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# Equity Raising to fund Boss to become Australia's next uranium producer

## Proceeds will be used to fund the development of Boss' Honeymoon Uranium Project in South Australia

### Highlights

- Two-tranche Placement to raise up to \$120m at \$2.15 a share ("Placement")
- Tranche 1 of the Placement to raise \$92.1m utilising existing Listing Rule 7.1 placement capacity
- Tranche 2 of the Placement to raise \$27.9m, subject to shareholder approval at a General Meeting to be held in April 2022
- Issue price is a discount of 11.2% to the last closing price and 17.0% to the 5-day VWAP
- Share Purchase Plan ("SPP") to raise up to an additional \$5m at the same offer price as the Placement
- Proceeds of the Placement and SPP will increase the combined value of Boss' cash and strategic uranium inventory to over \$200m, and fund the development of its Honeymoon Uranium Project in South Australia
- As a permitted mine, Boss is set to become Australia's next uranium producer, production expected <18 months from commencement of development
- Boss' LOM average AISC is US\$25.6/lb versus spot uranium price of ~US\$60/lb

Boss Energy Limited (ASX: BOE; OTCQX: BQSSF) ("Boss" or "the Company") is pleased to announce that it has launched a \$125 million equity raising which will fund the development of its Honeymoon Uranium Project in South Australia to first production.

The capital raising comprises a two-tranche share placement to raise up to \$120 million (before costs) and a Share Purchase Plan ("SPP") will be offered to eligible Boss shareholders with registered addresses in Australia or New Zealand to raise up to an additional \$5 million.

The placement and the SPP are priced at \$2.15 a share.

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The Company retains the right to close the SPP as soon as \$5 million in applications have been received by the Company. Together, the Placement and SPP are the “Equity Raising”.

The Equity Raising allows Boss to:

- **Complete its FEED Study** – practically complete (due in March '22) and remains materially in line with EFS results
- **Fund development** – fund \$113m development costs (including contingency) whilst maintaining A\$100m strategic inventory and balance sheet flexibility<sup>1</sup>
- **Secure long-lead time items** – including IX columns & Water Treatment Plant to further de-risk development
- **Restart development** – post FEED and subject to COVID-19 logistic and sourcing issues, commence construction with production expected c.18 months from commencement
- **Continue engagement with utilities for long-term contracts** – continue negotiations with potential offtake partners on the right terms to lock in robust margins, however raising ensures Boss is not reliant on offtake for development funding and remains well capitalised to maximise the benefit of the rising Uranium market
- **Well capitalised balance sheet** – use of equity to fund development de-risks project and retains maximum financial flexibility through commissioning and for future growth initiatives
- **Continue exploration focus** – substantial scope to extend LOM and/or increase production profile

**Boss Managing Director Duncan Craib, said:**

*“The capital raising will ensure Boss is funded through to the start of production at Honeymoon. We have deliberately structured our funding to maintain a highly conservative and robust balance sheet with no debt, \$135m of net cash and an additional \$100m contingency from our existing strategic uranium inventory. We have not attained any debt as it requires fixing the uranium price through long term contracts. Boss anticipates that committing to long-term contracts in the current rising uranium price environment would adversely impact the long term upside potential of Boss and we intend to wait for further increases in contract prices before making any offtake commitments.*”

*“We are cognisant of the working capital issues that single asset developers before us have come across, and hence we have worked relentlessly towards de-risking Honeymoon. This includes the current advanced FEED study, compiling our best-in-class development and operational team, the purchase of our 1.25Mlb strategic inventory and now through our conservative funding structure with no debt and significant balance sheet flexibility.*”

*“With the uranium market’s continuing recovery, Boss to be funded (post equity raising) and Honeymoon having a unique short timeframe to production with all permits in place, Boss will be perfectly positioned to become the uranium producer of choice for investors and customers alike.”*

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<sup>1</sup> 1.25Mlb of Strategic Inventory valued at ~A\$100m based on US\$60/lb and AUD:USD 0.72.

## Placement

The Placement comprises two tranches, with the first tranche of approximately 42.8 million fully paid ordinary shares in the Company (“New Shares”), at an issue price of \$2.15 per New Share, to raise approximately \$92.1m (before costs) utilising the Company’s existing ASX Listing Rule 7.1 placement capacity.

The second tranche of the Placement will be completed subject to Boss shareholder approval at a General Meeting to be held in April 2022 and, if approved, will result in the issue of a further approximately 13.0 million New Shares also at \$2.15 per New Share, to raise approximately \$27.9m (before costs). The New Shares issued under the Placement will rank equally with Boss’ existing shares.

The issue price of \$2.15 per New Share represents a:

- 11.2% discount to the last closing price of \$2.42 per share on 15 March 2022
- 17.0% discount to the 5-day VWAP
- 14.5% discount to the 10-day VWAP

An indicative timetable for the Placement and SPP is set below. The timetable remains subject to change at the Company’s discretion, subject to compliance with applicable laws and the ASX Listing Rules.

In parallel with the Placement, four Boss Directors will sell down in aggregate approximately \$5m of Boss shares they currently hold (representing on average no more than 25% of their total holding on a fully diluted basis), and have each committed to hold their remaining shares until at least first production at Honeymoon.

The sell-down is in addition to the \$120m placement and \$5m SPP and does not impact proceeds to be received by the Company.

## SPP

The SPP aims to raise up to \$5m (before costs) and will enable all eligible Boss shareholders (including retail shareholders) with registered addresses in Australia and New Zealand at 5:00pm (WST) on the Record Date of Tuesday, 15 March 2022 (“Eligible Shareholders”) the opportunity to apply for New Shares at the same offer price as the Placement.

Eligible Shareholders will be offered the opportunity under the SPP to apply for up to \$20,000 worth of New Shares (subject to scale back at the Company’s absolute discretion). The Company reserves the right to close the SPP early as soon as applications of at least \$5m have been received.

New Shares issued under the SPP will rank equally with Boss’ existing shares. The terms and conditions of the SPP will be set out in a SPP Offer Booklet that will be released on ASX and provided to Eligible Shareholders in accordance with the timetable.

## Use of Proceeds

The table below outlines the sources and uses of funds to bring Honeymoon into production. In addition to the below, Boss retains 1.25Mlb of Strategic Inventory valued at c.\$100m (at US\$60/lb) which provides additional balance sheet flexibility.

Sources	A\$m	Uses	A\$m
Placement	120	Honeymoon Development Costs (incl contingency)	113
SPP	5	Working Capital	24
Existing Cash (as at 28 February 2022)	17	Equity Raising Costs	5
<b>Total Sources</b>	<b>142</b>	<b>Total Uses</b>	<b>142</b>

## About Honeymoon Mine

Boss' Honeymoon uranium mine is a technically proven, low-cost restart uranium project located in South Australia. Key highlights of the project include:

- Historically produced and exported uranium to global markets
- Industry competitive upfront capital requirement of only c.US\$80m, given historical sunk infrastructure cost of \$170m
- Located in a Tier 1 jurisdiction of South Australia – a destination of choice for utilities
- Fast track to production, <18 months to first production
- Low cost producer with LOM average AISC of US\$25.6/lb and AIC of US\$31.9/lb<sup>2</sup>
- Fully permitted with all native title agreements in place and an existing 3.3Mlbs p.a. export permit<sup>3</sup>
- Employs In-situ recovery (ISR) mining method which is a low impact ESG friendly method
- Total JORC Resource of c.71.6Mlb U<sub>3</sub>O<sub>8</sub>,<sup>4</sup> with only c.50% of the resource currently incorporated within the restart mine plan – significant upside potential
- In addition to the JORC Resource, Honeymoon has a substantial Exploration Target of between 58Mlbs to 190Mlbs at grades of between 340ppm to 1,080ppm U<sub>3</sub>O<sub>8</sub><sup>5</sup>

## Advisers

Macquarie Capital (Australia) Limited, Aitken Murray Capital Partners, and Canaccord Genuity (Australia) Limited are acting as Joint Lead Managers to the Placement.

Sternship Advisers are acting as financial adviser and Thomson Geer as legal adviser to Boss in relation to the Equity Raising.

<sup>2</sup> Uranium production based on June 2021 EFS. Refer to ASX announcement dated 21 June 2021. Boss confirms that all material assumptions underpinning the production targets and forecast financial information from the production targets, as reported on 21 June 2021, continue to apply and have not materially changed.

<sup>3</sup> Refer to ASX announcements dated 8 April 2019 and 21 June 2021.

<sup>4</sup> Refer to ASX announcement dated 25 February 2019. Refer Appendix 1 for Honeymoon JORC 2012 Resource.

<sup>5</sup> Refer to ASX announcement dated 25 March 2019 and Appendix 1. The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain whether future exploration will result in the definition of a Mineral Resource.

## Indicative timetable

Key dates	Date / time (Sydney time)
Record Date for Eligibility to participate in SPP	7.00pm, Tuesday, 15 March 2022
Announcement of Placement	Wednesday, 16 March 2022
Announcement of completion of Placement and trading halt lifted	Friday, 18 March 2022
Settlement of Tranche 1 Placement Shares	Wednesday, 23 March 2022
Allotment of Tranche 1 Placement Shares	Thursday, 24 March 2022
Dispatch SPP offer documents	Friday, 25 March 2022
SPP Opening Date	Friday, 25 March 2022
Dispatch of Notice of Meeting	Tuesday, 29 March 2022
SPP Closing Date	Thursday, 7 April 2022
Announcement of SPP Participation Results	Tuesday, 12 April 2022
Issue of New Shares under SPP	Wednesday, 13 April 2022
Trading of New Shares issued under SPP	Thursday, 14 April 2022
Shareholder Meeting to approve Tranche 2 Placement	Friday, 29 April 2022
Settlement of Tranche 2 Placement	Wednesday, 4 May 2022
Allotment of Tranche 2 Placement	Thursday, 5 May 2022

The timetable is indicative only and remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules. The Company reserves the right to change the timetable or cancel the SPP at any time before new Shares are issued, subject to regulatory requirements. The Company encourages Eligible Shareholders who wish to participate in the SPP to act promptly in submitting their application forms. The Company reserves the right to close the SPP early, by making an announcement to the ASX

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

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All dollar amounts are in Australian dollars unless otherwise stated.

### ***References to previous ASX announcements***

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.

The mineral resource estimates in this announcement were reported by the Company in accordance with ASX Listing Rule 5.8 on 25 February 2019. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcement and that all material assumptions and technical parameters underpinning the estimates in the previous announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The exploration target referred to in this announcement was reported by the Company in accordance with ASX Listing Rule 5.7 on 25 March 2019. The Company confirms 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 the previous announcement continue to apply and have not materially changed. The exploration target does not include areas of the existing Mineral Resource and the potential quantity and grade reported are conceptual only in nature. Insufficient exploration has been conducted to estimate a Mineral Resource and it is uncertain whether future exploration will lead to the estimation of a Mineral Resource in the defined areas.

### ***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, which could cause actual results to differ materially from such statements. Boss 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.

### ***Not an offer in the United States***

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

## APPENDIX 1 - Honeymoon Project Mineral Resource (lower cut-off of 250 ppm U<sub>3</sub>O<sub>8</sub>)

The global Honeymoon Mineral Resource stands at **71.6 Mlb (52.4Mt)** with an average grade of **620ppm U<sub>3</sub>O<sub>8</sub>**, using a cut-off grade of **250ppm**, as summarised in **Table 1**.

In addition to the global Mineral Resource, the Honeymoon Uranium Project also has an Exploration Target range of **28 Mt to 133 Mt of mineralisation at a grade of 340 ppm to 1,080 ppm U<sub>3</sub>O<sub>8</sub>** for a contained **58 Mlbs to 190 Mlbs U<sub>3</sub>O<sub>8</sub> (26,300 to 86,160 tonnes of contained U<sub>3</sub>O<sub>8</sub>)**, using a cut-off of **250ppm**. Note the potential quantity and grade of the Exploration Target range is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain whether future exploration will result in the definition of a Mineral Resource.

*Table 1: Summary of upgraded Mineral Resource for the global Honeymoon Uranium Project*

Resource Classification	Tonnage (Million Tonnes)	Average Grade (ppm U <sub>3</sub> O <sub>8</sub> )	Contained Metal (Kt, U <sub>3</sub> O <sub>8</sub> )	Contained Metal (Mlb, U <sub>3</sub> O <sub>8</sub> )
<b>Jason's (March 2017)</b>				
Inferred	6.2	790	4.9	10.7
<b>Gould's Dam (April 2016)</b>				
Indicated	4.4	650	2.9	6.3
Inferred	17.7	480	8.5	18.7
<b>Honeymoon Restart Area (January 2019)</b>				
Measured	3.1	1,100	3.4	7.6
Indicated	14	610	8.7	19
Inferred	7.0	590	4.1	9.1
<b>GLOBAL HONEYMOON URANIUM PROJECT</b>				
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
<b>Total</b>	<b>52.4</b>	<b>620</b>	<b>32.5</b>	<b>71.6</b>