

FCW EXCLUSIVE

Craib: 'Walking Towards the Starting Line' at Honeymoon

By Andrea Jenetta, Publisher

Fuel Cycle Week had a chance to sit down with Boss Managing Director/CEO Duncan Craib during the WNFC conference in Miami to talk about restart activities at the Honeymoon ISR project in South Australia.

Before joining Boss, Craib worked at Swakop Uranium from 2012 to 2016, helping to develop, construct and operate Husab. Prior to that, he served as CFO and company secretary at Kalahari Minerals with its 43% holding in Extract Resources.

Honeymoon's current global mineral resource endowment has increased by 433% over the past three years and now stands at 71.67 million pounds U₃O₈, representing 52Mt at an average grade of 620ppm. The fully permitted mining license that sits on top of the re-start area contains 34 million pounds.

FCW: Since acquiring Honeymoon in December 2015 from Uranium One, Boss has stayed under the radar. Why take this approach?

Craib: For the past four years, Boss has focused on steadily addressing the technical and commercial challenges to de-risk the project, which never produced to nameplate capacity while Uranium One owned it.

Before I joined in 2017, Boss had completed a positive scoping study that led to a pre-feasibility study and initial expansion drilling.

Since I came on board, we've launched a successful field leach trial on the back of the positive PFS. That culminated in the three-phase re-start strategy.

We announced the first phase results in early April and they confirmed NIMCIX as the right exchange technology and defined the final process flowsheet for Honeymoon's expansion.

So it isn't so much staying under the radar, but taking a slow approach and doing things properly, in the right way. I like to say that we're walking toward the starting line to bring a company to market with the ability to pick up the pace. We're not there yet.

FCW: It sounds like Boss is being very methodical. But most investors have short attention spans. With so much uncertainty over the uranium price recovery, do you worry about how your share price is performing?

Craib: It's challenging to secure what I like to call "patient" capital. I'm talking about investors that are more dedicated and have a long-term view. There are investors like this at the conference. They get it. They know the uranium market is slow and steady with a huge upside. It's going to happen. We just don't know when.

I'm happy with Boss's investors, who also get it. There are only two firms with major stakes, Tribeca and Paradice, and they own about 10% each. The rest are individuals and other investment funds with smaller holdings.

Right now our market cap is A\$80 million (\$56 million). We may eventually list in New York, London and Hong Kong but it's not the right time to justify the cost.

FCW: You mentioned that Boss released the Phase 1 results in early April. What were the key technical successes? With Phase 2 underway, what activities are you focused on to support Honeymoon's DFS?

The objectives of Phase 1 were to generate the final input data required for the DFS and identify opportunities to simplify the production process and reduce capex and opex. I'm happy with what we achieved.

Working together with ANSTO, for example, the testwork programs improved upon the resin elution stage used in the IX process and identified a performance step-change that has allowed us to exclude the nano-filtration step in the flowsheet.

We also identified that the existing installed precipitation circuit is capable of treating the additional solutions from the IX circuit, meaning we can do away with the new second circuit as had been provided for in the PFS. This is a notable cost savings of \$A4 million (\$2.8 million).

For the DFS, we are now tendering for the appointment of an engineering company to complete it. Engineering works such as process, design and cost estimation will use the results of the Phase 1 studies, along with the outputs of wellfield design, to deliver an independent feasibility study report. We're aiming for completion by the end of the third quarter.

FCW: There are a lot of juniors in the space making noise and vying for attention from a limited number of utilities. What kind of reception is Boss getting from fuel buyers?

Craib: We are very fortunate to have Sashi Davies leading our involvement with utilities and providing strategic advice on the industry as a whole. Soon after joining Boss she recognized the Honeymoon project had pretty much slipped off the radar for many utilities and investors.

Our first task was to show that the resources at Honeymoon could be extracted efficiently and with a high specification, and the feedback we have had since we completed this has been very positive. Now we're encouraged by our discussions with utilities as Honeymoon is seen as a real and near-term supply prospect, with a cost structure which would make it economic at similar levels required to restart recently idled Tier 1 production.

Everyone in the market recognizes that new supply is needed from both idled and new mines and the price has to rise to bring this supply on. The market is not there yet, but we are not far off.

FCW: Honeymoon has come a long way in a few short years. Do you think market observers are surprised at what Boss has achieved?

Craib: Having been initially told by some that "you're dreaming," results to date prove we have technically de-risked Honeymoon and expanded our JORC resource.

We've been honest in our approach and "given it a fair go," and I can't wait for the day when we restart operations and reward the faith shown in us by our many supportive stakeholders, from traditional owners to local community, federal and state government, employees and contractors and, of course, shareholders. ●