

BOSS TO INCREASE OWNERSHIP OF HONEYMOON URANIUM PROJECT TO 100%

HIGHLIGHTS

- Binding agreement to acquire Wattle Mining Pty Ltd which holds the remaining 20% of the Honeymoon Uranium Project, South Australia
- Acquisition will deliver 100% ownership of the Honeymoon Uranium Project to Boss including:
 - the project's significant exploration target;
 - process plant and mine infrastructure; and
 - licence to export
- Equity only transaction to maintain Boss' cash reserves

Summary

Boss Resources Limited (ASX: BOE) ("Boss" or the "Company") is pleased to announce that it has entered into a binding conditional agreement to acquire 100% of the shares in Wattle Mining Pty Ltd ("**Wattle**"). Wattle holds the remaining 20% of the shares in Boss Energy Pty Ltd, the holding company for Boss Uranium Pty Ltd and the Honeymoon Uranium Project ("**Project**").

The acquisition is conditional on Boss shareholder approval. Boss will issue the vendors 300,000,000 Boss shares in consideration for the acquisition of Wattle.

On completion, Boss' ownership of the Project will increase from 80% to 100%.

Boss Managing Director, Mr Duncan Craib stated "Boss Resources is one of a few independent uranium projects ready to participate in the early stages of a new bull market; it truly is a product for this time. Consolidating our ownership of the Honeymoon Uranium Project is a significant milestone for the Company as it advances the Project with the aim of becoming Australia's next uranium producer in excess of 3.2Mlb U₃O₈ per annum. The Company is particularly pleased with the outcome of an equity only transaction rather than a royalty or cash component.

The past 12 months has been transformational for Boss as the restart strategic milestones have been overwhelmingly achieved. Final technical confirmation has been provided by the outstanding Field Leach Trial results following the highly successful Preliminary Feasibility Study, and the reported upside in feed tenors achieved from the improved leaching and/or wellfield performance is expected to result in increased efficiency and therefore even lower operating costs. The culmination of these staged developmental steps can ensure Honeymoon can operate in the lowest cost quartile of competitive global producers."

Project Information

The Honeymoon Uranium Project is located in South Australia, approximately 80km north-west from the town of Broken Hill near the SA / NSW border. In addition to holding a mining lease and exploration licences, there exists infrastructure on site to the value of \$170M which incorporates an 880,000 lb per annum solvent extraction plant, currently placed on care and maintenance.

The overall staged development approach for the Project is based on restarting the operation with the existing facilities (with some minor modifications to achieve nameplate throughput) in conjunction with constructing the first stage of the ion exchange plant. After successfully ramping up and verifying the new process a further ion exchange upgrade is planned. Accordingly, the re-start of the Honeymoon project will be executed with the following aims:

- **Stage 1:** Restart of the existing operation; which will involve the use of existing wellfields, and restarting the existing solvent extraction (SX) plant with minor modifications to rectify identified operational issues, during the period of construction of the ion exchange (IX) plant;
- **Stage 2:** Ramp up of plant capacity to 2Mlb/annum U₃O₈ equivalent using the combined SX / IX system; and
- **Stage 3:** Ramp up of plant capacity from 2Mlb/annum to ~3.2Mlb/annum U₃O₈ equivalent (after validating the IX technology) through the addition of further IX columns.

The Project has a combined JORC 2012 Mineral Resource across three main Project areas of 43.5 Mt at an average grade of 660 ppm eU₃O₈ (for 63.3Mlb eU₃O) above the 250ppm lower cut-off (See ASX announcement 15 March 2017).

The Project also has a combined Exploration Target of between 32Mt to 78Mt at a grade of between 450ppm and 1400ppm eU₃O₈ with a potential target endowment of between 42Mlb and 100Mlb of contained uranium. This Exploration Target is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource (See ASX announcement 8 December 2015).

The Exploration Target has been based upon a review of approximately 2,500 historical and recent drillholes, custom flown geophysical data by previous workers, recent geostatistical investigations and a review of field work conducted over the last 15 years on the Project. Where drilling information was available the Exploration Target is based upon assessment of eU₃O₈ grade data, thickness intervals, geology and historical grade-tonnage estimates. The Exploration Target has relied upon data which is sparse and potentially inconsistent in some regions and has been based upon conceptual geological models to derive potential endowments. The bulk of the grade assessment used for the exploration data is based upon historical gamma-derived eU₃O₈ data. Further work is required to validate and further understand the quality of the historical drilling information; this includes investigations to quantify localised radioactive disequilibrium effects, quality of the historical radiometric assaying and hydrogeological characteristics of the encountered mineralisation. Work to test the Exploration Target will include additional data compilation and analysis, assessment of the existing drillhole database for potential mineral resource assessment, sampling of sonic drill core taken at the Honeymoon Mine, twin drilling of existing holes using sonic core, rotary mud drilling,

and additional geophysical investigations (including seismic and EM) and modelling. Work will be systematically conducted over the next 2 years to potentially convert the Exploration Target to JORC resources.

Acquisition Terms

Boss will acquire all of the shares in Wattle from Mr Grant Davey, through his 100% controlled entities that are shareholders of Wattle. Wattle has a 20% interest in Boss Energy Pty Ltd, the holding company for Boss Uranium Pty Ltd and the Project. The consideration to be provided to Mr Davey and his controlled entities comprises an aggregate of 300,000,000 Boss shares, the majority of which will be subject to either ASX imposed or voluntary escrow for a period of 12 months (subject to certain exceptions).

On completion of the acquisition, Mr Davey's relevant interest in Boss will increase to 311,483,333 shares or 22.70% of the Boss shares on issue (assuming no conversion of the unquoted options or performance rights on issue).

The acquisition is conditional on receiving Boss shareholder approval as Mr Davey is a director of Boss, and is therefore a related party for the purposes of the ASX Listing Rules, and Mr Davey's beneficial interest in Boss shares will increase to greater than 20% on completion. This shareholder approval will be sought at a general meeting that is expected to be held early next year. Mr Davey and his associates will be excluded from voting on the resolution to approve the acquisition at that meeting.

As required by the ASX Listing Rules and the Corporations Act, the Company will appoint an independent expert to prepare a report on the acquisition that opines on whether or not the acquisition is fair and reasonable to Boss shareholders (other than Mr Davey and his associates). This report will accompany the notice of general meeting to be sent to shareholders.

The sale agreement contains further customary conditions precedent, including no regulatory intervention occurring prior to completion and the execution of restriction agreements by the vendors is so required by ASX. The agreement also contains customary termination events, including if the conditions precedent are not satisfied, either party being in continuing material breach of the sale agreement or by Boss if Mr Davey and his controlled entity are in breach of their respective representations or warranties.

Further details of the acquisition will be included in the notice of general meeting expected to be sent to shareholders early next year.

Indicative Timetable

Notice of meeting sent to shareholders, including the independent expert's report	January 2018
Shareholder meeting to consider the acquisition	February 2018
Completion of the acquisition	February 2018

For further information, contact:

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Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is extracted from the Company's announcement dated 15 March 2017. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement, that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the original announcement continue to apply and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to Exploration Targets is extracted from the Company's announcement dated 8 December 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Total Mineral Resource Estimate

Classification	Million tonnes	eU308 (ppm)
Measured	1.7	1720
Indicated	5.9	810
Inferred	35.9	568

Refer to ASX announcement on 15 March 2017 for full details.

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