranche 1** - Issued in December 2025, an initial A\$40.4 million raised, without shareholder approval at an issue price of \$0.40 per share
- **Tranche 2** - A\$19.6 million issued on February 3, 2026, following shareholder approval obtained at a General Meeting held on January 23, 2026, at an issue price of \$0.40 per share

The placement was priced at a modest 2.7% discount to the five-day volume-weighted average price and a 3.8% discount to the 30-day VWAP. An accompanying SPP capped at A\$7 million provided existing shareholders the opportunity to participate on equivalent terms.

In total, BML has secured funding commitments of approximately A\$350 million, delivering full funding certainty for the development and construction of the Sorby Hills Silver-Lead Project.

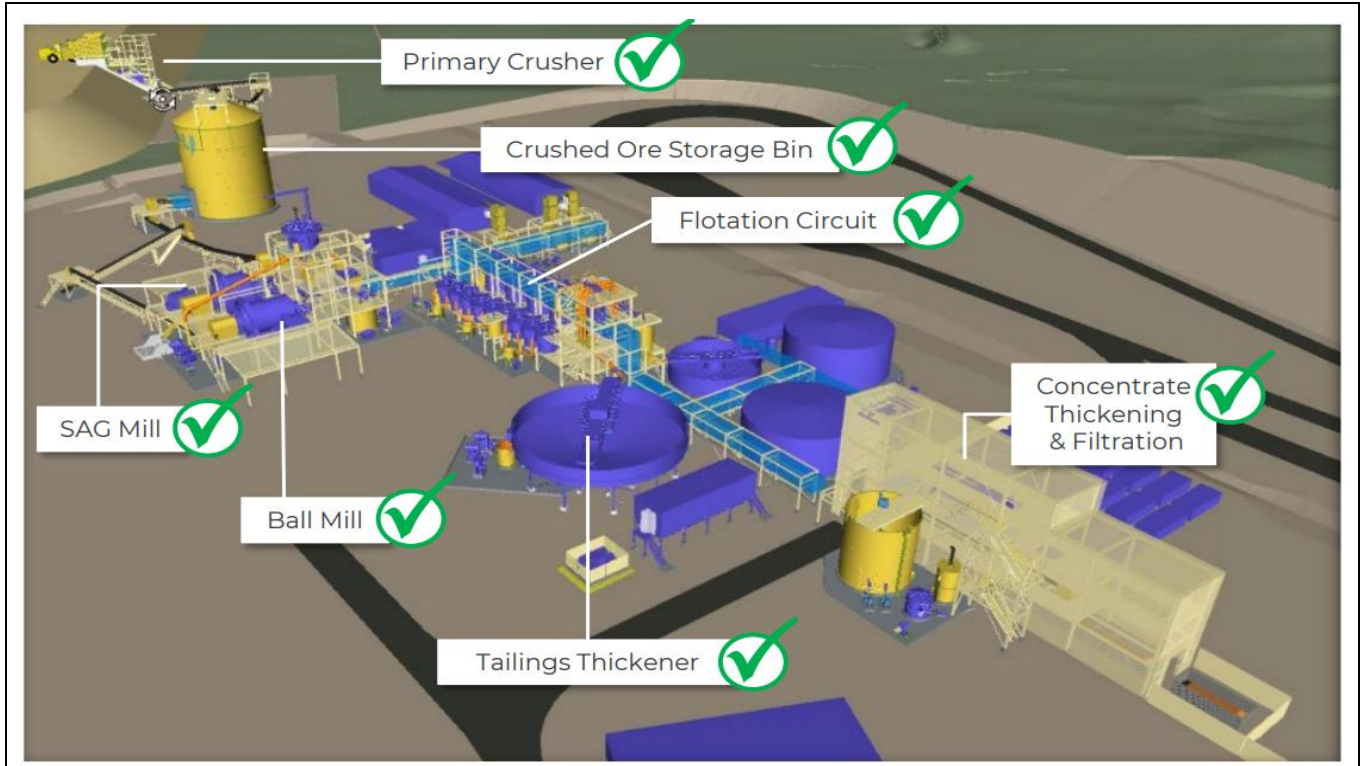
Together with existing cash reserves and the committed debt facility, BML now has complete funding through to first production on a 100% ownership basis, including the Yuguang acquisition payment.

Material Capital Cost Reductions Achieved

Processing Plant Optimisation

A key value driver for the project has been the completion of the tender process for relocating, rebuilding, and refurbishing the DeGrussa Processing Plant at Sorby Hills (Figure 4). Based on competitive tender responses, BML has confirmed a minimum A\$20 million reduction in processing plant capital costs and 6 months reduction in construction timeline, compared to constructing a new facility as originally designed in the June 2024 FEED Study.

Figure 4: 3D Model of the Sorby Hills Process Plant produce by GRES during FEED showing key components of the design that have been secured via the acquisition of the DeGrussa Processing Plant



Source: Company

Beyond the direct cost savings, the DeGrussa acquisition delivers several strategic advantages –

- **Timeline compression** – Construction duration is expected to reduce by six months, translating to additional capital cost savings and earlier revenue generation.
- **Reduced execution risk** – The substantial existing infrastructure and extensive inventory of new spares (originally valued at approximately A\$8 million) eliminates uncertainties typically associated with equipment procurement, lead times, and delivery schedules.
- **Proven equipment** – The DeGrussa Processing Plant was successfully operated by Sandfire Resources from 2011 to 2024 and remains on active care and maintenance, ensuring equipment reliability.

The facility includes all major components required for Sorby Hills, including primary crusher, ore storage bin, ball mill, SAG mill, flotation circuit, and concentrate and tailings thickeners, all appropriately sized to achieve the targeted 100,000 tonnes per annum concentrate production rate.

Early Work Program Efficiencies

Following the commencement of on-site Early Works in late October 2025, BML realised an additional A\$5 million saving on this program element through efficiencies in civil design, site establishment, and bulk earthworks. The Early Works scope encompasses critical preparatory activities, including the construction of site access roads, establishment of processing plant

foundations, development of non-processing infrastructure and construction of on-site accommodation facilities.

An additional A\$20 million reduction in capital expenditure has been identified based on favourable tender outcomes for the relocation, refurbishment, and rebuild of the DeGrussa Processing Plant.

These works are progressing well below budget based on executed contracts, with the contractor selected from a competitive tender process. Importantly, BML prioritised local contractors where feasible, demonstrating its commitment to supporting regional industry and fostering community partnerships.

The combined A\$25 million reduction in upfront capital costs from the original A\$264 million FEED Study estimate, alongside the six-month construction timeline improvement, materially enhances the development economics of Sorby Hills. These savings are particularly significant given the broader inflationary pressures affecting new-build mining projects globally, further highlighting the strategic value of the DeGrussa asset acquisition.

Enhanced Offtake Terms

Following the successful equity capital raisings and debt facility commitment, BML informed offtake partner Trafigura Asia Trading Pte. Ltd that the previously announced US\$30 million prepayment facility is no longer required to fund project development. This development has resulted in materially improved offtake agreement terms.

Most notably, the revised agreement now provides exposure to spot Lead Treatment Charges, which were trading at negative US\$135 per tonne of concentrate as of late November 2025, to a remarkable US\$260 per tonne improvement compared to the positive US\$125 per tonne benchmark Treatment Charge assumed in the FEED Study. This structural shift in Treatment Charges reflects strong global demand for high-quality silver-bearing lead concentrates and represents significant additional economic upside not captured in the original feasibility economics.

Trafigura remains a strategic partner for the project as the offtaker for 50-75% of Sorby Hills concentrate production, representing a minimum of 354,000 tonnes over the initial mine life. With 100% project ownership now secured, BML retains full marketing rights over the remaining 50% of production, providing flexibility to optimise commercial arrangements and capture additional value.

Franklin Templeton Increases Strategic Stake in BML

Franklin Resources, Inc. increased their relevant interest in BML. Prior to the change, Franklin's holding represented approximately 5.94% of the company's voting shares, and this increased to around 7.12% of votes following recent capital raises.

Franklin Templeton is a global investment management firm with a reputation for deep expertise and diversified asset allocation across equities, fixed income, multi-asset strategies and alternatives.

This movement signals continued institutional confidence in BML's strategy and outlook, with Franklin Templeton increasing its stake amidst the company's transition toward Sorby Hills construction.

OTCQB Market Listing Enhances U.S. Investor Access

In October 2025, BML's ordinary shares were approved for trading on the OTCQB Venture Market in the US under the ticker code "BMLQF". This secondary listing commenced trading on 24th October 2025, while BML's primary listing remains on the ASX under the existing code BML.

The OTCQB listing represents a strategic initiative to enhance market awareness and expand BML's international shareholder base. Key benefits include –

- **Broader Investor Reach** - Access to the U.S. capital markets, which represent the world's largest and most liquid investment market, provides exposure to a significantly expanded investor pool.
- **Increased Visibility** - The OTCQB platform enhances the Company's profile among U.S. institutional and retail investors, particularly relevant given the strong U.S. focus on precious metals and critical minerals.
- **Strategic Timing** - The listing coincided with BML's major funding initiatives and progression toward FID, positioning the Company to attract U.S. capital during a critical development phase.

The OTCQB listing is particularly well-timed given the recent designation of both silver and lead as U.S. Government Critical Minerals in November 2025. This recognition may increase U.S. investor interest in domestic and allied-nation producers of these strategic commodities.

The dual-listing strategy aligns with BML's broader objective of building a diverse, high-quality shareholder register capable of supporting the Company through its transition from developer to producer and beyond.

Treatment Charge Market Dynamics

The current negative treatment charge environment represents a significant economic benefit for BML. Treatment charges reflect the fees smelters charge (or credits they pay) to process concentrate into refined metal. When treatment charges are positive, they represent a cost to the mining company; when negative, they become a revenue credit. The shift from the FEED study assumption of +US\$125/t (a cost to BML) to current market rates of approximately -US\$165/t (a credit to BML) creates a favorable US\$290/t swing in BML's economics per tonne of concentrate sold.

As of February 2026, the lead concentrate treatment charge market remains in historically unprecedented negative territory. Spot treatment charges for lead concentrates were assessed at approximately -US\$165 per tonne in December 2025, according to Fastmarkets pricing data, representing a dramatic deterioration from -US\$15/t in December 2024 and positive territory in prior years. This market dislocation is driven by structural factors including acute mine supply constraints due to closures and production curtailments across major producing regions (Latin America, Australia), significant smelter capacity expansion in China creating excess refining capacity, and intensifying competition among smelters for high-grade concentrates. While treatment charges are inherently cyclical and subject to supply-demand rebalancing, the current market structure suggests that negative rates may persist longer than historical correction cycles, particularly for premium high-silver concentrates like those produced at Sorby Hills.

Strategic Market Positioning

The timing of the FID and ownership consolidation is particularly favorable given the current silver market dynamics. Silver prices have strengthened significantly throughout 2025, trading at elevated levels well above the FEED Study assumption of US\$27.4 per ounce or ~A\$40.4 per ounce equivalent assumption embedded in the FEED Study base case. This pricing environment is being driven by a combination of factors including -

- **Monetary policy support** - Central bank easing cycles reducing the opportunity cost of holding non-yielding assets.
- **Safe-haven demand** - Persistent geopolitical and macroeconomic uncertainty driving investment flows.
- **Industrial acceleration** - Robust demand from solar PV, electric vehicles, and energy storage applications tied to the global energy transition.
- **Structural supply constraints** - The Silver Institute forecasting a market deficit of 118 million ounces in 2025, with primary mine output declining and recycling rates stagnant at approximately 20%.

Importantly, the Sorby Hills project economics are structured such that operating costs are covered by lead revenue (leveraging lead's historically stable pricing), with project free cash flow fully exposed to silver price movements. At current silver prices, this creates substantial upside to the base case economics, with each A\$1 increase in silver price estimated to increase project NPV by approximately A\$10 million according to FEED Study sensitivity analysis.

Furthermore, the recent addition of both silver and lead to the U.S. Government Critical Minerals List in November 2025 underscores the strategic importance of these commodities and may provide additional support for pricing and project development initiatives going forward.

Industry Analysis

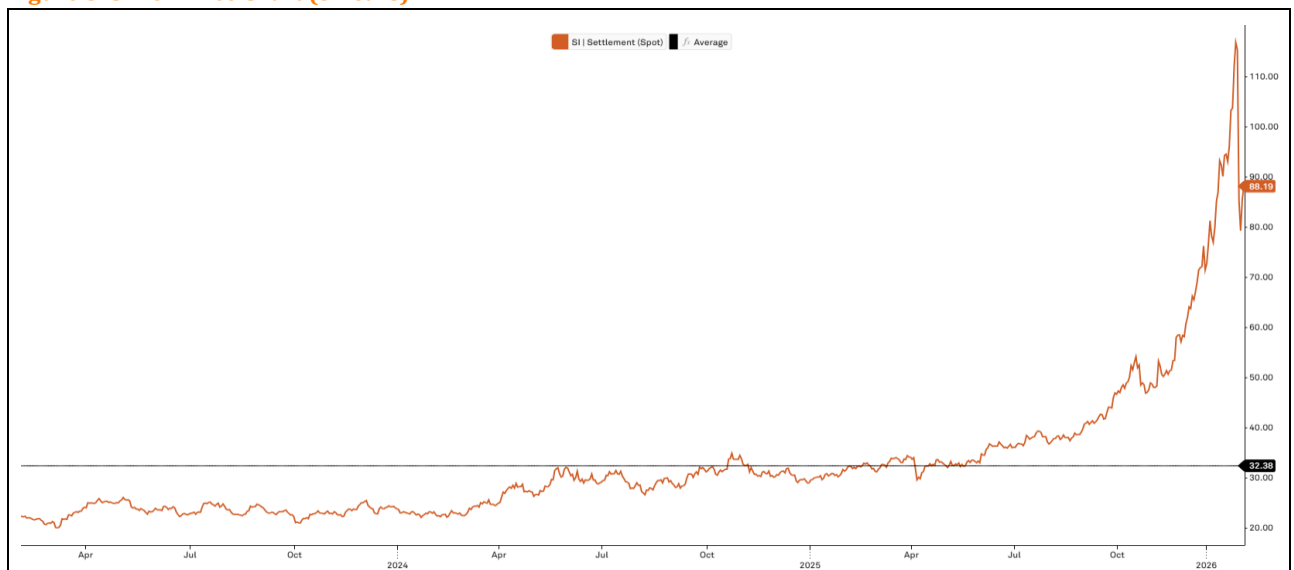
Silver - Structural Demand Growth and Renewed Safe-Haven Appeal

Gold, silver, platinum and copper prices surged to new record highs in January, while most other industrial metals traded at multi-year peaks. Price momentum across metals markets was supported by heightened safe-haven demand amid ongoing geopolitical and macroeconomic uncertainty, alongside persistent concerns around supply constraints.

The U.S. Federal Reserve held its policy rate steady at 3.50%–3.75% on 28 January 2026, citing continued resilience in economic growth. While no immediate guidance on future policy moves was provided, markets are increasingly pricing in one to two rate cuts in 2026. The decision came against a backdrop of concerns regarding the Fed's independence, following a Justice Department investigation into Chair Jerome Powell. With Powell's term set to expire in May and former Fed Governor Kevin Warsh nominated as his successor, uncertainty around monetary policy governance weighed on the U.S. dollar, although stable rates and the nomination helped limit further downside.

Elsewhere, manufacturing activity remained weak in the eurozone but showed signs of improvement across the United States and Asia as production and demand strengthened. In China, the ongoing downturn in the property and construction sectors persisted, with sharper year-on-year declines in real estate investment and floor space under construction recorded in December 2025. However, as China begins implementing its 15th Five-Year Plan, the introduction of additional stimulus measures is expected to support domestic demand, providing a potential tailwind for industrial metals prices.

Figure 5: Silver Price Chart (3 Years)



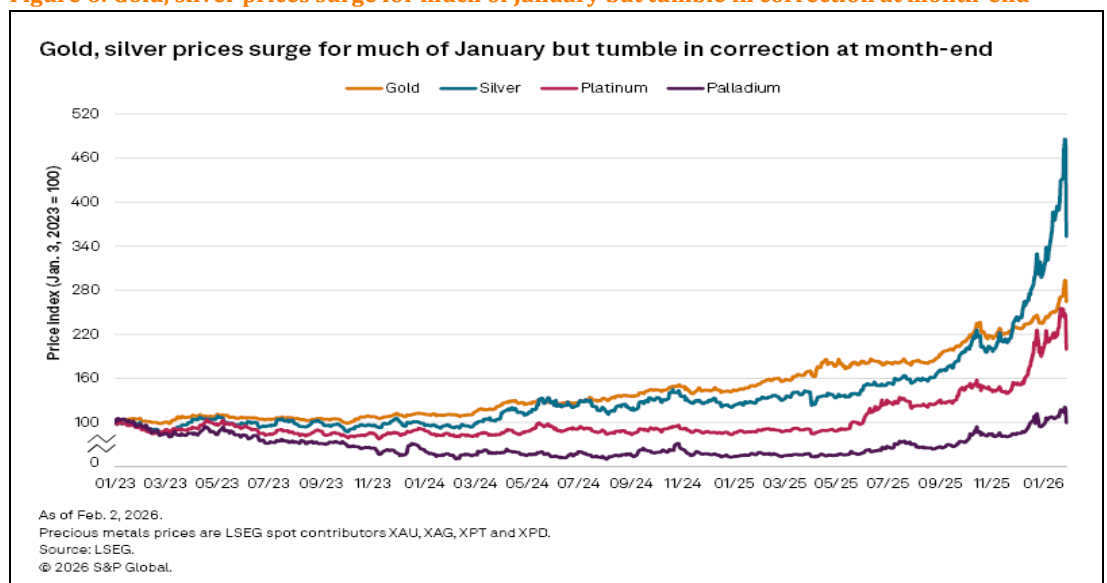
Source: S&P Capital IQ

At the time of our previous coverage of BML, silver was trading in the range of approximately US\$40–42/oz. Since then, the silver price spot prices have now hit a new high of US\$120/oz. This is an increase of almost 200% from our previous modelled forecast and assumptions around silver prices.

Silver closely tracked gold’s sharp rally and subsequent pullback during the period. COMEX silver surged to a record high of US\$116.86/oz on 28 January, before retreating to US\$85.29/oz by 30 January. Despite this volatility, investor sentiment remains constructive, with consensus silver price forecasts revised upward by an average of 30.8% across the next five years.

Underlying fundamentals continue to support the outlook, with strong ETF inflows and robust retail demand across Asia and the Middle East tightening physical market conditions. Reported local shortages have driven premiums above the London benchmark, highlighting ongoing supply constraints. Silver remains structurally undersupplied, with demand underpinned by its dual role as a safe-haven asset and a critical industrial input across electronics, renewable energy technologies, and electric vehicles.

Figure 6: Gold, silver prices surge for much of January but tumble in correction at month-end



Source: S&P Capital IQ

Silver Macroeconomics

Silver has continued to deliver exceptional price performance, extending the strong momentum established in 2025 into early 2026. Following a record close of US\$76.24/oz in December 2025, silver prices surged further in January, with spot prices recently trading around US\$90–95/oz, despite periods of heightened volatility. This sustained strength reflects an increasingly tight physical market and reinforces silver’s outperformance relative to other precious metals. The underlying price momentum remains supported by a pronounced supply–demand imbalance, with the silver market expected to record a fifth consecutive annual deficit, as mine production and recycling volumes remain broadly flat while investment and industrial demand continue to strengthen.

Structural industrial demand remains a key pillar of silver’s long-term outlook, with growing applications across photovoltaic solar panels, electric vehicles, energy storage systems, and advanced electronics. While elevated prices have introduced the potential for some degree of thrifting in manufacturing, demand growth has so far proven resilient. At the same time, policy uncertainty and geopolitical tensions have contributed to sustained safe-haven demand, with tariff-related concerns driving inventory accumulation in key consuming regions and exacerbating physical supply tightness in others.

Reflecting its rising strategic importance, silver was added to the U.S. 2025 List of Critical Minerals, while a Section 232 investigation into critical minerals remains ongoing, further

highlighting its role in supply chain security and energy transition technologies. In response to tightening fundamentals and persistent deficits, consensus silver price forecasts have continued to move higher, with expectations revised materially upward across the medium-term outlook. Supported by favorable macroeconomic conditions, strong inflows into exchange-traded funds, and accelerating industrial end-use demand, silver remains well positioned within the current commodities cycle.

Figure 7: 5 Year Gold/Silver Chart



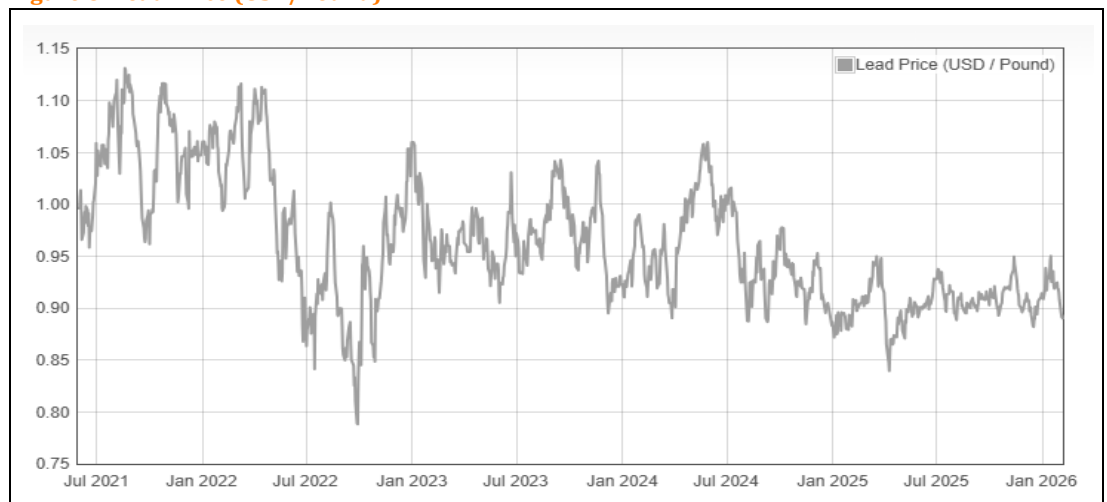
Source: goldprice.org

Lead Industry Overview - Stable Demand Profile

Lead is predominantly a battery metal. The bulk of refined lead demand is linked to lead-acid batteries (starter, lighting and ignition “SLI” batteries for internal combustion vehicles, industrial batteries, and backup power applications). While EV penetration changes the mix in passenger vehicles, lead acid demand persists due to (i) the large installed base of ICE vehicles, (ii) hybrid vehicles, and (iii) industrial and stationary applications. A key feature of the lead market is the high share of secondary supply (recycling), which provides resilience but can also create persistent surpluses when battery scrap is readily available.

Lead supply is structurally split between primary production (mined lead concentrates and integrated smelting) and secondary production (recycling of lead acid batteries and other scrap). Secondary supply is typically the marginal source of refined lead and can expand rapidly when scrap flows are strong and processing capacity is available. ILZSG’s outlook implies refined supply growth of ~2% in 2025 and ~1% in 2026, with additional secondary capacity cited in several jurisdictions.

Figure 8: Lead Price (USD/Pound)



Source: [Daily Metal Price](http://DailyMetalPrice)

Valuation: Revised to \$1.715 - \$2.157 per share

Our valuation of BML is derived from a Discounted Cash Flow (DCF) analysis, which we consider the most appropriate methodology given Sorby Hills' defined development pathway, long-life asset base, and improving visibility on project execution following the recent FID. The DCF framework is anchored to the June 2024 FEED Study, which provides a robust technical and economic foundation for modelling production profiles, capital intensity, and operating performance.

While the FEED Study assumptions form the structural base of our model, we have incorporated a number of targeted updates to reflect the materially evolved market environment since its release. In particular, we have adjusted commodity price assumptions for silver and lead to reflect current macroeconomic conditions, supportive supply-demand dynamics, and elevated spot prices, while also factoring in inflationary pressures across operating cost inputs to maintain realism in the cost base. These updates are intended to better capture the prevailing market backdrop without materially altering the underlying project parameters established in the FEED Study.

Although we maintain a constructive long-term view on the outlook for silver and lead, underpinned by structural demand growth and constrained supply, our valuation framework remains deliberately conservative. Commodity price assumptions are moderated relative to prevailing spot prices and reflect a degree of mean reversion over the medium term, while cost assumptions incorporate inflationary adjustments.

Overall, this methodology provides a balanced assessment of Sorby Hills' intrinsic value, capturing the project's leverage to supportive commodity fundamentals.

Assumptions

Pre-Production CAPEX

Our model incorporates a A\$30 million reduction in pre-production capital expenditure associated with the acquisition and relocation of the DeGrussa processing plant. This compares with BML's stated guidance of a minimum A\$20 million saving, as outlined in company disclosures. While BML has stated a conservative floor to expected capital efficiencies, we adopt a modestly more constructive view on the potential cost benefits achievable through this acquisition.

This assumption reflects not only the direct capital savings from repurposing existing processing infrastructure, but also the secondary benefits associated with a shortened project delivery timeline and improved execution efficiency. The acquisition of the DeGrussa processing plant is expected to reduce the overall construction schedule by approximately six months, lowering exposure to cost inflation and reducing capitalised interest during the build phase. In addition, the advancement of early works and the use of proven, fit-for-purpose infrastructure are expected to generate further efficiencies across site preparation, procurement, and construction activities.

Capital Structure

Following the completion of the recent equity raising and the securing of a senior project finance facility, BML is well funded to progress the Sorby Hills Project through construction and into production. The company has access to a A\$236 million senior debt facility, complemented by approximately A\$117 million in equity funding raised across multiple capital raisings, providing full funding certainty for project development.

For valuation purposes, we reflect this funding profile in our model by assuming a balanced capital structure, with approximately 50% debt and 50% equity funding on a look-through basis. This approach is broadly consistent with the project's committed funding mix in the form of

capital raising and reflects a pragmatic blend of financial leverage and balance sheet resilience during the early years of operation.

We apply a 12% cost of debt, in line with the fixed interest rate under the project finance facility, and assume this borrowing is senior secured with no equity-linked features. While the facility introduces leverage during the ramp-up phase, the structure is supported by long-dated tenor, an initial interest-only period, and a commodity price environment that is materially more favorable than that assumed in the FEED Study.

Operating Costs

Our operating cost assumptions are anchored to the 2024 FEED Study, which provides a detailed and independently validated baseline for mining, processing, and site-level cost structures at the Sorby Hills Project.

While the FEED Study provides a robust starting point, this inflationary adjustment ensures our model captures ongoing cost pressures across labour, energy, consumables, and transport, particularly in the context of broader industry-wide inflation trends observed over recent years.

In addition, we have applied a conservative royalty assumption of 4%.

Lead Treatment Assumptions

The treatment charge forecast incorporates mean reversion principles while recognising structural market changes. The model assumes negative treatment charges of -\$0.165/t - Current market baseline, the negative prices persist through 2030 due to sustained concentrate supply constraints, structural supply deficit takes 3-4 years to correct due to mine development lead times and continued smelter capacity growth, then gradually revert to a new long-term equilibrium of +US\$50/t, significantly below the historical average of +\$100-125/t. This reflects Sorby Hills' premium concentrate quality, the structural shift in market dynamics favoring concentrate producers, and recent offtake contract precedents. The forecast represents a balanced view between current market reality and long-term normalisation, with an optimistic bias toward extended favorable conditions.

Silver Prices

Despite spot silver prices previously trading around US\$95/oz, our base-case silver price assumptions adopt a conservative but constructive outlook. The prices reflect supportive macroeconomic conditions and strong structural demand in the near term, followed by a gradual moderation over the medium to long term as the market moves toward a more sustainable equilibrium. This approach captures the material re-rating in silver since prior coverage while maintaining conservatism in long-term valuation assumptions.

In the near term (2026–2027), silver prices are assumed to remain elevated, averaging US\$80/oz in 2026 and US\$78/oz in 2027. These assumptions are supported by declining real interest rates, continued investor demand for precious metals amid macroeconomic uncertainty, and robust industrial consumption, particularly from solar photovoltaics, electric vehicles, and advanced electronics. Over the medium term (2028–2030), prices are forecast to moderate gradually from US\$75/oz to US\$73/oz, reflecting a partial supply response and stabilisation in investment flows, while remaining structurally above historical averages.

Over the long term (2031–2036), silver prices are assumed to stabilise within a range of US\$70–66/oz, consistent with a return to sustainable long-run pricing levels. These assumptions incorporate conservative expectations around supply growth and demand normalisation, while remaining materially higher than the silver price assumptions underpinning the Sorby Hills FEED Study, providing a prudent anchor for long-dated valuation.

Under our bull-case scenario, silver prices are assumed to remain structurally elevated, reflecting a sustained tightness in physical markets and continued strength in investment and industrial demand. Prices are forecast to average US\$90/oz in 2026, moderating modestly to US\$88/oz in 2027 and US\$86/oz in 2028, before stabilising in the US\$85–89/oz range through to 2036. This outlook assumes persistent supply deficits, limited responsiveness from primary silver mine

production, and ongoing demand growth from energy transition applications, including solar photovoltaics, electric vehicles and advanced electronics. Supportive macroeconomic conditions, declining real interest rates, and sustained investment flows into precious metals further underpin this scenario. Relative to our base case, the bull case captures an environment of prolonged structural imbalance, delivering materially stronger operating margins and cash flow outcomes for silver-leveraged assets such as Sorby Hills.

Figure 9: Silver Price Forecast Base Case and Bull Case

	2026	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e
Silver Price (US\$/oz)	80.00	78.00	75.00	75.00	73.00	70.00	68.00	67.00	67.00	66.00	66.00
Exchange Rate A\$:US\$	0.67	0.67	0.68	0.68	0.68	0.69	0.69	0.70	0.70	0.70	0.70
Silver Price (A\$/oz)	119.40	116.42	110.29	110.29	107.35	101.45	98.55	95.71	95.71	94.29	94.29

Source: East Coast Research

Bull Case	2026	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e
Silver Price (US\$/oz)	90.00	88.00	86.00	85.00	85.00	86.00	88.00	88.00	89.00	89.00	89.00
Exchange Rate A\$:US\$	0.67	0.67	0.68	0.68	0.68	0.69	0.69	0.70	0.70	0.70	0.70
Silver Price (A\$/oz)	134.33	131.34	126.47	125.00	125.00	124.64	127.54	125.71	127.14	127.14	127.14

Source: East Coast Research

Lead Prices

For our base-case scenario, lead prices are forecast to remain well supported and trend modestly higher over time, reflecting balanced market conditions, steady replacement-driven demand, and limited supply elasticity. Our assumptions adopt a constructive yet disciplined view on lead fundamentals and do not rely on peak-cycle pricing to underpin valuation outcomes.

In the near term (2026–2028), lead prices are expected to remain stable within a narrow range, averaging US\$0.92–0.93/lb (approximately US\$2,028–2,050/t, or A\$2,957–2,990/t). This outlook is supported by resilient demand for lead-acid batteries across automotive and industrial applications, alongside stable primary mine supply and disciplined secondary production. Over the medium term (2029–2031), prices are assumed to strengthen modestly to US\$0.94–0.96/lb (approximately US\$2,072–2,116/t, or A\$3,022–3,086/t), reflecting ongoing battery replacement demand, gradual tightening in concentrate markets, and limited new mine supply.

In the long term (2032–2036), lead prices are forecast to stabilise at around US\$0.98/lb (approximately US\$2,161/t, or A\$3,150/t), consistent with a structurally supported pricing environment. These assumptions remain conservative relative to historical peaks while recognising the essential role of lead in energy storage, backup power systems, and broader industrial applications.

Under our bull-case scenario, lead prices are assumed to strengthen more meaningfully, reflecting tighter concentrate supply, sustained demand growth from battery markets, and ongoing constraints in secondary supply. Prices are forecast to rise from US\$0.96/lb in 2026 to US\$1.04/lb by 2031, before stabilising at approximately US\$1.06/lb through to 2036. In Australian dollar terms, this equates to a long-term price of approximately A\$3,407/t, materially above our base-case assumptions. This scenario implies a structurally higher lead price environment, providing additional upside to project revenues and supporting stronger cash flow outcomes relative to the base case.

Figure 10: Lead Price Forecast Base Case and Bull Case

Base Case	2026	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e
Lead Price (US\$/lb)	0.92	0.93	0.93	0.94	0.96	0.96	0.98	0.98	0.98	0.98	0.98
Exchange Rate A\$:US\$	0.67	0.67	0.68	0.68	0.68	0.69	0.69	0.70	0.70	0.70	0.70
Lead prices (US\$/t)	2,028.3	2,050.3	2,050.3	2,072.3	2,116.4	2,116.4	2,160.5	2,160.5	2,160.5	2,160.5	2,160.5
Lead Price (A\$/t)	2,957.4	2,989.5	2,989.5	3,021.6	3,085.9	3,085.9	3,150.2	3,150.2	3,150.2	3,150.2	3,150.2

Source: East Coast Research

Bull Case	2026	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e
Lead Price (US\$/lb)	0.96	0.98	0.99	1.00	1.02	1.04	1.06	1.06	1.06	1.06	1.06
Exchange Rate A\$:US\$	0.67	0.67	0.68	0.68	0.68	0.69	0.69	0.70	0.70	0.70	0.70
Lead prices (US\$/t)	2,116.4	2,160.5	2,171.6	2,204.6	2,248.7	2,292.8	2,336.9	2,336.9	2,336.9	2,336.9	2,336.9
Lead Price (A\$/t)	3,085.9	3,150.2	3,166.3	3,214.5	3,278.8	3,343.1	3,407.4	3,407.4	3,407.4	3,407.4	3,407.4

Source: East Coast Research

Discount Rate and Tax Rate

We apply a discount rate of 12.8% in our valuation, incorporating a range of risk premiums to reflect macroeconomic volatility, commodity price cyclicalities, project execution risk, and BML's transition from development to production. We revised the discount rate from 13.6% to 12.8%, incorporating the achievement of FID and full funding certainty. In addition, our model assumes a corporate tax rate of 30%, consistent with the Australian statutory tax framework and standard practice for long-term project valuation.

Comparing BML to Industry Peers

BML compares favourably against its listed Australian silver peers on a resource-adjusted value basis. On an EV/weighted average comparable total resources metric, BML is trading at approximately A\$6.77/million ounces, below the peer group average of ~A\$8.26/million ounces. This discount persists despite BML holding a meaningful 53.0Moz total resource base, comparable to or larger than several peers with higher implied valuation multiples. The relative undervaluation suggests the market has yet to fully reflect Sorby Hills' transition from development to construction following FID, particularly when compared to peers that remain earlier in the project lifecycle or face greater funding and execution uncertainty.

Looking ahead, BML's valuation discount appears increasingly difficult to justify in the context of materially higher silver prices, full funding certainty, and a clear pathway to production. With Sorby Hills scheduled to commence concentrate production in H2 2027, BML has the potential to

emerge as the fourth-largest silver producer in Australia, materially altering its risk profile and market positioning.

Figure 11: BML Peer Comparable**

Company	ASX Code	Market Cap (A\$m)^	EV (A\$m)^	Total Resources (Moz)	Grade (g/t)	Inferred Resources (Moz)	Weighted Average Comparable Total Resources (Moz)*	EV / Weighted Average Comparable Total Resources (A\$m/Moz)
Andean Silver Ltd	ASL	436.10	424.24	47.00	151.00	38.00	28.00	15.15
Investigator Silver Limited	IVR	247.94	243.04	57.00	73.00	16.00	49.00	4.96
Silver Mines Limited	SVL	483.42	464.12	180.00	31.00	16.00	172.00	2.70
Manuka Resources Limited	MKR	254.17	293.90	50.90	41.30	31.30	35.25	8.34
Polymetals Resources Limited	POL	391.23	409.69	44.20	84.00	7.80	40.30	10.17
Boab Metals Limited	BML	287.53	280.04	53.04	35.00	23.41	41.34	6.77
Peer Average								8.26

[^]As of 04 Feb 2026

*Weighted Average Comparable Total Resources include 100% of measured and indicated resources and 50% of inferred resources

**The peer comparison table is presented for illustrative market context only and does not inform our valuation, which is derived independently using a discounted cash flow (DCF) methodology. Silver ounces are shown on a contained Ag basis to maintain consistency with how many ASX-listed silver developers are commonly referenced by the market. We note that Sorby Hills is a polymetallic Pb-Ag system, with lead contributing materially to project economics, which is fully captured in our DCF valuation

Source: S&P Capital IQ and East Coast Research

Equity Valuation

Based on our analysis, we estimate a Base Case valuation of A\$1.715 per share for BML, representing an upside of approximately 185.9% from the current share price of A\$0.600. Under our Bull Case scenario, which reflects a more supportive commodity price environment and sustained market tightness, our valuation increases to A\$2.157 per share, implying a potential upside of 259.5%. Taking the mid-point of these two scenarios, we derive a mid-point valuation of A\$1.936 per share, offering investors a compelling 222.7% upside relative to the current market price.

Our valuation is underpinned by an improved silver price environment, supported by favourable macroeconomic conditions and strengthening structural demand. Declining real interest rates, heightened policy uncertainty, and a weaker U.S. dollar have reinforced silver's role as both a precious metal and a hedge against macro volatility, driving sustained investment flows.

At present, BML is debt free, although it has secured access to a A\$236 million senior project finance facility to support the development of the Sorby Hills Project. As no drawdowns have been made under this facility to date, we exclude project debt from our valuation model at this stage, with the facility instead providing funding flexibility and balance sheet strength as the project advances into construction.

For valuation purposes, we assume a fully diluted share base of 590.0 million shares, which incorporates all known dilutive securities. We believe this approach provides a conservative and transparent basis for assessing per-share value and appropriately reflects potential dilution as the company transitions towards production.

Figure 12: BML Valuation

BML Valuation (A\$ m)	Base Case	Bull Case
Present value of FCF	577.7	796.8
PV of Terminal FCF	344.6	386.1
Net debt (cash)^	(89.9)	(89.9)
Firm value (A\$ m)	1,012.2	1,272.8
Diluted Shares (m)**	590.0	590.0
Implied price (A\$)	1.715	2.157
Current price (A\$)	0.600	0.600
Upside (%)	185.9%	259.5%
Mid-point Target Price (A\$)	1.936	
Price / NAV (X)	0.31x	

[^] Based on cash balance as of 31 Dec 2025

^{**} Shares Outstanding inclusive of dilutive securities as of 10 Feb 2026

Source: East Coast Research

The catalysts for a re-rating of BML

Construction and Project Execution Milestones

BML is advancing Sorby Hills through early works and into full construction. Completion of site establishment, award of critical contracts (e.g., processing plant and mining services), and commencement of plant relocation and bulk earthworks in 2026 will materially de-risk the project and deliver tangible progress visibility to the market.

Updated Project Delivery Plan and Optimisation Outcomes

The release of an updated Project Delivery Plan, incorporating contracted cost savings and revised macroeconomic assumptions, could improve estimated capital costs, timeline certainty and project returns, creating a catalyst for re-rating as execution risk diminishes.

Resource Expansion and Drilling Results

A dedicated 2026 drilling programme targeting resource extensions and reserve upgrades at Sorby Hills has the potential to increase mineable inventory and support longer mine life, which would positively reframe long-term valuation metrics.

First Production Timeline Delivery

Achieving key pre-production milestones and advancing toward first concentrate production in H2 2027 will shift BML's valuation from development stage toward producer status. This fundamental transition typically triggers re-rating as cash flow visibility improves.

Full Ownership of Sorby Hills

BML's exercise of its option to acquire 100% ownership of the Sorby Hills Project removes joint-venture complexity, consolidating project economics and enabling unencumbered decision making and future upside capture.

Continued Strong Silver and Lead Market Dynamics

The company's exposure to robust precious and base metal markets, particularly elevated silver prices above FEED assumptions, remains a key market driver. Continued strength in silver spot pricing and supportive fundamentals provide a backdrop for improved margins and earnings prospects.

Key Risks

Commodity Price Risk

BML's valuation and future cash flows are highly sensitive to movements in silver and lead prices. While current pricing is supportive, a sustained downturn in commodity prices could materially reduce operating margins, impact debt service capacity once drawn, and delay potential re-rating.

Construction and Execution Risk

Despite achieving FID and securing full funding, Sorby Hills has yet to enter production. Delays, cost overruns, or technical challenges during construction, commissioning, or ramp-up could adversely affect project timelines and returns.

Financing and Drawdown Risk

Although BML has access to a A\$236 million debt facility, the ability to draw down funds remains subject to satisfying customary conditions precedent. Any delays or changes in lender requirements could impact project execution or funding flexibility.

Operating and Ramp-Up Risk

As BML transitions from developer to producer, there is risk around achieving forecast throughput, recoveries, and operating costs during the initial years of production. Underperformance relative to assumptions could weigh on cash flow generation.

Regulatory and Permitting Risk

Changes in environmental regulations, permitting requirements, or royalty regimes could impact operating costs or project timelines, notwithstanding Sorby Hills' location in a stable mining jurisdiction.

Market and Offtake Risk

While offtake arrangements are in place, realised pricing remains exposed to changes in treatment charges, concentrate demand, and smelter capacity. Adverse shifts in these factors could affect net realised revenue.

Appendix I: BML SWOT Analysis

Figure 13: SWOT analysis

Strengths	Weakness
<p>Fully Funded Development Pathway BML has secured approximately A\$350 million in committed funding, comprising A\$236 million senior project finance facility and ~A\$117 million in equity, providing full funding certainty through to first production at Sorby Hills. This materially de-risks execution and removes near-term financing overhang.</p> <p>Final Investment Decision Achieved The FID for the Sorby Hills Lead-Silver Project marks a critical transition from development to construction, significantly reducing project risk and establishing a clear pathway to first concentrate production targeted for H2 2027.</p> <p>High Leverage to Rising Silver Prices Sorby Hills exhibits strong operating leverage to silver, with lead credits expected to materially offset operating costs. With silver prices having more than doubled since prior coverage and trading well above FEED study assumptions, BML is well positioned to benefit from expanding margins and enhanced cash flow generation.</p>	<p>Single-Asset Concentration Risk BML remains highly concentrated in a single development asset, the Sorby Hills Lead-Silver Project. While the project is well advanced, this concentration heightens exposure to project-specific risks, including construction execution, commissioning delays, and operational ramp-up challenges.</p> <p>Development and Execution Risk Despite the achievement of FID and full funding, Sorby Hills has yet to enter production. As with any greenfield or near-greenfield development, there remains risk around cost control, schedule adherence, and achieving forecast operating parameters during the ramp-up phase.</p>
Opportunities	Threats
<p>Sustained Upside from Elevated Silver Prices Sorby Hills offers significant leverage to silver prices, with lead by-product credits expected to materially offset operating costs. A sustained silver price environment above FEED assumptions materially enhances operating margins, accelerates payback, and increases free cash flow generation, providing scope for meaningful equity re-rating.</p> <p>Further Optimisation of Project Economics As the project transitions into construction and early operations, there remains potential for additional upside through procurement efficiencies, mining and processing optimisation, and operating cost improvements relative to feasibility assumptions.</p> <p>Exploration and Resource Growth Potential The Sorby Hills Project hosts a large mineralised system with potential for further resource expansion and reserve conversion through ongoing drilling. Successful extensions could support mine life expansion and improve overall project valuation.</p>	<p>Construction and Schedule Risk Delays in construction, plant relocation, or commissioning could defer first production and cash flow generation, potentially increasing capitalised interest and placing pressure on project returns.</p> <p>Cost Inflation and Operating Risk Unexpected increases in labour, energy, consumables, or logistics costs could erode operating margins, particularly during the early stages of production before operational efficiencies are fully realised.</p> <p>Regulatory and Policy Risk Changes in environmental regulation, permitting requirements, or taxation regimes could impact project timelines, operating costs, or long-term economics, notwithstanding Sorby Hills' location in a stable jurisdiction.</p>

Source: East Coast Research

Appendix II: BML's Leadership

BML's board and management team bring together a highly skilled group of professionals, ensuring expertise across all aspects of the business.

Figure 14: BML's leadership team

Name and Designation	Profile
<p>Mr. Gary Comb Chairman</p>	<ul style="list-style-type: none"> Mr. Comb has more than 30 years of experience in the Australian mining industry. He has a strong track record in successfully commissioning and operating base metal mines. He has held a variety of senior roles, including the Chairman of Finders Resources Ltd., the Managing Director of Jabiru Metals Ltd. and the CEO of BGC Contracting Pty Ltd.
<p>Mr. Simon Noon Managing Director and CEO</p>	<ul style="list-style-type: none"> Mr. Noon has spent the past 15 years managing Public Resources Companies, with extensive experience in strategic management, business planning, finance and capital raising across a variety of commodities. He was the Managing Director and co-founder of West Rock Resources Ltd. Eventually, the company was acquired by Boab Metals Ltd in 2013. Prior to being the Managing Director of Rock Resources Ltd., he was managing Groote Resources Ltd. from a Market Cap of under \$10m to market highs in excess of \$200m.
<p>Mr. Andrew Parker Non-Executive Director</p>	<ul style="list-style-type: none"> Mr. Parker has significant experience in the exploration and mining industry and also in corporate advisory, strategic consultancy and capital raisings. He previously held the position of Managing Director at Trident Capital Pty Ltd, a corporate advisory and venture capital firm that he co-founded. He is also the Chairman of Widgie Nickel Pty Ltd.
<p>Mr. Richard Monti Non-Executive Director</p>	<ul style="list-style-type: none"> Mr. Monti is a geologist with more than 30 years of experience in many facets of the exploration and mining industry, including technical, commercial, marketing, and finance. He has held roles at several international and Australian companies, including Anaconda Nickel, Azimuth Resources Ltd., The North Group, Normandy Group, and RTZ Exploration. He is currently a director at Black Dragon Gold Ltd.

Source: Company

Appendix III: Analyst's Qualifications

Riddhesh Chandwadkar

The lead analyst on this report is an Equity Research Analyst at Shares in Value (East Coast Research). Riddhesh holds a Bachelor's degree from the University of Mumbai and a Master of Commerce (Finance and Strategy) from the University of Sydney. He has passed Level I and Level II of the CFA Program, with a strong foundation in investment analysis, valuation, and portfolio management.

Riddhesh has professional experience across Equity Capital Markets, having worked as an investment analyst on capital raisings and mergers and acquisitions for ASX-listed companies. His background combines fundamental equity research with hands-on transaction experience.

General Advice Warning, Disclaimer & Disclosures

Terms & Conditions

The information contained herein ("Content") has been prepared by Shares in Value Pty Ltd (East Coast Research). Shares in Value Pty Ltd (ACN: 643 558 436) is a Corporate Authorised Representative of One Mile Investment Group (ACN: 664624846), which holds an Australian Financial Services Licence (AFSL no. 547945). Unless otherwise noted, all intellectual property relating to the Content vests with East Coast Research.

Disclaimer

The Content is provided on an as-is basis, without warranty (express or implied). Whilst the Content has been prepared with all reasonable care from sources we believe to be reliable, no responsibility or liability shall be accepted by East Coast Research for any errors or omissions or misstatements, howsoever caused. Any opinions, forecasts or recommendations reflect our judgement and assumptions at the date of publication and may change without notice. East Coast Research will not accept any responsibility for updating any advice, views, opinions or recommendations contained in this document.

No guarantees or warranties regarding accuracy, completeness or fitness for purpose are provided by East Coast Research, and under no circumstances will any of East Coast Research officers, representatives, associates or agents be liable for any loss or damage, whether direct, incidental or consequential, caused by reliance on or use of the Content.

General Advice Warning

The Content has been prepared for general information purposes only. It is not (and cannot be construed or relied upon as) personal advice nor an offer to buy/sell/subscribe to any of the financial products mentioned herein. No investment objectives, financial circumstances or needs of any individual have been taken into consideration in the preparation of the Content.

Financial products are complex, entail risk of loss, may rise and fall, and are impacted by a range of market and economic factors. You should always obtain professional advice to ensure trading or investing in such products is suitable for your circumstances, and ensure you obtain, read and understand any applicable offer document.

Disclosures

East Coast Research has been commissioned to prepare the Content. From time to time, East Coast Research representatives or associates may hold interests, transact or hold directorships in, or perform paid services for, companies mentioned herein. East Coast Research and its associates, officers, directors and employees, may, from time to time hold securities in the companies referred to herein and may trade in those securities as principal, and in a manner which may be contrary to recommendations mentioned in this document.

East Coast Research receives fees from the company referred to in this document, for research services and other financial services or advice we may provide to that company. The analyst has received assistance from the company in preparing this document. The company has provided the analyst with communication with senior management and information on the company and industry. As part of due diligence, the analyst has independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in the report. The analyst has taken diligent care to maintain an honest and fair objectivity in writing this report and making the recommendation. Where East Coast Research has been commissioned to prepare Content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid will either directly or indirectly impact the Content provided.

FINANCIAL SERVICES GUIDE

Shares In Value Pty Ltd (East Coast Research)

ABN: 56 643 558 436

Corporate Authorised Representative (AFSR No: 001283429) of One Mile Investment Group (ACN: 664624846) which holds an Australian Financial Services Licence (AFSL no.: 547945)