

Boss 'perfectly placed' for new uranium cycle

BOSS Energy has improved the economics of its Honeymoon uranium study in South Australia, paving the way for the project to move to the next stage.



Boss Energy's Honeymoon uranium project in South Australia

Exploration / Development > Feasibility

The company released the results of an enhanced feasibility study, which saw a 35% rise in the project's pre-tax net present value to US\$309 million.

Comments

Capital costs to restart the mine fell 14% to \$60.19 million, though the capex for additional IX columns to expand production by 22.5% to 2.45 million pounds of uranium is \$19.82 million, taking total capex, including contingency, to \$80 million.

Share

Kristie Batten

The pre-tax internal rate of return is 47%, while the payback period has dropped six months to 3.5 years.



All-in costs have fallen by 11% to \$31.86 per pound, all-in sustaining costs are down 16% to \$25.62/lb and cash costs are 21% lower at \$18.46/lb.

The EBITDA margin is forecast at 62%.

The study was based on a uranium price of \$60/lb.

While the spot price is about \$31/lb, contract prices are in the high \$30s and Boss believes \$60/lb is the incentive price to spur new production.

Boss managing director Duncan Craib said Honeymoon was already an extremely robust project.

"The outlook is even stronger when viewed against the widely-held belief in financial and energy markets that the uranium price is set to continue climbing on the back of a supply shortage, declining inventories and growing demand due to its carbon-free status," he said.

"This study demonstrates that Boss is perfectly placed to capitalise on a strengthening uranium market with an existing plant and mine in a tier one location with low costs and strong financial returns.

Boss recently acquired 1.25Mlb of uranium oxide, which has a value of \$75 million, but was not included in the study.

Craib said the inventory would provide increased flexibility funding and offtake negotiations were progressed.

The study was based on just 36Mlb of the total Honeymoon resource of 71.6Mlb.

Boss is planning further exploration across near-mine and regional targets.

Shares in Boss were down 1.5% to A15.7c, valuing the company at \$357.7 million.



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