



Honeymoon Uranium Project, South Australia

Committed expenditure reaches halfway mark, putting project on time and budget

Boss on track to be Australia's next uranium producer with start-up set for December quarter

Boss Energy Limited (ASX: BOE; OTCQX: BQSSF) is pleased to announce that it continues to make strong progress on all fronts at its Honeymoon uranium project.

Committed expenditure under the re-development program has now reached the halfway mark, totalling A\$55.1M of the budgeted ~A\$105.4M CAPEX, excluding a A\$7.6M contingency. Achievement of this major milestone means the project is running on time and on budget.

Boss has cash on hand of A\$115.6M¹ and a strategic uranium stockpile valued at A\$88.3M² based on current spot prices, ensuring it is fully-funded through to production.

Boss Managing Director Duncan Craib said: "To reach the halfway mark on time and on budget at any project is an outstanding achievement, particularly given the current high-inflation environment shortages of skills and equipment. I would like to thank our staff and contractors for their dedication.

"This result positions Boss to capitalise on the growing demand for uranium, especially from western countries, as leading utilities around the world look to lock-in new long-term contracts and diversify from Russia as a supplier.

"The strong outlook is reflected in the growing level of inquiry we are receiving from utilities, which is coinciding perfectly with the development progress at Honeymoon, setting us up for a pivotal second half of the year".

Mr Craib said the incentive price needed to establish new uranium mines had risen to around US\$80/lb compared with the current spot price of US\$48.75/lb.

"Costs for new mines, with some notable exceptions, have risen as inflationary effects are included in feasibility studies, meaning the incentive price is now widely seen as being around US\$80/lb," he said.

"This will severely restrict the availability of new supply, further helping to ensure the market remains tight.

¹ As at 31 December 2022.

² Strategic uranium stockpile valued at A\$88.3M based on a spot price of US\$48.75 and US\$:A\$ exchange rate of \$0.69.

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“There is also a growing push among buyers to reduce their dependence on any individual company or geographic area. The recent contracts signed with developers, despite the availability of lower cost supply from existing producers, is evidence of this.

“If utilities continue to work towards reducing dependence on Russian supplies, fixed-term uranium demand could increase significantly during 2023, leading to higher term prices.”

Procurement

All critical path items remain on track for delivery in line with the project schedule. To mitigate possible freight and logistic delays, Boss has placed a high priority on securing long-lead items.

More than 83 procurement packages have been issued, valued at approximately A\$55.1M. The packages awarded to date are in line with the front end engineering design (FEED) released to the ASX on 31 March 2022.

Material key procurement packages include:

- Resin supply of A\$15.2M
- NIMCIX columns of A\$11.5M
- Wellfield development A\$3.6M
- Water Treatment Plant of A\$2M
- 400T Crane of A\$2M

Boss remains focussed on continued improvements in reagent technologies to create ongoing production efficiencies for Honeymoon, including IX resins and oxidants for the leach solution.

Headcount ramp up

The recruitment program for senior operational and project leads is progressing to plan. Manning on site peaked at 45 personnel prior to Christmas 2022 and continues to grow, with an emphasis on local and South Australian employees.

Wellfield conditioning remains on target for Q2 of 2023

Development of the first three start-up wellfields on the Honeymoon deposit is progressing rapidly with three drill rigs currently working to fast-track well installation. Overall initial drilling works are 40 per cent complete and scheduled to be finished in coming months.

A total of 55 out of the planned 86 new production wells are drilled and cased while 15 of 31 recompletions of existing wells have also been finished.

Long-lead items have been ordered, including electrical and instrumentation for wellfield refurbishment. In addition, Boss has taken delivery of 2.5km HDPE wellhouse trunklines, 4.5km specialty fibreglass downhole pipe, and super-duplex stainless-steel connections used to support the pumps in 48 extraction wells.

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

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Reference to previous ASX announcements

In relation to the results of the Enhanced Feasibility Study announced on 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.

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.