

For personal use only



ACN 116 834 336

Financial Results
Half-Year ended 31 December 2022

Table of Contents

Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10
Directors' Declaration	17
Independent Auditor's Review Report	18

For personal use only

Corporate Directory

DIRECTORS	Mr Peter O'Connor Mr Duncan Craib Mr Bryn Jones Mr Wyatt Buck Ms Jan Honeyman	Non-Executive Chairman Managing Director Non-Executive Director Non-Executive Director Non-Executive Director
COMPANY SECRETARY	Mr Mathew O'Hara	
PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE	Level 1, 420 Hay Street Subiaco WA 6008 Ph: +61 8 6263 4494 Website: www.bossenergy.com Twitter: @Boss_Energy Email: boss@bossenergy.com	
AUDITORS	KPMG 235 St George's Terrace Perth WA 6000	
STOCK EXCHANGE LISTINGS	Australian Securities Exchange (ASX Code: BOE) OTCQX Market (OTCQX Code: BQSSF)	
SHARE REGISTRY	Automatic Registry Services Level 5, 126 Phillip Street Surry Hills NSW 2000 Ph: +61 2 9698 5414	

Directors' Report

The Directors present their report on the Group (consisting of Boss Energy Limited and the entities it controlled) at the end of, or during, the half-year ended 31 December 2022.

Directors

The names of the Directors in office at any time during or subsequent to the reporting period are:

Mr Peter O'Connor	(Non-Executive Chairman)
Mr Duncan Craib	(Managing Director)
Mr Bryn Jones	(Non-Executive Director)
Mr Wyatt Buck	(Non-Executive Director)
Ms Jan Honeyman	(Non-Executive Director)

Operating Results

The operating loss for the Group for the half-year ended 31 December 2022 was \$2.41 million (31 December 2021: profit of \$15.90 million).

The net assets of the Group reduced during the half-year period by \$1.58 million to \$234.98 million (30 June 2022: \$236.56 million).

The Group's working capital, being current assets less current liabilities, was \$115.43 million at 31 December 2022 (30 June 2022: \$131.00 million).

Principal Activities and Review of Operations

Boss Energy Limited is pleased to report on a highly successful six months during which the Company continued to implement its strategy to be Australia's next uranium producer at its Honeymoon project in South Australia. Honeymoon is a fully-permitted uranium operation with an export licence and \$170 million of established infrastructure, a plant under care and maintenance that has produced and exported uranium. All the relevant Heritage and Native Title mining agreements are in place.

Strong progress on construction and development during the period means Honeymoon is meeting or exceeding its timetables and continues to operate within budget.

At the time of writing, the project's committed expenditure was at the halfway mark, ensuring Boss is well on track to start production as planned in the December quarter of this year. This is a major achievement considering the widely reported cost inflation, skills shortages and delays plaguing the resources industry.

Importantly, all critical path items remain on track for delivery in line with the project schedule. To mitigate possible freight and logistic delays, Boss has placed a high priority on securing long-lead items. More than 83 procurement packages have been issued, valued at approximately A\$55.1M. The packages awarded to date are in line with the front-end engineering design (FEED) released to the ASX on 31 March 2022.

Development of the first three start-up wellfields on the Honeymoon deposit is progressing rapidly with three drill rigs currently working to fast-track well installation. At the time of writing, overall initial drilling works were 40 per cent complete and scheduled to be finished in coming months. The first 55 of the

Directors' Report

planned 86 pre-start wells have been successfully drilled and cased and 15 of 31 recompletions of existing wells have also been finished. Electrical, instrumentation and piping materials for the refurbishment of the wellfields have been ordered.

This outstanding result puts Boss in an enviable position, particularly against the backdrop of increasing tightness in the uranium market, which augurs very well for the uranium price in the second half of this year, meaning the Company is set to close in on production in an increasingly favourable environment for uranium, especially product which is sourced from western countries.

Appointment of General Manager and Growth of Construction and Operational Teams

Subsequent to the end of the period Boss appointed highly experienced mining professional James Davidson as General Manager of its Honeymoon uranium project. Mr Davidson, who is based in Adelaide, South Australia, started his career in the mining industry at Rio Tinto's Technology Development Centre before moving to Senior Metallurgist roles at Mt Gordon Copper and then at ERA's Ranger Uranium Mine. In 2004, he was recruited to undertake a key Technical Development role for Heathgate Resources in the expansion of the Beverley Uranium Mine.

In 2012, he co-founded Inception Consulting Engineers, he was the Senior Process Engineer for the engineering team developing BHP's Brownfields Expansion and the Lead Engineer role for the development of an ion exchange system for BHP's Olympic Dam project.

With vast experience in the uranium sector, including key technical, operational and/or management roles in all four of Australia's recent uranium operations, Mr Davidson is well-equipped to lead the Honeymoon project to success. With strong technical knowledge of the Honeymoon operation, having led teams for the development, implementation, and construction of the IX pilot plant for Boss' Honeymoon Field Leach trial in 2017.

Strong Balance Sheet

As at 31 December 2022, the Company held unrestricted cash and cash equivalents of A\$115.6M, which excludes a fully cash-backed environmental bond of A\$8.9M. Cash balances are being managed with a term deposit program to take advantage of the higher interest rate environment.

The Company also holds inventory of 1.25Mlb of U_3O_8 , which has a spot market value of A\$89.7M as of 31 December 2022. Combined with unrestricted cash, Boss has liquid assets of A\$205.3M, no long-term debt obligations, and a remaining estimated CAPEX spend of A\$97.7M, leaving it well-positioned to transform Honeymoon into production.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included within this financial report.

Directors' Report

Signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.



Peter O'Connor

Chairman

DATED at PERTH this 10th day of March 2023

Competent Person's Statement

In relation to the results of the Enhanced Feasibility Study announced 21 June 2021, the Company confirms that all material assumptions underpinning the production target and forecast financial information included in that announcement continue to apply and have not materially changed.

This announcement includes forward-looking statements. These forward-looking statements are based on the Company's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties, and other factors, many of which are outside the control of Boss Energy, which could cause actual results to differ materially from such statements. Boss Energy makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Boss Energy Ltd

I declare that, to the best of my knowledge and belief, in relation to the review of Boss Energy Ltd for the half-year ended 31 December 2022 there have been:

- i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. No contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Derek Meates

Partner

Perth

10 March 2023

For personal use only

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2022

	Note	Consolidated	
		Half-Year ended 31 December 2022 \$	Half-Year ended 31 December 2021 \$
Revenue			
Interest revenue		1,715,121	29,107
Loss/Gain on investment in uranium and financial assets	2	(1,001,096)	19,144,591
Other income	2	470	152,235
Expenses			
Employees and consultants		(1,295,617)	(1,292,216)
Professional and service fees		(214,564)	(289,917)
Financing charges		(63,876)	(55,975)
Exploration and evaluation expenditure		(105,892)	(930,048)
Share based payments expense		(823,524)	(280,536)
Other expenses	2	(619,269)	(577,903)
Loss/(profit) before income tax expense		(2,408,247)	15,899,338
Income tax expense		-	-
Loss/(profit) after income tax expense for the half-year		(2,408,247)	15,899,338
Other comprehensive income for the half year, net of tax		-	-
Total comprehensive loss/(profit) for the half-year		(2,408,247)	15,899,338
Basic loss/(earnings) per share (cents per share)		(0.68)	5.58
Diluted loss/(earnings) per share (cents per share)		(0.68)	5.33

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2022

	Note	Consolidated	
		31 December 2022 \$	30 June 2022 \$
Current Assets			
Cash and cash equivalents		115,599,596	132,642,841
Trade and other receivables		1,411,232	641,438
Other assets		325,900	103,215
Total Current Assets		117,336,728	133,387,494
Non-Current Assets			
Plant and equipment		77,689	65,816
Right of use asset		114,110	139,468
Intangible Assets		181,804	-
Investment in uranium	3	89,723,247	90,724,343
Other financial assets	4	8,957,463	8,957,463
Mine Development	5	29,701,505	14,903,915
Total Non-Current Assets		128,755,818	114,791,005
TOTAL ASSETS		246,092,546	248,178,499
Current Liabilities			
Trade and other payables	6	1,632,843	2,157,042
Lease liability		48,983	45,874
Provisions		226,887	181,661
Total Current Liabilities		1,908,713	2,384,577
Non-Current Liabilities			
Restoration provision		9,131,482	9,131,482
Lease liability		70,140	95,511
Total Non-Current Liabilities		9,201,622	9,226,993
TOTAL LIABILITIES		11,110,335	11,611,570
NET ASSETS		234,982,211	236,566,929
Equity			
Issued capital	7	270,493,102	270,493,102
Reserves		12,642,530	11,819,006
Accumulated losses		(48,153,421)	(45,745,179)
TOTAL EQUITY		234,982,211	236,566,929

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2022

Consolidated	Issued Capital	Accumulated Losses	Share Based Payment Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2022	270,493,102	(45,745,179)	11,819,006	236,566,929
Loss after income tax expense for the half-year	-	(2,408,242)	-	(2,408,242)
Total comprehensive profit for the half-year	-	(2,408,242)	-	(2,408,242)
Share based payments	-	-	823,524	823,524
Balance at 31 December 2022	270,493,102	(48,153,421)	12,642,530	234,982,211
Balance at 1 July 2021	151,617,044	(76,932,172)	10,774,712	85,459,584
Profit after income tax expense for the half-year	-	15,899,338	-	15,899,338
Total comprehensive loss for the half-year	-	15,899,338	-	15,899,338
Share based payments	-	-	280,536	280,536
Balance at 31 December 2021	151,617,044	(61,032,834)	11,055,248	101,639,458

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2022

	Consolidated	
	Half-Year ended 31 December 2022 \$	Half-Year ended 31 December 2021 \$
Cash flows from operating activities		
Payments to suppliers and employees	(2,540,185)	(1,729,172)
Payments for mineral exploration and evaluation	(836,373)	(736,598)
Proceeds from government grants and tax incentives	-	150,000
Net interest received	1,395,825	23,504
Net cash used in operating activities	(1,980,733)	(2,292,266)
Cash flows from investing activities		
Payments for mine development activities	(14,797,589)	(923,694)
Payments associated with investment in uranium	(329,882)	(367,252)
Payments for plant and equipment	(214,875)	(2,189)
Payments for security bonds	(42,433)	-
Proceeds on disposal of plant and equipment	470	2,235
Proceeds from disposal of financial assets	-	1,018,995
Net cash used in by investing activities	(15,384,309)	(271,905)
Cash flows from financing activities		
Payment for lease liability	(18,620)	-
Net cash provided by financing activities	(18,620)	-
Net increase in cash and cash equivalents	(17,383,662)	(2,564,171)
Cash and cash equivalents at beginning of the period	132,642,841	20,873,411
Exchange differences on cash and cash equivalents	340,417	1,291
Cash at the end of the financial half-year	115,599,596	18,310,531

The accompanying notes form part of these financial statements

For personal use only

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose interim financial statements of Boss Energy Limited (**Boss** or the **Company**) and controlled entities (**Group**) for the half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by Boss during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

Adoption of new and revised Accounting Standards

Standards and Interpretations applicable to 31 December 2022

In the period ended 31 December 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group.

Standards and interpretations in issue not yet effective

The directors have also reviewed all of the new and revised standards and interpretations in issue not yet effective for the half-year ended 31 December 2022.

As a result of this review, the directors have determined that there will be no material impact of these standards and interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

NOTE 2: SIGNIFICANT INCOMES AND EXPENDITURES

	Consolidated	
	Half-Year ended 31 December 2022 \$	Half-Year ended 31 December 2021 \$
Loss/Gain on investment in uranium and financial assets		
Gain on disposal of listed investments	-	439,574
Increase in fair value of uranium	(1,001,096)	18,705,017
	(1,001,096)	19,144,591
Other income		
Government grants received	-	150,000
Other	470	2,235
	470	152,235
Other expenses		
Depreciation	(38,789)	(16,192)
Expenses associated with investment in uranium	(338,147)	(323,172)
Rent	(55,941)	(42,501)
Other expenses	(186,392)	(196,038)
	(619,269)	(577,903)

NOTE 3: INVESTMENTS IN STRATEGIC URANIUM INVENTORY

	Half-Year ended 31 December 2022 \$	Year ended 30 June 2022 \$
Balance at beginning of period	90,724,343	53,872,850
Loss/gain on investment in uranium inventory	(1,001,096)	36,851,493
Carrying amount at end of the period	89,723,247	90,724,343

The investment in uranium is held for long-term capital appreciation. Due to the lack of specific AASB guidance on accounting for investments in uranium the Directors consider that measuring the investment in uranium at fair value provides information that is most relevant to the economic decision-

For personal use only

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

making of users. Consequently, the investment in uranium is presented at fair value through profit and loss which reflects that the nature of the investment being held is for long-term capital appreciation.

On 31 December 2022, the spot price of uranium was US\$48.63 per pound. With a USD/AUD exchange rate of 0.6775 this resulted in a loss on the investment in uranium over the six-month period of (\$1,001,096). All uranium owned by the Company is stored at the ConverDyn Facility in Metropolis, Illinois.

NOTE 4: OTHER FINANCIAL ASSETS

	Consolidated	
	Half-Year ended 31 December 2022 \$	Year ended 30 June 2022 \$
Security bonds	8,957,463	8,957,463
Movement in listed investments at fair value:		
Opening fair value at beginning of period	-	579,421
Increase in fair value of listed investment	-	439,574
Proceeds from sale of listed investments	-	(1,018,995)
Closing fair value at end of period	-	-
Movement in security bonds:		
Opening value	8,957,463	8,882,380
Increase in security bonds	-	75,083
Closing value	8,957,463	8,957,463

Security bonds are term deposits held as security and deposits held by service providers. The term deposits are held by Australian banks, with at least 'A' credit rankings, and the Department for Energy and Mining. No impairment provisions are recognised for security bonds as they are expected to be fully recoverable.

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

NOTE 5: MINE DEVELOPMENT

	Consolidated	
	Half-Year ended 31 December 2022 \$	Year ended 30 June 2022 \$
Balance at the beginning of the period	14,903,915	-
Additions	14,797,590	14,903,915
Balance at the end of the period	<u>29,701,505</u>	<u>14,903,915</u>

Mine development property represents the costs incurred in preparing mines for production and includes plant and equipment under construction and operating costs incurred before production commences. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases. When production commences, the accumulated costs are transferred to property, plant and equipment and mine properties, as relevant, and are depreciated according to the rate of depletion of the economically recoverable reserves.

For personal use only

Notes to the Consolidated Financial Statements
For the Half-Year Ended 31 December 2022

NOTE 6: TRADE AND OTHER PAYABLES

	Consolidated	
	Half-Year ended 31 December 2022 \$	Year ended 30 June 2022 \$
Trade payables	1,337,584	1,538,295
Accrued expenses	295,259	618,747
	<u>1,632,843</u>	<u>2,157,042</u>

NOTE 7: ISSUED CAPITAL

Issued capital – share options issued for cash	1,000	1,000
Issued capital – fully paid ordinary shares	270,492,102	270,492,102
	<u>270,493,102</u>	<u>270,493,102</u>

	Number	Number
Ordinary Shares		
Balance at the beginning for the period	352,578,862	2,278,276,306
Shares issued following exercise of Options	-	5,564,516
Completion of capital consolidation	-	(1,998,360,003)
Shares issued following exercise of Options	-	8,958,735
Shares issued under a Placement (T1)	-	42,822,015
Shares issued under SPP	-	2,325,355
Shares issued under a Placement (T2)	-	12,991,938
Balance at the end of the period	<u>352,578,862</u>	<u>352,578,862</u>

No shares issued during the six-month ended 31 December 2022.

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

NOTE 8: CONTINGENT LIABILITIES AND COMMITMENTS

The contingent liabilities of the Group to the vendor of the Honeymoon Uranium Project, Uranium One Inc, are:

- \$2 million payable in cash and/or shares upon 90 days of continuous production of uranium.
- 10% of positive annual net operating cash flow in the production of uranium, capped at \$3 million in total.

The Group has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the financial statements. Due to the nature of the Group's operations in exploring and evaluating areas of interest, expenditure may be reduced by seeking exemption from individual commitments, by relinquishment of tenure or any new joint venture arrangements. Expenditure may be increased when new tenements are granted, or joint venture agreements amended.

Following the Company's Final Investment Decision, which was announced on 1 June 2022, the Company has made significant advances in wellfield development, camp, infrastructure and chemical services and procurement. A number of procurement packages have been committed to.

As at 31 December 2022, the total value of open capital commitments was \$41 million.

NOTE 9: DIVIDENDS

There were no dividends paid, recommended or declared during the current half year or previous financial year.

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

NOTE 10: SEGMENT REPORTING

The Group is organised into one operating segment, focused on conducting exploration and feasibility studies on tenements considered prospective for uranium in Australia. This is based on the internal reports that are being reviewed and used by the Board of Directors who are identified as the Chief Operating Decision Makers in assessing performance and in determining the allocation of resources. As a result, the operating segment information for the half-year ended 31 December 2022 is as disclosed in the statements and notes to the financial statements throughout the report.

Although the Company has one operating segment in Australia, all uranium owned by the Company, being 1.25 million pounds, is currently stored at the ConverDyn Facility in Metropolis, Illinois.

For personal use only

Directors' Declaration

In the opinion of the Directors of Boss Resources Limited:

1. The financial statements and notes, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution by the Board of Directors made pursuant to section 303(3)(a) of the Corporations Act 2001.



Peter O'Connor
Chairman

DATED at PERTH this 10th day of March 2023



Independent Auditor's Review Report

To the shareholders of Boss Energy Ltd

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Boss Energy Ltd.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Boss Energy Ltd does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the **Group's** financial position as at 31 December 2022 and of its performance for the Half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises

- Consolidated statement of financial position as at 31 December 2022;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date;
- Notes 1 to 10 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Boss Energy Ltd (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

For personal use only



Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- The preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- Such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Derek Meates
Partner
Perth
10 March 2023

For personal use only