

Honeymoon period set for beginning

ADFS on the Honeymoon uranium project in South Australia is expected to be completed in November.

GR Engineering Services Ltd is lead consultant for the Honeymoon study, with project owner Boss Resources Ltd also beefing up its capabilities in the sector by appointing international uranium expert Bryn Jones as technical director.

Honeymoon was placed on care-and-maintenance in 2013 by then-owner Uranium One Australia Pty Ltd and yellowcake prices since have not spurred a rush back to production.

However, the uranium sector appears poised for a reboot in the coming years and Boss managing director Duncan

from investors like Tribeca Investment Partners Pty Ltd (9.81%) and Paradise Investment Partners Pty Ltd (9.81%), while a dedicated uranium fund from Brazil and two from the US have taken to Boss more recently.

Craib told **Paydirt** there was growing recognition in the market that uranium supply was needed from both idle production and new mines, which would only occur on the back of stronger uranium prices.

"Once the uranium price runs it is going to be hard for investors to enter this market with production and sales secured," Craib said.

"We have solid relationships with a variety of international institutions and

moon project is and that it is destined to be the next uranium supplier."

Boss' phase one restart of Honeymoon is forecast to cost about \$US10 million to produce 880,000 lbpa at AISC of \$US24/lb and operating costs of \$US16/lb.

Honeymoon is currently the only non-producing uranium mine primed for production in Australia.

"From our perspective, when we see the spot price at around \$US30/lb [at the time of print it was \$US25-26/lb], it would imply contract prices of about \$US40/lb and that is when we will start getting excited," Craib said.

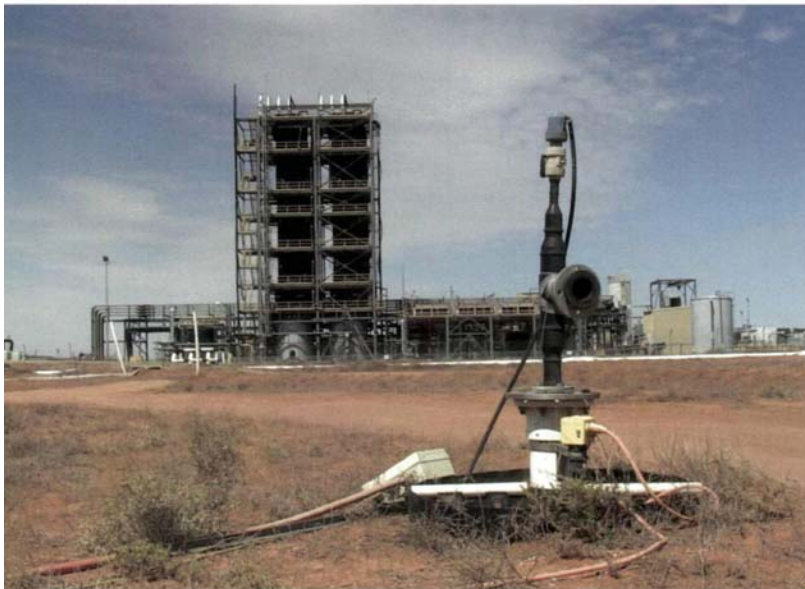
"It goes back to delivering our shareholders an IRR greater than 40% and a really positive NPV and from all our modelling that is what we are targeting. The market is not there yet, but we're not far off, and in the meantime we are doing everything we can to prepare Honeymoon for the restart."

With limited options to participate in ready-for-production uranium projects in Australia, Honeymoon offers a rare opportunity for investors and a successful restart programme could bode well for the rest of the sector.

"One of views is that there will be a key number of projects that get into production in this first phase of the cycle and that has been a big focus for us. Boss ticks a lot of boxes for us; it is a smallish cap type of project that is going to be able to sit alongside some of the bigger projects coming back to market in the first stage," Tribeca commodities analyst Guy Keller told **Paydirt**.

"That doesn't mean the others in the market don't benefit. I don't know what the magical spot price has to be [to generate activity], but if it clears \$US30/lb, then people are going to be coming into the space and saying; 'what is available, who has deposits, who has good deposits, who is cheap?' The answer to that is that there is a lot of value to be realised in some of the juniors and it is no fault of what they own or what they are doing, it is just a function of being in a market that has been very ignored from institutions and fairly ignored from the retail."

– Mark Andrews



A DFS on Honeymoon is schedule for completion by the end of 2019. In the meantime, exploration to expand the current global resource of 71.6 mlb uranium continues

Craib hopes to have Honeymoon in shape for a restart.

The Australian Government renewed a 3.3 mlbpa export permit at Honeymoon in April.

The award of the Mineral Export Permit means all necessary approvals for production are in place at Honeymoon.

State and Federal support for Honeymoon is being met with enthusiasm

US utilities and we are discussions for off-take agreements. The US utilities send us [request for purchase] RFPs, which is the tendering process for purchase and we generally respond and have done to a number of them. That in itself is a very positive endorsement of Honeymoon being considered in that tendering process and it is really a testament to how far advanced the Honey-