



Honeymoon Uranium Project, South Australia

Boss takes key step towards securing project finance and becoming Australia's next uranium producer

Strategy will see Enhanced Feasibility Study, project funding and offtake agreements progressed in parallel to ensure Boss capitalises on forecast increase in uranium price

Boss Energy Ltd (ASX: BOE) is pleased to announce that it has taken a key step in its strategy to be Australia's next uranium producer, starting discussions with global lenders in regards to funding the resumption of operations at its Honeymoon Uranium Project in South Australia.

The estimated CAPEX funding requirement for Honeymoon is just US\$63.2 million¹. This is one of the lowest funding requirements of any pre-production uranium project worldwide, reflecting Honeymoon's status as an established project with an existing full processing plant and infrastructure.

Boss has already signed confidentiality agreements with several global lenders and formal indicative financing proposals are now being sought with a view to ensuring debt funding is well advanced when the Company seeks to finalise offtake agreements.

At the same time, Boss is on track to complete the Enhanced Feasibility Study (EFS) on Honeymoon in the coming quarter.

Boss Managing Director, Duncan Craib, said completion of the EFS, project financing and offtake was expected to coincide with a rising uranium price.

"There is a widespread expectation that uranium prices will rise in the near term as the supply deficit grows," Mr Craib said.

"Our strategic timetable is aimed at ensuring we are in a position to sign long-term offtake agreements when prices strengthen, locking in robust margins and substantial free cashflow in the process.

"This strategy is underpinned by the fact that the 100 per cent-owned Honeymoon is already fully permitted, including the permit to export uranium. It also has an existing plant (in care and maintenance) and a large JORC Resource and will have one of the lowest operating costs among uranium producers worldwide."

Strong progress is being made on the EFS, which is aimed at reducing costs and increasing nameplate capacity up to 2.45Mlb/annum U₃O₈ by removing the existing solvent extraction columns at Honeymoon and replacing them with new NIMCIX columns.

¹ Refer ASX announcement dated 21 January 2020. All material assumptions underpinning the forecast financial information (and the production targets on which such forecast financial information is based) continue to apply and have not materially changed.

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Importantly, the EFS provides a base case to fast-track uranium production from Honeymoon's restart area from only 35.9Mlb of the Project's global mineral resource (JORC 2012) of 71.6Mlb². No further permitting is required to resume production and Honeymoon has a valid Uranium Mineral Export Permission for 3.3Mlb/annum³.

This means there is substantial scope to extend the mine life and increase the production profile from the remaining identified JORC resources. There are also genuine growth opportunities from Honeymoon's significant defined Exploration Target⁴.

The combination of this increased production rate and the lower costs stemming from the new NIMCIX columns has the potential to increase free cashflow generation substantially.

"Our strategy is designed to ensure we have all the pieces of the puzzle in place to capitalise on the forecast increase in uranium prices," Mr Craib said.

"The price at which we enter into offtake agreements is dependent on our all-in costs and how we structure financing terms and maximise shareholder returns. Given that our all-in costs (before any potential EFS savings) are US\$32/lb¹, and currently the long-term price index is in the high US\$30s/lb, we are very well-positioned for the long-awaited uranium price correction.

"We will complete the EFS and progress project funding so that when the widely-predicted uranium price rises materialise in the near term, we will be poised to meet our goal of becoming Australia's next uranium producer with very robust margins and strong free cashflow."

This ASX announcement was approved and authorised by the Board of Boss Energy Limited.

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² Refer ASX announcement dated 25 February 2019. Refer Appendix 1 for Honeymoon JORC 2012 Resource.

³ Refer ASX announcement dated 8 April 2019.

⁴ Refer ASX announcement dated 25 March 2019.

APPENDIX 1: Honeymoon Project Mineral Resource (lower cut-off of 250 ppm U₃O₈)

Classification	Tonnage (Million Tonnes)	Average Grade (ppm U ₃ O ₈)	Contained Metal (Mkg, U ₃ O ₈)	Contained Metal (Mlb, U ₃ O ₈)
Measured	3.1	1,100	3.4	7.6
Indicated	18.4	630	12.0	25.5
Inferred	30.9	570	18.0	38.5
Total	52.4	620	32.5	71.6

Reference to previous ASX announcements

In relation to the results of the Feasibility Study announced 21 January 2020, 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. Nothing in this announcement pre-empts the findings of the Enhanced Feasibility Study currently being undertaken.

In relation to the Mineral Resource announced on 25 February 2019, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in that market announcement continue to apply and have not materially changed.

Forward-Looking Statements

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.