



BOSS
ENERGY LTD

(Formerly Boss Resources Limited)

ABN 38 116 834 336

Annual Report 2021

Boss Energy Limited
ABN 38 116 834 336

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Corporate Directory

| | | |
|--|---|---|
| DIRECTORS | Mr Peter O'Connor Mr Duncan Craib Mr Bryn Jones Mr Wyatt Buck Mr Dudley Kingsnorth | Non-Executive Chairman Managing Director Non-Executive Director Non-Executive Director Non-Executive Director |
| COMPANY SECRETARY | Mr Mathew O'Hara | |
| PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE | Suite 3, Churchill Court 234 Churchill Avenue Subiaco WA 6008 Ph: +61 8 6263 4494 Website: www.bossenergy.com Twitter: @Boss_Energy Email: boss@bossenergy.com | |
| AUDITORS | RSM Australia Partners Level 32, Exchange Tower, 2 The Esplanade Perth WA 6000 | |
| STOCK EXCHANGE LISTINGS | Australian Securities Exchange (ASX Code: BOE) OTCQB Venture Market (OTCQB Code: BQSSF) | |
| SHARE REGISTRY | Automic Registry Services Level 5, 126 Phillip Street Surry Hills NSW 2000 Ph: +61 2 9698 5414 | |

Chairman's Letter

Dear Shareholders,

On behalf of your Board of Directors, it gives me great pleasure to present Boss Energy's Annual Report for the year to June 30, 2021.

It was an outstanding year for our Company. The completion of the highly favourable Enhanced Feasibility Study for our Honeymoon uranium project in South Australia put us firmly on track to be Australia's next uranium producer.

We also acquired a 1.25 million pound stockpile of U_3O_8 , paying what now looks like a bargain price of US\$30.15/lb. In addition to the substantial profit we stand to make on this investment, the stockpile de-risks our start-up process and therefore strengthens our hand in negotiations with potential customers.

This success was followed quickly by the appointment of key personnel and contractors.

These achievements meant we entered the new financial year in an enviable position, with a project which is clearly the most advanced of all of Australia's uranium exploration and development projects.

To cap it all off, the uranium price then rose sharply, driving further gains in our share price and increasing our forecast profit margins to what is becoming a highly attractive level.

The Enhanced Feasibility Study released in June 2021 shows conclusively that the changes we plan to make to the processing plant will increase annual production, cut costs significantly and increase overall financial returns. With forecast all-in costs of US\$31.86/lb and contract uranium prices now running at around US\$50-plus a pound, Honeymoon is already poised to be 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.

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.

In light of the study's outstanding success, we moved quickly to appoint key personnel to deliver a detailed project execution plan to ensure wellfield development and construction activities on Honeymoon's restart can commence as soon as a final investment decision is made.

In conjunction with these outstanding results, in March the company acquired strategic inventory of 1.25 million pounds of uranium after completing a \$60m capital raising. There was significant demand from existing institutional shareholders and we welcomed new and noteworthy investors. Boss paid US\$30.15/lb for the 1.25Mlbs of U_3O_8 at a total cost of US\$37.68M (A\$49.69M). This inventory is now worth US\$53.75M (A\$73.83M) at a current spot price of US\$43.00/lb.

Strategically, this inventory is highly valuable to Boss on several levels as the Company secures offtake agreements, finalises project funding and moves into production. We were able to create this enviable opportunity thanks to our highly experienced and well-connected operatives in the global uranium market.

Due to growing international demand for equity in Boss and the fact that over 20% of its share capital is held by US-based investors, in August the Company announced that its shares had been upgraded to the OTCQB Venture Market under the ticker symbol "BQSSF". Upgrading to the OTCQB offers Boss the opportunity to build visibility,

Chairman's Letter

expand liquidity and diversify its shareholder base in the US on an established public market. We welcome new international shareholders to our company register.

We continue to extend our advantage as the most advanced emerging uranium producer in Australia. Now that we have much of the required expertise in-house, there are a number of key milestones in preparation for project delivery that will be undertaken over the coming months.

We have a plant on care and maintenance, other significant production and storage infrastructure in place, we have formed an Owner's Team to restart Honeymoon and we are moving through the front-end engineering design work rapidly.

We are staying very close to the market and engaging with fuel buyers, so that we can respond rapidly to price movements. Our intention, as per our previous experience operating uranium mines, is to embark on a layering of contracts of different durations and price mechanisms to build a portfolio which protects against downside but is flexible enough to take advantage of market upside.

We have a two-pronged strategy for creating shareholder value – exploration and the start of production.

As part of this plan, Boss is accelerating development of its exploration strategy with a staged approach that has significantly expanded the global JORC resource at Honeymoon from 16.57Mlbs to 71.67Mlbs (~433% increase) since project acquisition in December 2015. Exploration has the potential to create significant value for shareholders because it opens the door to increasing both Life of Mine and production rates, in turn growing the project's NPV and free cashflow.

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 and deliver strong financial returns for our shareholders.

As I mentioned earlier, we have made huge progress over the past year. I would like to thank our team for the hard work and dedication which has been central to our success. I would also like to acknowledge the recent appointment of our Managing Director, Duncan Craib, as Chair of the Uranium Forum for the Minerals Council of Australia. This recognises Duncan's skills, experience and exceptional reputation in the uranium industry. And it also reflects our Company's standing among our peers, including the high quality of our team and the strong outlook for our project.

Finally, on behalf of the Board, I would like to thank our shareholders for your continued support as we close in on achieving our goal to be Australia's next uranium producer.

Yours sincerely,



Peter O'Connor

Chairman

Directors' Report

Review of Operations

HONEYMOON URANIUM PROJECT, SOUTH AUSTRALIA

The Honeymoon Uranium Project (Honeymoon) is located approximately 80km north-west of Broken Hill near the South Australia/New South Wales border. The pure play uranium project is 100%-owned by Boss Energy Ltd and covers an area of 2,595km², consisting of one granted Mining Licence, five granted Exploration Licences, three Retention Leases and two Miscellaneous Purpose Licenses.

Mining at Honeymoon is endorsed by the local indigenous communities with Native Title agreements in place. Mining and uranium export permits (both State and Federal) remain valid, which means production at the original design throughput can recommence at Honeymoon within a short lead time.

Since acquiring Honeymoon, Boss's strategy has been to develop a larger processing facility utilising Ion Exchange (IX) technology to improve the economics of the Project, thereby increasing the production profile and reducing operating costs.



Figure 1: Boss' Honeymoon Uranium Project, 80km north-west of Broken Hill in South Australia.

Following the strong Feasibility Study results released in January 2020, which already positioned Honeymoon as one of the world's most advanced uranium development projects that can be fast-tracked to re-start production in 12 months, Boss focussed on building a more resilient and sustainable mining operation. This culminated in the highly successful Enhanced Feasibility Study (EFS) released in June 2021¹.

The production limitations and operational complexity associated with restarting the existing Solvent Extraction (SX) plant and then incorporating an IX plant were deemed unsatisfactory.

Boss embarked on a series of technical optimisation studies to improve Honeymoon's position as a globally competitive mining operation. These studies culminated in plans to remove the existing SX plant and replaced it

¹ Refer ASX announcement dated 21 June 2021. 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.

Directors' Report

with IX capacity to increase the production profile to 2.45Mlb/annum over a plus-10 year mine life and reduce operating costs to achieve industry benchmark goals for low-cost producers of AISC of US\$25/lb and cash costs lower than US\$20/lb.

Conservatively, the EFS provides a base case to fast-track uranium production from Honeymoon's Re-start Area utilising only 36Mlbs of the Project's global JORC Resource of 71.6Mlbs. No further permitting is required to resume production and Honeymoon has a valid Uranium Mineral Export Permission for 3.3Mlb/annum.

This means there is substantial scope to extend the mine life and increase the EFS production nameplate capacity of 2.45Mlb/annum from the remaining identified JORC Resource. There are also significant resource growth opportunities from Honeymoon's significant defined Exploration Target².

Boss and GR Engineering Services Limited have redesigned the Honeymoon process plant to substantially increase the nameplate capacity without a large increase in overall footprint. Provision has also been made in the design to accommodate additional satellite IX input to the process plant to easily allow additional resources to be accessed in a spoke and hub model. Satellite IX capture and resin transport has been used successfully in the USA for decades and represents an efficient way to access resources which may be distant from a central processing facility.

To unlock this value, Boss' geologists are in the field completing ground-based, low-cost and non-invasive geophysical surveys within its substantial 2,595km² exploration package. Following the completion of the surveys and subsequent interpretation of the results, the Company plans to undertake exploration drill programs to exploit the identified areas of interest commencing in the December quarter 2021.

The Company anticipates the satellite resources to allow both an increase in the overall production profile with minimal disturbance to operations and extend the mine life of the Honeymoon Project. Boss holds high expectations that its exploration activities will continue to deliver increase Resources. The Company has grown the global JORC resource from 16.6Mlbs to 71.6Mlbs (~331% increase) since acquiring Honeymoon in December 2015.

Advancing Production Preparations

Boss is now progressing planned activities in production schedule optimisation, equipment selection, contract and procurement negotiation, and having preferred vendors complete equipment design for long lead items, as priority work streams ahead of a Final Investment Decision (FID).

With the front-end engineering and design (FEED) process running well ahead of schedule, Boss's Owners Team has been strengthened and are currently completing the process design, and finalising site layouts and arrangements with certified vendor data for Honeymoon. FEED is expected to complete early in the March quarter, 2022, which will allow detailed design to commence immediately after FID for Honeymoon's restart is made. The primary goals of a FEED include:

- Finalise key technical decisions;
- Produce foundation technical documents;
- Confirm product specifications; and
- Refine budget and scope for the project.

FEED studies are a critical planning tool and the Company looks forward to sharing the results as these activities progress in the near term. Boss is well on track to bring Honeymoon into production, as the outstanding results of the recent EFS showed.

² Refer ASX announcement dated 25 March 2019.

Directors' Report

Strategic Uranium Inventory

To further support the restart of Honeymoon, in March 2021 Boss acquired the strategic purchase of 1.25Mlbs of uranium from the spot market.

The acquisition of the strategic uranium inventory will deliver several significant benefits for Boss, including:

- Enhanced financial position to support the planned re-start of Honeymoon;
- Increased flexibility in project funding and offtake negotiations with customers;
- De-risking Honeymoon re-start during commissioning phase; and
- Remaining fully leveraged to any future appreciation of uranium price on the back of tight supply-demand fundamentals.

Boss was able to create this unique opportunity thanks to the Company's highly experienced and well-connected operatives in the global uranium market.

The strategic uranium stockpile is highly valuable to Boss on several levels as the Company seeks to secure offtake agreements, finalise project funding and move into production.

Boss paid US\$30.15/lb for 1.25Mlbs of U_3O_8 it acquired in March this year at a total cost of US\$37.68M (A\$49.69M)³. This inventory is now valued at US\$53.75M (A\$73.83M) at a current spot price of US\$43.00/lb⁴.

This inventory means Boss is fully leveraged to any future appreciation of uranium price on the back of tight supply-demand fundamentals.

Exploration Activities

Boss has a two-pronged strategy for creating shareholder value. This involves preparations for the start of production and cashflow, which will make Boss Australia's next uranium producer, and to grow Honeymoon's mineral resource and mine life at numerous highly promising near-mine and regional targets.

The objective of the forthcoming exploration field season is to extend Honeymoon's mine life and increase its production profile by a) upgrading known JORC resources outside of the HRA and b) targeting greenfields exploration areas distal to the known resources. The strategy is thus two-fold:

1. Targeting the greenfields exploration targets to further advance current identified zones of potential high-grade mineralisation; and
2. Upgrading the satellite JORC resources of the Jason's and Gould's Dam Deposits.

On completion of the forthcoming heritage clearances, exploration will resume with the initiation of ground-based, low-cost and non-invasive geophysical surveys in the Western Region tenements. Results from the historical data review will be used to constrain and refine the size, and location, of the survey areas as part of the overall move towards smarter targeting practices. Completion of the geophysical surveys will be followed by exploration drilling.

It is envisaged that these new mineralised target areas will form the basis of a study to assess and define production ramp up to produce more than 3Mlb/annum U_3O_8 equivalent. The ramp up program will be contingent on market conditions, permitting and U_3O_8 price.

³ Refer ASX announcement dated 29 March 2021.

⁴ Inventory valued at a U_3O_8 spot price of US\$43.00/lb and an exchange rate of A\$1:US\$0.728 as at 28 September 2021.

Directors' Report

Cash Flows

The Group has unrestricted cash and cash equivalents as at 30 June 2021 of \$20.87 million, representing an increase of \$17.05 million during the year resulting from the following key activities:

- Proceeds from capital raisings undertaken during the year totalling \$71.96 million, net of costs;
- Payments for the acquisition of the 1.25Mlbs strategic uranium inventory and associated costs, totalling \$49.75 million;
- Expenditure on completion of the EFS, technical studies and exploration activities at Honeymoon, totalling \$2.61 million;
- Payments for ongoing corporate and operational expenditure, totalling \$2.67 million; and
- Receipt of Research and Development tax refunds and other government grants during the year, totalling \$0.37 million.

The unrestricted cash balance as at 30 June 2021 excludes a fully cash backed environmental bond of \$8.8 million. Furthermore, as at 30 June 2021 the Group has no long-term debt obligations.

Next Steps

The Company's next steps are focused on:

- Progressing off-take negotiations and project financing efforts, while advancing the project towards development; and
- Developing a plan for increasing production profile and extending mine life through development of satellite resources;
- Maintaining a strong exploration focus, advance program on near-mine and regional targets;
- Appoint key personnel to deliver a detailed project execution plan to ensure wellfield development and construction activities on Honeymoon's restart can commence as soon as a final investment decision is made

Associated cost savings will assist the procurement of financing and the execution of off-take agreements which, in conjunction with supportive global uranium pricing, will allow the board to consider a final investment decision for Honeymoon.

Directors' Report

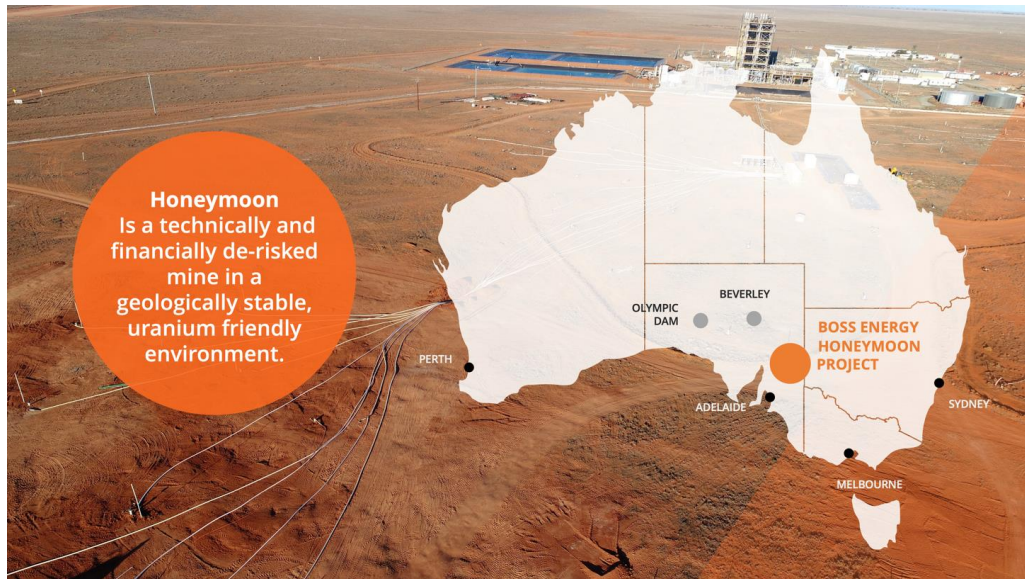


Figure 2: Honeymoon Uranium Project location

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.

The mineral resource estimates in this report 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.

Forward-Looking Statements

This report 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.

Directors' Report

Mineral Resource Statement

The following information is provided in accordance with Listing Rule 5.21.

Mineral Resource Estimation Governance Statement

Boss ensures that the Mineral Resource estimates are subject to appropriate levels of governance and internal controls. The Mineral Resources have been generated by employees and consultants of the Company who are experienced in best practices in modelling and estimation methods and have undertaken reviews of the quality and suitability of the underlying information used to generate the resource estimations. The Mineral Resource estimates follow standard industry methodology using geological interpretation and assay results from samples acquired through drilling.

Boss reports its Mineral Resources in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code) (2012 Edition). Competent Persons named by the Company qualify as Competent Persons as defined in the JORC Code. There has been no movement in the Mineral Resource between 2020 and 2021 and as such the table below sets out Mineral Resources for both 2020 and 2021 for the Honeymoon Uranium Project in South Australia.

Honeymoon Project Mineral Resource at 30 June 2021 and 30 June 2020

Lower cut-off of 250 ppm U₃O₈

| Resource Classification | Tonnage (Million Tonnes) | Average Grade (ppm U ₃ O ₈) | Contained Metal (Kt, U ₃ O ₈) | Contained Metal (Mlb, U ₃ O ₈) |
|--|--------------------------|--|--|---|
| Jason's (March 2017) | | | | |
| Inferred | 6.2 | 790 | 4.9 | 10.7 |
| Gould's Dam (April 2016) | | | | |
| Indicated | 4.4 | 650 | 2.9 | 6.3 |
| Inferred | 17.7 | 480 | 8.5 | 18.7 |
| Honeymoon Re-Start Area (January 2019) | | | | |
| Measured | 3.1 | 1,100 | 3.4 | 7.6 |
| Indicated | 14.0 | 610 | 8.7 | 19 |
| Inferred | 7.0 | 590 | 4.1 | 9.1 |
| TOTAL HONEYMOON URANIUM PROJECT | | | | |
| 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 |

Directors' Report

Your Directors present their report on the Group for the year ended 30 June 2021.

Directors

The names of the Directors in office at any time during or since the end of the year are set out below. Directors were in office for the entire period unless otherwise stated.

| | |
|----------------------|---|
| Mr Peter O'Connor | (Non-Executive Chairman) |
| Mr Duncan Craib | (Managing Director) |
| Mr Bryn Jones | (Non-Executive Director – transitioned from Technical Director 1 August 2021) |
| Mr Dudley Kingsnorth | (Non-Executive Director – appointed 1 July 2020) |
| My Wyatt Buck | (Non-Executive Director – appointed 1 October 2020) |

Information on Current Directors

Mr Peter O'Connor Non-Executive Chairman

Appointed 21 January 2020

Mr O'Connor has extensive global experience in the funds management industry, and has worked with public and private companies in developed and emerging economies. He was co-founder, director and deputy chairman of IMS Selection Management Ltd, which had \$10 billion under management or advice from 1998 - 2008. Following the sale of IMS to BNP Paribas in 2008, he was deputy chairman of FundQuest UK Ltd, with \$10 billion under management. FundQuest globally had \$35 billion of assets under management from 2008 - 2010.

Mr O'Connor is a Non-Executive Director of Blue Ocean Monitoring Limited (May 2014 – present), an unlisted company. During the three year period to the end of the financial year, Mr O'Connor has also been a Non-Executive Director of Northern Star Resources Limited (May 2012 – February 2021).

Mr Duncan Craib Managing Director and Chief Executive Officer

Appointed 1 August 2017

Mr Craib is Managing Director and CEO having joined the company on 9 January 2017. He is a Chartered Accountant by profession specialising in the mining, having gained vast experience in executive roles held in Australia, United Kingdom, Namibia, and China. Mr Craib most recently served as Finance Director to Swakop Uranium (Pty) Ltd from 2012 to 2016, where he was heavily involved in the US\$2.5 billion development and construction of its world-class Husab uranium mine in Namibia. At nameplate production, Husab will be one of the largest global mining and processing uranium, mining 150Mt annually and generating 15Mt of ore to produce 15Mlbs of uranium oxide.

From 2008 - 2012, Duncan served in London as CFO and Company Secretary to Kalahari Minerals Plc and its 43% holding in Extract Resources Ltd, 100% owners of the Husab uranium mine prior to its sale to China General Nuclear in April 2012 for US\$2.1 billion.

In September 2021, Duncan was appointed Chairperson of the Uranium Forum for the Minerals Council of Australia.

During the three year period to the end of the financial year, Mr Craib held no directorships with any other listed companies.

Directors' Report

Mr Bryn Jones Non-Executive Director

Appointed Technical Director on 15 September 2019 and moved to Non-Executive Director on 1 August 2021

Mr Jones is an industrial chemist and a Fellow of the Australasian Institute of Mining and Metallurgy, with more than 20 years of experience in the Australian uranium industry. He has worked in all aspects of the mining cycle, particularly in uranium in-situ recovery (ISR) and mine development and production. Mr Jones spent nearly 10 years in roles with ISR uranium producer Heathgate Resources, owned by US-based nuclear company General Atomics. Heathgate is the owner and operator of the Beverley and Beverley North Uranium Mines in South Australia, Australia's only other operator ISR uranium mine. More recently he was the Chief Operating Officer of Canadian-based uranium developer Laramide Resources Ltd and the previous Managing Director of Uranium Equities Limited.

Mr Jones is a Non-Executive Director of DevEx Resources Limited (September 2009 – present) and an Executive Director of Australian Rare Earths Limited (July 2021 - present). During the three year period to the end of the financial year, Mr Jones has also been a Non-Executive Director of Salt Lake Potash Limited (June 2017 – May 2021).

Mr Dudley Kingsnorth Non-Executive Director

Appointed 1 July 2020

Mr Kingsnorth (FAICD, FAusIMM) is a metallurgist with extensive executive experience in the international mining sector including positions with Bechtel, Alcoa, Shell (Billiton), Rio Tinto, Ashton Mining and Greenbushes. His career includes a focus on comprehensive management of process development, project feasibility studies and project development through to successful mine start-up that is fully cognisant of market demands.

Mr Kingsnorth is the Non-Executive Chairman Australian Rare Earths Limited (July 2021 - present).

Mr Wyatt Buck Non-Executive Director

Appointed 1 October 2020

Mr Buck uranium experience began with Cameco Corporation, where he was employed for 15 years between 1991-2006 in various roles, culminating as GM of the McArthur River Uranium Mine and Key Lake Mill, the largest uranium mining operation in the world. He then held senior operational roles with Paladin Energy Ltd (ASX: PDN) as General Manager and Managing Director of the Langer Heinrich Uranium Project in Namibia from the commencement of construction in February 2006 through to design level production. From September 2009 to May 2011, Mr Buck was Executive GM Operations at Paladin with direct operational responsibility for its Langer Heinrich and Kayelekera uranium projects.

Since 2011, Mr Buck has acted as Operations Director with First Quantum Minerals (TSX: FM), overseeing mining operations in Finland, Spain, Turkey, Australia and Mauritania. He has been involved in the production of various commodities including gold, copper, nickel, zinc and PGMs, including the restart of Western Australia's Ravensthorpe nickel laterite mine in 2020. During the three year period to the end of the financial year, Mr Buck held no directorships with any other listed companies.

Mr Mathew O'Hara Company Secretary and Chief Financial Officer

Appointed 1 March 2019

Mr O'Hara is a Chartered Accountant and has over 16 years' experience in corporate finance, accounting and governance. He has been employed by, and acted as, Non-Executive Director, Company Secretary and Chief Financial Officer of several companies in the resources sector. Prior to these roles Mr O'Hara spent several years with an international accounting firm specialising in the Corporate Finance, Advisory and Audit divisions gaining significant experience with ASX, TSX and AIM listed clients across a diverse range of industries.

Directors' Report

Mr O'Hara is a Non-Executive Director of African Gold Limited (April 2020 – present), Benz Mining Corp (April 2020 – present) and Peak Minerals Limited (June 2021 – present). During the three year period to the end of the financial year, Mr O'Hara has also been a Non-Executive Director of Carbine Resources Limited (September 2018 – July 2021).

Meetings of Directors

During the financial year, in addition to Technical and Risk Committee and Audit and Remuneration Committee meetings, a total of 5 full Board meetings of Directors were held. Attendances by each Director during the year were as follows:

| | Number of meetings eligible to attend | Number of meetings attended |
|----------------------|---------------------------------------|-----------------------------|
| Mr Peter O'Connor | 5 | 5 |
| Mr Duncan Craib | 5 | 5 |
| Mr Bryn Jones | 5 | 5 |
| Mr Dudley Kingsnorth | 5 | 5 |
| Mr Wyatt Buck | 3 | 3 |

Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Principal Activities

During the period the Group continued advancing the restart strategy for its 100%-owned Honeymoon Uranium Project in South Australia, including the completion of its Enhanced Feasibility Study in June 2021.

Operating Results

The profit of the Group for the year ended 30 June 2021 after providing for income tax amounted to \$864,749 (2020: loss of \$5,084,467).

Financial Position

The net assets of the Group are \$85,459,584 as at 30 June 2021 (2020: \$12,064,984).

Significant Changes in State of Affairs

- Completion of its Enhanced Feasibility Study for Honeymoon which confirmed Boss Energy as Australia's next uranium producer.
- Completion of two significant capital raisings whereby the Company raised \$15 million (before costs) at a price of \$0.067 per share during October 2020 and an additional \$60 million (before costs) at a price of \$0.14 per share during March 2021.
- The acquisition of 1.25 million pounds of U₃O₈ at an average price of US\$30.15/lb. All uranium owned by the Company is stored at the ConverDyn Facility in Metropolis, Illinois.

Directors' Report

- Appointment of Mr Dudley Kingsnorth and My Wyatt Buck as Non-Executive Directors of Boss Energy Limited. Mr Bryn Jones moved from Technical Director to a Non-Executive Director during August 2021.
- Change of name from Boss Resources Limited to Boss Energy Limited on 26 November 2020.
- In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. The spread of COVID-19 has caused significant volatility in Australian and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Australian and international economies. The Company cannot reasonably estimate the length or severity of this pandemic, it currently anticipates only minimal ongoing disruptions to exploration activities in relation to its Honeymoon Project in South Australia.

Matters subsequent to end of financial year

The following events occurred between the end of the financial year and the date of this report:

- On 1 August 2021, Bryn Jones transitioned from Technical Director to a Non-Executive Director;
- On 16 August 2021, the Company's shares began trading on the OTCQB Venture Market under the ticker symbol "BQSSF". OTC is the largest Alternative Trading System in the US;
- On 25 August 2021, a total of 11,000,000 Performance Rights expired without the vesting conditions being met;
- During August 2021, the Company sold its total investment of 1,755,820 ordinary shares in Greenvale Mining Limited (ASX: GRV). The carrying value of this investment as at 30 June 2021 was \$579,421 and the total proceeds received from the sale of were approximately \$1.02 million; and
- On 16 September 2021, the Company advised that it had taken another key step in its strategy to re-start production at its mothballed Honeymoon uranium project in South Australia with the appointment of the EPC contractor for the electrical, instrumentation and control system; and
- On 29 September 2021, the Company issued a total of 3,403,172 zero exercise price options (ZEPOs) under the short term incentive program and 3,403,172 ZEPOs under the long term incentive program. All ZEPOs were granted under and subject to the terms of the Company's Employee Securities Incentive Plan as last approved by Shareholders at the 2020 Annual General Meeting. The Company also agreed to issue 2,007,500 ZEPOs under the short term incentive program and 2,392,500 ZEPOs under the long term incentive program to Managing Director and Chief Executive Officer, Mr Duncan Craib. The issue of these ZEPOs to Mr Craib will be subject to shareholder approval to be sought at the upcoming 2021 Annual General Meeting.

Other than that, between the end of the financial year and the date of this report there are no items, transactions or events of a material or unusual nature likely, in the opinion of the directors, to affect significantly, the results of those operations, or the state of affairs of the Group in future financial years that require disclosure.

Future Developments, Prospects and Business Strategies

Disclosure of further information regarding likely developments in the operations of the Group in future financial periods and the expected results of those operations is likely to result in unreasonable prejudice of those operations, or that state of affairs of the Group in future financial periods.

Directors' Report

Environmental Issues

The Group is aware of its environmental obligations with regards to its exploration and development activities and ensures that it complies with all regulations at all times.

Options and Performance Rights

At the date of this report there are 103,000,000 unquoted share options and no quoted options or performance rights on issue.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of these proceedings. The Group was not a party to any such proceedings during the year.

Indemnifying Officers or Auditor

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by them in their capacity as Officer, or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. The Company has agreed to pay a premium for Directors and Officers Insurance.

Non-audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 24 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2021, as required under section 307C of the Corporations Act 2001, has been received and is included within the financial report.

Officers of the company who are former partners of RSM Australia Partners

There are no officers of the company who are former partners of RSM Australia Partners.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

Directors' Report

REMUNERATION REPORT - AUDITED

The Remuneration Report, which has been audited, outlines the Director and executive remuneration arrangements for the Group and the Company, in accordance with the requirements of the *Corporations Act* and its Regulations.

Executive and Key Management Personnel (KMP) Remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board ensures that executive reward satisfies the following key criteria for good reward corporate governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency
- Capital management

The Group has structured an executive framework that is market competitive and complementary to the reward strategy for the organisation. The Board's policy for determining the nature and amount of remuneration for executives of the Group is as follows:

- The remuneration policy, setting the terms and conditions for executives, was developed and approved by the Board. All executives receive a fee, part of which may be taken as superannuation, and from time to time, securities. Securities issued to Directors are subject to approval by Shareholders. The Board reviews executive packages regularly by reference to the Group's performance, executives' performance and comparable information from industry sectors and other listed companies in similar industries. The Board may in its discretion establish a performance-based bonus system to provide reward in addition to the base salary level to the executives on such terms as the Board may determine.
- Salaried executive directors and specified executives are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation.
- All remuneration paid to directors and specified executives is valued at the cost to the Company and expensed. Options are valued using either the ASX trading price (for listed options issued) or the Black-Scholes methodology (for unlisted options issued).
- During the year ended 30 June 2021, the Remuneration Committee sought independent advice from leading remuneration consultants, BDO Remuneration and Reward Services, who undertook a review of the Company's remuneration, including benchmarking against the Company's peers. The aim of the remuneration review was to retain and attract high calibre talent. The key outcomes, as announced on the ASX on 2 August 2021, included:

Directors' Report

REMUNERATION REPORT – AUDITED (continued)

Executive and Key Management Personnel (KMP) Remuneration (continued)

- The total fixed remuneration of the Managing Director and CEO, Duncan Craib, is to increase to \$440,000 per annum inclusive of superannuation, effective 1 July 2021 (all other key terms remain the same);
- A short term incentive program is to be introduced under which eligible KMP are granted ZEPOs vesting after achievement of annual personal performance hurdles determined by the Board and the executive remaining at the Company. A total of 3,403,172 ZEPOs were issued under the short term incentive plan on 29 September 2021; and
- a long term incentive program is to be introduced under which eligible KMP are granted ZEPOs vesting after three years subject to the Company reaching defined performance hurdles and the KMP remaining at the Company. A total of 3,403,172 ZEPOs were issued under the long term incentive plan on 29 September 2021.

Non-Executive Remuneration

Shareholders approve the maximum aggregate remuneration for non-executive directors. The maximum aggregate remuneration approved for non-executive directors is currently \$300,000.

It is recognised that non-executive director remuneration is ideally structured to exclude equity-based remuneration. However, whilst the Company remains small and the full Board, including the non-executive directors, are included in the operations of the Company more intimately than may be the case with larger companies, the non-executive directors are entitled to participate in equity-based remuneration schemes. All Directors (Executive and Non-Executive) are entitled to have their indemnity insurance paid by the Company.

Additional Information for Consideration of Shareholder Wealth

This table summarises the earnings of the Group and other factors that are considered to affect shareholder wealth for the five years to 30 June 2021.

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---------|-------------|-------------|-------------|-------------|
| Profit/(loss) after income tax (\$) | 864,749 | (5,084,467) | (1,221,691) | (4,685,079) | (6,055,627) |
| Share price at financial year end (\$) | 0.180 | 0.053 | 0.044 | 0.073 | 0.048 |
| Movement in share price for the year (\$) | 0.127 | 0.009 | (0.029) | 0.025 | 0.007 |
| Total dividends declared (cents/share) | - | - | - | - | - |
| Returns of capital (cents/share) | - | - | - | - | - |
| Basic gain/(loss) per share (cents/share) | 0.046 | (0.321) | (0.077) | (0.39) | (0.64) |

Voting and comments made at the Company's 2020 Annual General Meeting (AGM)

At the 2020 AGM, 98.6% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Directors' Report

REMUNERATION REPORT – AUDITED (continued)

Service Agreements

A summary of service agreements with Executives effective during the financial year is set out below. These details are in addition to the share options issued as share based payment compensation.

| Executive | Term of agreement | Role | Base salary/fee per annum (excl. superannuation) | Termination notice period |
|------------------------------|-------------------|-------------------------|--|---------------------------|
| Mr Duncan Craib ¹ | Not specified | Managing Director & CEO | \$320,000 | 3 months |
| Mr Bryn Jones ² | Not specified | Technical Director | \$180,000 | 3 months |
| Mr Mathew O'Hara | Not specified | Company Secretary & CFO | \$72,000 | 3 months |

¹ Following completion of an independent review from leading remuneration consultants, Mr Craib's total fixed remuneration increased to \$440,000 per annum inclusive of superannuation, effective 1 July 2021.

² Mr Jones service agreement in relation to his role as Technical Director was for 3 days per week. On 1 August 2021, Mr Jones transitioned from Technical Director to a Non-Executive Director.

Details of Remuneration for Year Ended 30 June 2021

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director. The KMP of the group consist of all Directors and the Company Secretary/CFO.

| | Short-term benefits cash salary & fees \$ | Superannuation contribution \$ | Long-term granted options/shares \$ | Total \$ | Proportion of remuneration performance related % |
|--------------------------------|--|--------------------------------------|--|-------------|--|
| Non-Executive Directors | | | | | |
| Mr Peter O'Connor | 100,000 | 9,500 | - | 109,500 | - |
| Mr Dudley Kingsnorth* | 45,662 | 4,338 | 109,650 | 159,650 | 69 |
| Mr Wyatt Buck** | 34,247 | 3,253 | 109,650 | 147,150 | 75 |
| Executive Directors | | | | | |
| Mr Duncan Craib | 342,909 | 21,694 | 160,000 | 524,603 | 30 |
| My Bryn Jones | 195,162 | 17,100 | 102,400 | 314,662 | 33 |
| Other KMP | | | | | |
| Mr Mathew O'Hara | 78,569 | 6,840 | 22,000 | 107,409 | 20 |
| | 796,549 | 62,725 | 503,700 | 1,362,974 | 37 |

* Mr Kingsnorth was appointed as Non-Executive Director on 1 July 2020.

** Mr Buck was appointed as Non-Executive Director on 1 October 2020.

Directors' Report

REMUNERATION REPORT – AUDITED (continued)

Details of Remuneration for Year Ended 30 June 2020

| | Short-term benefits cash salary & fees \$ | Superannuation contribution \$ | Long-term granted options/shares \$ | Total \$ | Proportion of remuneration performance related % |
|--------------------------------|--|--------------------------------------|--|-------------|--|
| Non-Executive Directors | | | | | |
| Mr Peter O'Connor* | 44,624 | 4,239 | 256,270 | 305,133 | 84 |
| Mr Evan Cranston** | 46,389 | - | - | 46,389 | - |
| Mr Mark Hohnen*** | 61,050 | - | - | 61,050 | - |
| Mr Peter Williams**** | 45,827 | - | - | 45,827 | - |
| Executive Directors | | | | | |
| Mr Duncan Craib | 347,697 | 21,003 | 1,098,050 | 1,466,750 | 75 |
| My Bryn Jones***** | 155,046 | 13,585 | 257,640 | 426,271 | 60 |
| Other KMP | | | | | |
| Mr Mathew O'Hara | 61,263 | 5,700 | 99,400 | 166,363 | 60 |
| | 761,896 | 44,527 | 1,711,360 | 2,517,783 | 68 |

* Mr O'Connor was appointed as Chairman on 21 January 2020.

** Mr Cranston resigned as Non-Executive Director and ceased being KMP on 5 June 2020. Only his remuneration to 5 June 2020 is included here.

*** Mr Hohnen resigned as Chairman and ceased being KMP on 21 January 2020. Only his remuneration to 21 January 2020 is included here.

**** Mr Williams resigned as a Non-Executive Director and ceased being KMP on 31 May 2020. Only his remuneration to 31 May 2020 is included here.

***** Mr Jones was appointed as Technical Director on 15 September 2019.

Other Transactions with KMP and Their Related Parties

A number of KMP, or their related parties, hold positions in other entities that may result in them having control or significant influence over the financial or operating policies of those entities. Where the Group transacts with the KMP and their related parties, the terms and conditions of these transactions are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-KMP related entities on an arm's length basis.

Share Based Payment Compensation

Shares issued as a part of remuneration

The Company has a discretionary equity-based incentive plan in place in order to preserve cash balances whilst aligning employee incentives with shareholder interests. In recognition of completing the highly successful Feasibility Study released in January 2020, and positioning Honeymoon as one of the world's most advanced uranium restart projects, the Board agreed to grant Mr Craib 2.5 million shares and Mr Bryn 1.6 million shares as an annual bonus for the financial year ended 30 June 2020. These shares were issued in the following financial year after shareholder approval was received at the 2020 AGM held on 19 November 2020.

Directors' Report

REMUNERATION REPORT – AUDITED (continued)

Share Based Payment Compensation (continued)

During the year ended 30 June 2021, the Remuneration Committee sought independent advice from leading remuneration consultants, BDO Remuneration and Reward Services, who undertook an independent review of the Company's remuneration, including benchmarking against the Company's peers. The key aim of the remuneration review was to retain and attract high calibre talent. The remuneration review outcomes, in relation to share based payment compensation, included the introduction of a short term incentive program under which eligible KMP are granted ZEPOs vesting after achievement of annual personal performance hurdles determined by the Board and the executive remaining at the Company and the introduction of a long term incentive program is under which eligible KMP are granted ZEPOs vesting after three years subject to the Company reaching defined performance hurdles and the KMP remaining at the Company. All ZEPOs will be granted under and subject to the terms of the Company's Employee Securities Plan as last approved by Shareholders at the 2020 Annual General Meeting.

On 29 September 2021, the Company issued a total of 3,403,172 ZEPOs under the short term incentive program and 3,403,172 ZEPOs under the long term incentive program. The Company also agreed to issue 2,007,500 ZEPOs under the short term incentive program and 2,392,500 ZEPOs under the long term incentive program to Managing Director and Chief Executive Officer, Mr Duncan Craib. The issue of these ZEPOs to Mr Craib will be subject to shareholder approval to be sought at the upcoming 2021 Annual General Meeting.

Options issued as a part of remuneration

Details of options over ordinary shares in the Company provided as remuneration to Non-Executive Directors as approved by shareholders at the 2020 AGM are set out below. When exercised, each option is convertible into one ordinary share of Boss Energy Limited. These options were granted with nil additional consideration.

| KMP | Grant date | Number granted | Exercise price (\$) | Value of options granted (\$) | Vesting date | Expiry date |
|----------------------|------------|----------------|---------------------|-------------------------------|--------------|-------------|
| Mr Dudley Kingsnorth | 18-Nov-20 | 2,500,000 | 0.080 | 58,575 | 18-Nov-20 | 30-Jun-23 |
| Mr Dudley Kingsnorth | 18-Nov-20 | 2,500,000 | 0.095 | 51,075 | 18-Nov-20 | 30-Jun-23 |
| Mr Wyatt Buck | 18-Nov-20 | 2,500,000 | 0.080 | 58,575 | 18-Nov-20 | 30-Jun-23 |
| Mr Wyatt Buck | 18-Nov-20 | 2,500,000 | 0.095 | 51,075 | 18-Nov-20 | 30-Jun-23 |

The assessed fair value at grant date of options granted to KMP is allocated equally over the period from issue date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, option term, impact of dilution, share price at grant date, expected price volatility, expected dividend yield, risk-free interest rate for the term of the option and the liquidity of the share market. Further details are set out in Note 25.

No options over ordinary shares in the Company were cancelled during the year.

Performance Rights issued as part of remuneration

No performance rights were issued to KMP's of the Group as part of their remuneration.

Directors' Report

REMUNERATION REPORT – AUDITED (continued)

Additional Disclosures Relating to KMP

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

| 2021 Ordinary shares | Balance at the start of the year/on appointment | Received as part of remuneration | Perf. Rights vested | Options Exercised | Share Purchases | Balance at the end of the year/on resignation |
|-------------------------|--|--|---------------------------|----------------------|--------------------|--|
| Mr Peter O'Connor | 5,640,000 | - | - | - | 1,200,000 | 6,840,000 |
| Mr Duncan Craib | 6,000,000 | 2,500,000 | - | - | 1,500,000 | 10,000,000 |
| Mr Bryn Jones | 550,000 | 1,600,000 | - | - | 375,000 | 2,525,000 |
| Mr Dudley Kingsnorth* | 200,000 | - | - | - | 150,000 | 350,000 |
| Mr Wyatt Buck** | 120,000 | - | - | - | 208,793 | 328,793 |
| Mr Mathew O'Hara | - | 400,000 | - | - | - | 400,000 |
| | 12,510,000 | 4,500,000 | - | - | 3,433,793 | 20,443,793 |

* Mr Kingsnorth was appointed as Non-Executive Director on 1 July 2020.

** Mr Buck was appointed as Non-Executive Director on 1 October 2020.

Option holding

The number of options held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

| 2021 Options over ordinary shares | Balance at the start of the year/on appointment | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year/on resignation |
|---|--|------------|-----------|---------------------------------|--|
| Mr Peter O'Connor | 21,000,000 | - | - | - | 21,000,000 |
| Mr Duncan Craib | 45,000,000 | - | - | - | 45,000,000 |
| Mr Bryn Jones | 12,000,000 | - | - | - | 12,000,000 |
| Mr Dudley Kingsnorth* | - | 5,000,000 | - | - | 5,000,000 |
| Mr Wyatt Buck** | - | 5,000,000 | - | - | 5,000,000 |
| Mr Mathew O'Hara | 7,500,000 | - | - | - | 7,500,000 |
| | 85,500,000 | 85,500,000 | - | - | 95,500,000 |

* Mr Kingsnorth was appointed as Non-Executive Director on 1 July 2020.

** Mr Buck was appointed as Non-Executive Director on 1 October 2020.

Performance Rights holding

No performance rights are held by any current Director or other members of KMP of the Group, including their personally related parties.

Directors' Report

REMUNERATION REPORT – AUDITED (continued)

Signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the Corporations Act

A handwritten signature in black ink, appearing to read 'Peter O'Connor'.

Peter O'Connor

Chairman

DATED at PERTH this 29th day of September 2021

RSM Australia Partners

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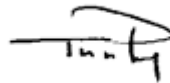
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Boss Energy Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 29 September 2021

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

| | | Consolidated | |
|--|-------|----------------|--------------------|
| | Note | 2021 | 2020 |
| | | \$ | \$ |
| Revenue | | | |
| Interest revenue | 2 | 103,089 | 243,990 |
| Other income | 2 | 373,732 | 406,547 |
| Expenses | | | |
| Employees and consultants | 2 | (2,074,034) | (1,210,398) |
| Professional and service fees | 2 | (457,369) | (431,785) |
| Financing charges | 2 | (122,880) | (135,240) |
| Exploration and evaluation expenditure | 10 | (560,161) | (2,577,015) |
| Gain on/(impairment of) investment in uranium and financial assets | 8 & 9 | 4,527,231 | 8,779 |
| Gain on disposal of plant and equipment | | 4,545 | - |
| Share based payments expense | 24 | (569,700) | (1,027,022) |
| Other expenses | 2 | (359,703) | (362,323) |
| Profit/(loss) before income tax expense | | 864,749 | (5,084,467) |
| Income tax expense | 3 | - | - |
| Profit/(loss) after income tax expense | | 864,749 | (5,084,467) |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive profit/(loss) for the year | | 864,749 | (5,084,467) |
| Basic earnings/(loss) per share (cents per share) | | 0.046 | (0.321) |
| Diluted earnings/(loss) per share (cents per share) | | 0.043 | (0.321) |

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2021

| | | Consolidated | |
|---|------|-------------------|-------------------|
| | Note | 2021 \$ | 2020 \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 20,873,411 | 3,822,329 |
| Trade and other receivables | 5 | 1,158 | 3,777 |
| Other assets | 6 | 28,369 | 30,424 |
| Total Current Assets | | <u>20,902,938</u> | <u>3,856,530</u> |
| NON-CURRENT ASSETS | | | |
| Plant and equipment | 7 | 50,801 | 100,725 |
| Investment in strategic uranium inventory | 8 | 53,872,850 | - |
| Other financial assets | 9 | 9,461,801 | 8,936,810 |
| Exploration and evaluation expenditure | 10 | 10,584,340 | 8,813,373 |
| Total Non-Current Assets | | <u>73,969,792</u> | <u>17,850,908</u> |
| TOTAL ASSETS | | <u>94,872,730</u> | <u>21,707,438</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 350,097 | 731,195 |
| Employee benefits | | 145,586 | 89,900 |
| Total Current Liabilities | | <u>495,683</u> | <u>821,095</u> |
| NON-CURRENT LIABILITIES | | | |
| Restoration provisions | 12 | 8,917,463 | 8,821,359 |
| Total Non-Current Liabilities | | <u>8,917,463</u> | <u>8,821,359</u> |
| TOTAL LIABILITIES | | <u>9,413,146</u> | <u>9,642,454</u> |
| NET ASSETS | | <u>85,459,584</u> | <u>12,064,984</u> |
| EQUITY | | | |
| Issued capital | 13 | 151,617,044 | 79,306,493 |
| Reserves | 14 | 10,774,712 | 10,555,412 |
| Accumulated losses | 15 | (76,932,172) | (77,796,921) |
| TOTAL EQUITY | | <u>85,459,584</u> | <u>12,064,984</u> |

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2021

| Consolidated | Issued Capital | Accumulated Losses | Share Based Payment Reserve | Total |
|---|--------------------|---------------------|-----------------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2020 | 79,306,493 | (77,796,921) | 10,555,412 | 12,064,984 |
| Profit for the year after income tax | - | 864,749 | - | 864,749 |
| Total comprehensive profit for the year | - | 864,749 | - | 864,749 |
| Shares issued during the year | 75,925,705 | - | - | 75,925,705 |
| Capital raising costs | (3,965,554) | - | - | (3,965,554) |
| Share based payments | 350,400 | - | 219,300 | 569,700 |
| Balance at 30 June 2021 | 151,617,044 | (76,932,172) | 10,774,712 | 85,459,584 |
| Balance at 1 July 2019 | 79,132,493 | (72,712,454) | 9,702,390 | 16,122,429 |
| Loss for the year after income tax | - | (5,084,467) | - | (5,084,467) |
| Total comprehensive (loss) for the year | - | (5,084,467) | - | (5,084,467) |
| Shares issued during the year | 174,000 | - | - | 174,000 |
| Share based payments | - | - | 853,022 | 853,022 |
| Balance at 30 June 2020 | 79,306,493 | (77,796,921) | 10,555,412 | 12,064,984 |

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2021

| | Note | Consolidated | |
|---|------|----------------------|--------------------|
| | | 2021 | 2020 |
| | | \$ | \$ |
| | | Inflows / (Outflows) | |
| Cash Flows from operating activities | | | |
| Payments to suppliers and employees | | (2,671,197) | (1,645,354) |
| Payments for mineral exploration and evaluation | | (1,043,670) | (2,771,785) |
| Proceeds from government grants and tax incentives | | 371,497 | 1,501,516 |
| Interest received | | 105,707 | 246,200 |
| Net cash (used in) operating activities | 16 | <u>(3,237,663)</u> | <u>(2,669,423)</u> |
| Cash Flows from investing activities | | | |
| Payments for project development | | (1,566,200) | - |
| Payments for plant and equipment | | (18,153) | (83,864) |
| Payments for strategic uranium inventory acquisition | | (49,749,637) | - |
| Proceeds from disposal of plant and equipment | | 6,781 | - |
| Proceeds on return of security bonds | | - | 47,237 |
| Net cash (used in) investing activities | | <u>(51,327,209)</u> | <u>(36,627)</u> |
| Cash Flows from financing activities | | | |
| Repayment of promissory note and interest | | (350,334) | (4,000,000) |
| Proceeds from issue of share capital | | 71,960,151 | - |
| Net cash provided by/(used in) financing activities | | <u>71,609,817</u> | <u>(4,000,000)</u> |
| Net increase/(decrease) in cash and cash equivalents | | <u>17,044,945</u> | <u>(6,706,050)</u> |
| Cash and cash equivalents at beginning of the financial year | | 3,822,329 | 10,528,381 |
| Exchange differences on cash and cash equivalents | | 6,137 | (2) |
| Cash and cash equivalents at the end of the financial year | 4 | <u>20,873,411</u> | <u>3,822,329</u> |

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2021

These consolidated financial statements and notes represent those of Boss Energy Limited (the Company or parent entity) and Controlled Entities (the Group or consolidated entity). Boss Energy Limited is a listed public company incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Boss Energy Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*. Supplementary information about the parent entity is disclosed in Note 26.

The financial statements were authorised for issue on 29th September 2021 by the Directors of the Company.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS).

Except for cash flow information, the financial statements have been prepared on an accruals basis. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets at fair value through profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within Note 1.

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New and Amended Accounting Policies adopted by the Group

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group.

The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies.

The adoption of the new *Conceptual Framework for Financial Reporting* from 1 July 2020 has not led to any changes in accounting or disclosure for the Group, but the new Conceptual Framework may be referred to if accounting matters arise that are not addressed by accounting standards.

The adoption of the new definition of Material included in *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material* from 1 July 2020 provides a new definition of material, which now extends materiality consideration to obscurity and clarifies that materiality now depends on the nature or magnitude of information.

Future effects of the implementation of these standards will depend on future details.

Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Boss Resources Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of controlled entities is contained in Note 18.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

When the Group changes the proportion of ownership of a non-controlling interest, the difference between the fair value of the consideration paid or received and the adjustment to the balance of the non-controlling interest, is recognised in equity as an adjustment to retained earnings. Such an adjustment to retained earnings does not meet definitions of profit and loss, or other comprehensive income, so is not disclosed in the statement of profit or loss and other comprehensive income. Consideration paid or received for a non-controlling interest is valued as at the transaction date, not as at an earlier authorisation or contract date, because it does not meet the definition of a share-based payment.

b) Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (CODM). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

c) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Cash and Cash Equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value. For the purpose of the consolidated statement of cash flows, cash includes cash on hand and in banks, readily convertible to cash within 90 days, net of outstanding bank overdrafts.

e) Foreign Currency Translation

The consolidated financial statements are presented in Australian dollars (AUD), which is also the functional currency of the parent company.

Foreign currency transactions are translated into the functional currency of the parent company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

In the Group's financial statements, all assets, liabilities and transactions of group entities with a functional currency other than AUD (the Group's presentation currency) are translated into AUD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into AUD at the closing rate at the reporting date. Income and expenses have been translated into the Group's presentation currency at the average rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into AUD at the closing rate.

f) Financial Instruments

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and are solely principal and interest. All other financial instrument assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income. Financial assets may be impaired based on an expected credit loss model to recognise an allowance. Such impairment is measured with a 12-month expected credit loss model unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime expected credit loss model is adopted.

For financial liabilities, the portion of the change in fair value that relates to the Group's credit risk is presented in other comprehensive income.

Hedge accounting requirements align the accounting treatment with the Group's risk management activities. The Group does not currently have any impaired financial assets, financial liabilities with changes in fair value due to credit risk presented in other comprehensive income, or financial instruments requiring hedge accounting.

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Trade and Other Payables

Trade payables and other accounts are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

h) Trade and Other Receivables

Trade account receivable amounts due from related parties and other receivables represent the principal amounts due at balance date plus accrued interest less, where applicable, any unearned income and provision for expected credit loss.

i) Income Tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary difference at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probably that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the difference will not reverse in the foreseeable future. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

j) Plant and Equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement profit or loss and other comprehensive income during the financial period in which they are incurred.

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Depreciation

The depreciable amount of all plant and is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

| <i>Class of Fixed Asset</i> | <i>Depreciation Rate</i> |
|-----------------------------|--------------------------|
| Plant and equipment | 16.67% - 40%. |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement profit or loss and other comprehensive income.

l) Exploration and Development Expenditure

For each area of interest, expenditure incurred in the exploration for, and evaluation of, mineral resources are either expensed as incurred or capitalised and recognised as an exploration and evaluation asset.

Exploration, evaluation and development expenditure capitalised are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Where permits for capitalised areas of interest are not held directly by the Group, the Group has enforceable current rights to the capitalised areas of interest.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

m) Leases

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Revenue and Other Income

Revenue from contracts with customers is recognised based on the transfer of promised goods or services to customers with an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods or services.

Other revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Research and development tax offset income is recognised when it is received or when the right to receive payment is established. Revenue is measured at the fair value of the consideration received or receivable.

Interest income is recognised using the effective interest rate methods, which, for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of goods and services tax.

o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of any asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

p) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (cash generating units).

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q) Share-Based Payment Transactions

The Company provides benefits to KMP of the Group in the form of share-based payments, whereby the KMP render services in exchange for shares or rights over shares (equity settled transactions). The Company does not provide cash settled share-based payments.

The cost of equity settled transactions with KMP are measured by reference to the fair value of the equity instruments at the date at which they are granted.

The cost of equity settled transactions are recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired, and the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised for the period.

No cumulative expense is recognised for awards that ultimately do not vest (in respect of non-market vesting conditions).

r) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

t) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Boss Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

v) Provision for Restoration

Costs of site restoration are recognised in full at present value as a non-current liability and an equivalent amount may be capitalised as part of the cost of the asset when an obligation arises to decommission or restore a site to a certain condition after abandonment as a result of bringing the assets to their present location. The capitalised cost is amortised over the life of the project and the provision is accredited periodically as the discounting of the liability unwinds. The unwinding of the discount is recorded as interest expense. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs are determined on the basis that restoration will be completed within one year of abandoning a site.

w) Investments in Strategic Uranium Inventory

Investments in strategic uranium inventory are initially recorded at cost, on the date that control of the uranium inventory passes to the Group. Cost is calculated as the purchase price, excluding transaction fees, which are expensed as incurred. Subsequent to initial recognition, investments in uranium are measured at fair value at each reporting period end. Fair value is determined based on the most recent month-end spot prices for uranium published by Numerco and converted to Australian dollars using the Reserve Bank of Australia's indicative foreign exchange rate at the date of the consolidated statement of financial position. Related fair value increment gains and losses are recorded in the consolidated statement of profit or loss and other comprehensive income as 'gain/(loss) on investment in uranium and financial assets' in the period in which they arise.

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

x) Critical Accounting Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Capitalised Exploration and Evaluation Expenditure

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Restoration provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Investments in Strategic Uranium Inventory

Investments in strategic uranium inventory are measured at fair value at each reporting period-end based on the month end spot prices for uranium published by Numerco and converted to Australian dollars using the period-end indicative foreign exchange rate. The Group may also adjust the fair value of the investments in uranium based on its assessment of the valuation impact of risks associated with the third-party storage facilities at which the Group uranium inventory is held.

Notes to the Financial Statements

For the Year Ended 30 June 2021

| | Consolidated | |
|---|--------------------|--------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| NOTE 2: SIGNIFICANT INCOMES AND EXPENDITURES | | |
| Income | | |
| Interest income | 103,089 | 243,990 |
| | 103,089 | 243,990 |
| Other income | | |
| Research and Development tax rebate | 321,497 | 356,547 |
| Government grants received | 50,000 | 50,000 |
| Other | 2,235 | - |
| | 373,732 | 406,547 |
| Employees and consultants | | |
| Superannuation | (91,856) | (44,527) |
| Other employee and consultant charges | (1,982,178) | (1,165,871) |
| | (2,074,034) | (1,210,398) |
| Financing charges | | |
| Bank fees including guarantee fees | (111,477) | (103,459) |
| Interest on promissory notes | (11,403) | (31,781) |
| | (122,880) | (135,240) |
| Professional and service fees | | |
| Tax, accounting and legal fees | (114,268) | (140,184) |
| Travel and accommodation | (33,396) | (129,809) |
| Regulatory fees | (125,904) | (64,595) |
| Office rent | (73,065) | (84,944) |
| Other professional and service fees | (110,736) | (12,253) |
| | (457,369) | (431,785) |
| Other expenses | | |
| Depreciation | (68,077) | (131,210) |
| Other expenses | (291,627) | (231,113) |
| | (359,704) | (362,323) |

NOTE 3: INCOME TAX EXPENSE

a. Income tax expense

| | | |
|---|----------|----------|
| Current tax | - | - |
| Deferred tax | - | - |
| Under/ (over) provision in respect of prior years | - | - |
| | - | - |

Notes to the Financial Statements

For the Year Ended 30 June 2021

| | Consolidated | |
|--|--------------|------|
| | 2021 | 2020 |
| | \$ | \$ |

NOTE 3: INCOME TAX EXPENSE (continued)

b. Numerical reconciliation of income tax benefit to prima facie tax payable

| | | |
|--|---------|-------------|
| Profit/(loss) from continuing operations before income tax expense | 864,749 | (5,084,467) |
| Tax at the Australian tax rate of 27.5% (2020: 27.5%) | 237,806 | (1,398,228) |

Tax effect amounts which are not deductible/(taxable) in calculating taxable income:

| | | |
|---|-------------|-----------|
| Share based payments | 156,668 | 282,431 |
| (Unrealised gains)/impairment of assets | (1,244,989) | (2,414) |
| Other non-deductible expenses and non-assessable income | (593,789) | (519,119) |
| Income tax benefit not recognised | 1,444,304 | 1,637,330 |
| Income tax expense | - | - |

c. Unrecognised deferred tax assets – tax losses

| | | |
|---|-------------------|-------------------|
| Unused tax losses for which no deferred tax asset has been recognised | 110,699,806 | 106,302,560 |
| Potential tax benefit at the Australian tax rate of 27.5% (2020: 27.5%) | 30,442,447 | 29,233,204 |

The Group is estimated to have Australian tax losses for which no deferred tax asset is recognised of \$110,699,806 (2020: \$106,302,560). The 2021 balance includes \$89,997,058 of income tax losses and \$20,702,748 of capital losses.

d. Unrecognised temporary differences

Unrecognised deferred tax asset at 30 June relates to the following:

| | | |
|---|------------------|------------------|
| Accumulated impairment of assets | 2,133,970 | 2,278,342 |
| Unrealised gain on strategic uranium inventory | (1,100,616) | - |
| Capital raising costs recognised directly in equity | 1,077,644 | 117,609 |
| Other unrecognised temporary differences | 3,520,595 | 4,289,280 |
| | 5,631,593 | 6,685,231 |

The temporary differences have not been brought to account because the Directors do not believe it is appropriate to regard realisation of those deferred tax assets as being probable, for the year 30 June 2021. The benefit of these deferred tax assets will only be obtained if:

- (1) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the temporary differences to be realised;
- (2) the Group continues to comply with the conditions for deductibility imposed by tax legislation; and
- (3) no changes in tax legislation adversely affect the entity in realising the benefit from the deductions for the temporary differences.

No franking credits are available.

Notes to the Financial Statements

For the Year Ended 30 June 2021

| Consolidated | |
|--------------|------|
| 2021 | 2020 |
| \$ | \$ |

NOTE 4: CASH AND CASH EQUIVALENTS

| | | |
|--------------|-------------------|------------------|
| Cash at bank | 10,873,411 | 622,329 |
| Term deposit | 10,000,000 | 3,200,000 |
| | 20,873,411 | 3,822,329 |

NOTE 5: TRADE AND OTHER RECEIVABLES

| | | |
|-------------------|--------------|--------------|
| Trade receivables | 1,158 | 3,777 |
| | 1,158 | 3,777 |

Receivables are non-interest bearing and generally repayable within 30 days. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

NOTE 6: OTHER ASSETS

| | | |
|---------------------|---------------|---------------|
| Prepaid expenses | 11,503 | 12,192 |
| Short term deposits | 16,866 | 18,232 |
| | 28,369 | 30,424 |

NOTE 7: PLANT AND EQUIPMENT

| | | |
|--|---------------|----------------|
| Cost | 652,413 | 645,169 |
| Accumulated depreciation | (601,612) | (544,444) |
| | 50,801 | 100,725 |
| Movements in Carrying Amounts: | | |
| Carrying amount at beginning of the year | 100,725 | 177,606 |
| Additions | 18,153 | 54,329 |
| Disposals | - | - |
| Depreciation expense | (68,077) | (131,210) |
| Carrying amount at end of the year | 50,801 | 100,725 |

Notes to the Financial Statements

For the Year Ended 30 June 2021

| | Consolidated | |
|---|-------------------|------|
| | 2021 | 2020 |
| | \$ | \$ |
| NOTE 8: INVESTMENTS IN STRATEGIC URANIUM INVENTORY | | |
| Balance at the beginning of the year | - | - |
| Purchase of uranium inventory - cost | 49,870,610 | - |
| Net gain on investment in uranium inventory | 4,002,240 | - |
| Carrying amount at end of the year | 53,872,850 | - |

Uranium purchases

During the year ended 30 June 2021, the Company entered into two binding contracts to purchase a total amount of 1.25 million pounds of U₃O₈ at an average price of US\$30.15/lb. On 30 April 2021, the Company took delivery of 0.25 million pounds of U₃O₈ resulting in an increase in US\$7,537,500 (A\$9,938,687) on the Company's investments in uranium at the time of purchase. On 30 June 2021, the Company took delivery of the remaining 1 million pounds of U₃O₈ resulting in an increase in US\$30,150,000 (A\$39,754,747) on the Company's investments in uranium at the time of purchase. The Company incurred costs of A\$177,176 in relation to the uranium acquisitions.

All uranium owned by the Company is stored at the ConverDyn Facility in Metropolis, Illinois.

NOTE 9: OTHER FINANCIAL ASSETS

| | | |
|---|------------------|------------------|
| Security bonds | 8,882,380 | 8,882,380 |
| Financial assets – at fair value through profit or loss | 579,421 | 54,430 |
| | 9,461,801 | 8,936,810 |
| Listed investments, at fair value | | |
| - Shares in listed corporations | 579,421 | 54,430 |
| Movement in listed investments at fair value | | |
| Opening fair value | 54,430 | 45,651 |
| Gain/(decline) in value | 524,991 | 8,779 |
| Closing fair value | 579,421 | 54,430 |

Notes to the Financial Statements

For the Year Ended 30 June 2021

| Consolidated | |
|--------------|------|
| 2021 | 2020 |
| \$ | \$ |

NOTE 9: OTHER FINANCIAL ASSETS (continued)

Movement in security bonds

| | | |
|------------------------|------------------|------------------|
| Opening value | 8,882,380 | 8,944,680 |
| Security bond refunded | - | (62,300) |
| Closing value | <u>8,882,380</u> | <u>8,882,380</u> |

Listed investments at fair value comprise an investment in the ordinary issued capital of an ASX listed entity. There are no fixed returns or fixed maturity dates attached to this investment. Movements in the value of listed investments at fair value are recognised in profit or loss.

Security bonds are term deposits held as security and deposits held by service providers. The term deposits are held by Australian banks with at least 'A' credit rankings. No impairment provisions are recognised for security bonds as they are expected to be fully recoverable.

NOTE 10: EXPLORATION AND EVALUATION EXPENDITURE

| | | |
|--|-------------------|------------------|
| Balance at the beginning of the year | 8,813,373 | 8,708,944 |
| Exploration expenditure incurred | 2,235,024 | 2,577,015 |
| Increase in associated restoration provision (Note 12) | 96,104 | 104,429 |
| Exploration expenditure expensed | (560,161) | (2,577,015) |
| Balance at the end of the year | <u>10,584,340</u> | <u>8,813,373</u> |

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas. The balance of capitalised exploration and evaluation expenditure at 30 June 2021 of \$10,584,340 (30 June 2020: \$8,813,373) solely reflects expenditure incurred on the Honeymoon Uranium Project (ML6109).

From 1 July 2020, the Group has chosen to capitalise all exploration expenditure incurred on the Honeymoon Uranium Project but continue expensing exploration expenditure incurred for other surrounding tenements. This is consistent with the Group's accounting policy given in the annual financial report for the year ended 30 June 2020, because the nature of ML6019 makes it appropriate to distinguishing it from the Company's less advanced exploration assets. The directors believe this change would result in financial information that is more relevant to the needs of users, and more reliable in that:

- the financial statements would more faithfully reflect the financial position and financial performance of the Group; and
- the financial statements would more accurately reflect the economic substance of transactions and other events.

Notes to the Financial Statements

For the Year Ended 30 June 2021

| Consolidated | |
|--------------|------|
| 2021 | 2020 |
| \$ | \$ |

NOTE 11: TRADE AND OTHER PAYABLES

| | | |
|---------------------|----------------|----------------|
| Trade payables | 93,649 | 325,061 |
| Accrued expenditure | 256,448 | 67,203 |
| Interest payable* | - | 338,931 |
| | 350,097 | 731,195 |

All payables are on industry standard payment terms.

**As part of the Honeymoon Uranium project acquisition from Uranium One, two promissory notes were issued by the Company, for \$3 million and \$4 million, on behalf of Boss Energy Pty Ltd to enable that entity to partially repay loans owing to the vendor. The \$3 million promissory note was repaid in November 2017 while the remaining \$4 million promissory note was repaid in November 2019. Interest payable on the promissory notes, totalling \$350,334 (of which \$338,931 was recognised as at 30 June 2020), was repaid paid during the year with no further amounts payable.*

NOTE 12: NON-CURRENT PROVISIONS

| | | |
|-----------------------|------------------|------------------|
| Restoration provision | 8,917,463 | 8,821,359 |
| | 8,917,463 | 8,821,359 |

Movement in restoration provision

| | | |
|--|------------------|------------------|
| Opening carrying amount at the start of the period | 8,821,359 | 8,716,930 |
| Increase in restoration provision | 96,104 | 104,429 |
| Closing carrying amount at the end of the period | 8,917,463 | 8,821,359 |

Costs of site restoration are recognised in full at present value as a non-current liability and an equivalent amount capitalised as part of the cost of the asset when an obligation arises to decommission or restore a site to a certain condition after abandonment as a result of bringing the assets to their present location.

Notes to the Financial Statements

For the Year Ended 30 June 2021

| | Consolidated | |
|--|--------------|------|
| | 2021 | 2020 |
| | \$ | \$ |

NOTE 13: ISSUED CAPITAL

a. Movements in issued capital

| | | |
|--|--------------------|-------------------|
| Issued Capital – share options issued for cash | 1,000 | 1,000 |
| Issued Capital - fully paid ordinary shares | 151,616,044 | 79,305,493 |
| Issued Capital - fully paid ordinary shares | 151,617,044 | 79,306,493 |

| 2021 | Number | \$ |
|------|--------|----|
|------|--------|----|

Ordinary Shares

| | | |
|--|----------------------|--------------------|
| Balance at 1-Jul-2020 | 1,587,403,008 | 79,305,493 |
| Shares issued to employees on 21-Aug-20 | 1,600,000 | 88,000 |
| Shares issued following vesting of Performance Rights on 8-Oct-2020 | 10,000,000 | - |
| Shares issued under a Placement on 8-Oct-2020 | 224,630,597 | 15,050,250 |
| Shares issued to directors on 20-Nov-2020 following shareholder approval | 4,100,000 | 262,400 |
| Shares issued to directors on 20-Nov-2020 (as part of 8-Oct-2020 Placement) following shareholder approval | 3,365,000 | 225,455 |
| Shares issued following exercise of Options on 18-Jan-2021 | 1,849,515 | - |
| Shares issued following exercise of Options on 5-Feb-2021 | 5,000,000 | 300,000 |
| Shares issued following vesting of Performance Rights on 5-Feb-2021 | 3,000,000 | - |
| Shares issued following exercise of Options on 17-Feb-2021 | 5,000,000 | 350,000 |
| Shares issued following exercise of Options on 10-Mar-2021 | 3,756,757 | - |
| Shares issued under a Placement on 1-Apr-2021 | 428,571,429 | 60,000,000 |
| Capital raising costs | - | (3,965,554) |
| Balance at 30-Jun-2021 | 2,278,276,306 | 151,616,044 |

2020

Ordinary Shares

| | | |
|--|----------------------|-------------------|
| Balance at 1-Jul-2019 | 1,584,403,008 | 79,131,493 |
| Shares issued to directors on 12-Nov-2019 following shareholder approval | 3,000,000 | 174,000 |
| Balance at 30-Jun-2020 | 1,587,403,008 | 79,305,493 |

Ordinary shareholders participate in dividends and the proceeds in winding up of the parent entity in proportion to the shares held.

b. Capital Risk Management

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Company. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The Company does not have a defined share buy-back plan. No dividends were paid or declared in the years ending 2021 and 2020. The Group is not subject to any externally imposed capital requirements.

Notes to the Financial Statements

For the Year Ended 30 June 2021

| | Consolidated | |
|---|--------------------|-------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| NOTE 14: RESERVES | | |
| Options reserve | 10,774,712 | 10,555,412 |
| | 10,774,712 | 10,555,412 |
| Options reserve | Number of | \$ |
| | Options | |
| 2021 | | |
| Balance at 1-Jul-2020 | 118,500,000 | 10,555,412 |
| Options issued to Directors on 18-Nov-2020 | 10,000,000 | 219,300 |
| Exercise of Options on 18-Jan-2021 | (6,000,000) | - |
| Exercise of Options on 5-Feb-2021 | (5,000,000) | - |
| Exercise of Options on 17-Feb-2021 | (5,000,000) | - |
| Exercise of Options on 10-Mar-2021 | (9,500,000) | - |
| Balance at 30-Jun-2021 | 103,000,000 | 10,774,712 |
| 2020 | | |
| Balance at 1-Jul-2019 | 55,500,000 | 9,702,390 |
| Recognition and reversal of Performance Rights | - | (783,738) |
| Cancellation of Options issued to Managing Director | (30,000,000) | (42,100) |
| Options issued to Employees on 4 July 2019 | 15,000,000 | 198,800 |
| Options issued to Directors on 12 November 2019 | 57,000,000 | 1,223,790 |
| Options issued to Chairman on 21 January 2020 | 21,000,000 | 256,270 |
| Balance at 30-Jun-2020 | 118,500,000 | 10,555,412 |

The options reserve represents the charge for outstanding options and performance rights which have met all conditions precedent to vest, but which have not been exercised.

NOTE 15: ACCUMULATED LOSSES

| | | |
|---|---------------------|---------------------|
| Accumulated losses at the beginning of the year | (77,796,921) | (72,712,454) |
| Loss after income tax expense for the year | 864,749 | (5,084,467) |
| Accumulated losses at the end of the year | (76,932,172) | (77,796,921) |

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 16: CASHFLOW INFORMATION

a. Reconciliation of net cash used in operating activities with loss after income tax

For the purpose of the statement of cash flows, cash includes cash on hand and at bank and deposits. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related item in the statement of financial position as follows:

| | Consolidated | |
|--|--------------------|--------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Cash at bank and on hand | 20,873,411 | 3,822,329 |
| Reconciliation of loss after related income tax to net cash used in operating activities: | | |
| Profit/(loss) after income tax expense | 864,749 | (5,084,467) |
| Adjustments for: | | |
| Depreciation | 68,077 | 131,210 |
| (Gain on)/decline in value of investments | (4,527,231) | (8,779) |
| Exchange differences | (1,229) | 2 |
| Share based payment expense | 569,700 | 1,027,022 |
| Previously written off receivable | (2,235) | - |
| Interest on promissory notes | 11,403 | - |
| Gain on disposal of fixed assets | (4,545) | - |
| Net changes in working capital: | | |
| Provisions | 55,686 | 61,907 |
| Payables | (261,804) | (53,579) |
| Receivables | 2,619 | 1,250,433 |
| Other assets | (12,853) | 6,828 |
| Net cash used in operating activities | (3,237,663) | (2,669,423) |

NOTE 17: LOSS PER SHARE

The loss and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

| | | |
|--|---------------|---------------|
| Profit/(loss) for the year attributable to members of the Company | 864,749 | (5,084,467) |
| | Number | Number |
| Weighted average number of shares outstanding during the year used in calculations of basic and diluted loss per share | 1,877,799,114 | 1,585,509,565 |

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 18: DETAILS OF CONTROLLED ENTITIES

Information about Principal Subsidiaries

| | Country of Incorporation | Percentage Owned % | |
|--------------------------------------|--------------------------|--------------------|------|
| | | 2021 | 2020 |
| Parent Entity: | | | |
| Boss Energy Limited | Australia | | |
| Subsidiaries of Boss Energy Limited: | | | |
| Wattle Mining Pty Ltd | Australia | 100 | 100 |
| Honeymoon Resources Pty Ltd | Australia | 100 | 100 |
| Boss Uranium Pty Ltd | Australia | 100 | 100 |
| Boss Resources Sweden Pty Ltd | Australia | 100 | 100 |

There have been no other movements in percentage ownership or costs of controlled entities during 2021.

NOTE 19: KEY MANAGEMENT PERSONNEL

Compensation of Key Management Personnel

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's KMP For the year ended 30 June 2021.

| | Consolidated | |
|--------------------------------|------------------|------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Short term employment benefits | 796,549 | 761,896 |
| Other benefits | 62,725 | 44,527 |
| Share based payments | 503,700 | 1,711,360 |
| | 1,362,974 | 2,517,783 |

NOTE 20: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The contingent liabilities of the Group to the vendor of the Honeymoon Uranium Project, Uranium One Inc, are:

- \$2 million payable in cash and/or shares upon either 90 days of continuous production of uranium.
- 10% of positive annual net operating cash flow in the production of uranium, capped at \$3 million in total.

The contingent assets of the Group are:

- Boss Uranium Pty Ltd agreed to potentially sell up to 1.3 million pounds of uranium oxide to a United States customer, calculated as at least 20% of each prior quarter's production up to a total of 250,000 pounds per annum. The price is to be determined based on future market prices.

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 21: COMMITMENTS

The Group has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the financial statements. Due to the nature of the Group's operations in exploring and evaluating areas of interest, expenditure may be reduced by seeking exemption from individual commitments, by relinquishment of tenure or any new joint venture arrangements. Expenditure may be increased when new tenements are granted or joint venture agreements amended.

| | Consolidated | |
|-------------------------------------|------------------|------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Exploration expenditure | | |
| Less than 12 months | 390,000 | 398,000 |
| 12 months to 5 years | 3,000,000 | 2,000,000 |
| | 3,390,000 | 2,398,000 |
| Corporate and Administration | | |
| Less than 12 months | 302,377 | 365,344 |
| 12 months to 5 years | - | 30,000 |
| | 302,377 | 395,344 |

NOTE 22: SEGMENT REPORTING

The Group is organised into one operating segment, focused on conducting exploration and feasibility studies on tenements considered prospective for uranium in Australia. This is based on the internal reports that are being reviewed and used by the Board of Directors who are identified as the Chief Operating Decision Makers in assessing performance and in determining the allocation of resources. As a result, the operating segment information for the financial year ended 30 June 2021 is as disclosed in the statements and notes to the financial statements throughout the report.

Although the Company has one operating segment in Australia, all uranium owned by the Company, being 1.25 million pounds, is currently stored at the ConverDyn Facility in Metropolis, Illinois.

Notes to the Financial Statements

For the Year Ended 30 June 2021

| Consolidated | |
|--------------|------|
| 2021 | 2020 |
| \$ | \$ |

NOTE 23: AUDITORS' REMUNERATION

The auditor of Boss Energy Limited is RSM Australia Partners.

Amounts, received or due and receivable by RSM Australia Partners for:

Auditing or review services

| | |
|---------------|---------------|
| 37,000 | 38,000 |
| 37,000 | 38,000 |

NOTE 24: SHARE-BASED PAYMENTS

a. Value of share-based payments in the financial statements

Share based payments for employees expensed

| | |
|----------------|------------------|
| 569,700 | 1,027,022 |
| 569,700 | 1,027,022 |

Set out below are the summaries of Options granted as share based payments:

Options – 2021

| Grant date | Expiry date | Ex. Price | Balance 1-Jul-20 | Granted during the year | Exercised during the year | Balance 30-Jun-21 | Number vested and exercisable |
|---------------------------------|-------------|-----------|--------------------|-------------------------|---------------------------|--------------------|-------------------------------|
| 19-Mar-18 | 19-Mar-21 | 0.065 | 3,500,000 | - | (3,500,000) | - | - |
| 19-Mar-18 | 19-Mar-21 | 0.080 | 6,000,000 | - | (6,000,000) | - | - |
| 19-Mar-18 | 19-Mar-21 | 0.095 | 6,000,000 | - | (6,000,000) | - | - |
| 21-Mar-18 | 31-Dec-21 | 0.060 | 5,000,000 | - | (5,000,000) | - | - |
| 21-Mar-18 | 31-Dec-21 | 0.070 | 5,000,000 | - | (5,000,000) | - | - |
| 4-Jul-19 | 30-Jun-22 | 0.065 | 5,000,000 | - | - | 5,000,000 | 5,000,000 |
| 4-Jul-19 | 30-Jun-22 | 0.080 | 5,000,000 | - | - | 5,000,000 | 5,000,000 |
| 4-Jul-19 | 30-Jun-22 | 0.095 | 5,000,000 | - | - | 5,000,000 | 5,000,000 |
| 12-Nov-19 | 30-Jun-23 | 0.065 | 19,000,000 | - | - | 19,000,000 | 19,000,000 |
| 12-Nov-19 | 30-Jun-23 | 0.080 | 19,000,000 | - | - | 19,000,000 | 19,000,000 |
| 12-Nov-19 | 30-Jun-23 | 0.095 | 19,000,000 | - | - | 19,000,000 | 19,000,000 |
| 21-Jan-20 | 30-Jun-23 | 0.065 | 7,000,000 | - | - | 7,000,000 | 7,000,000 |
| 21-Jan-20 | 30-Jun-23 | 0.080 | 7,000,000 | - | - | 7,000,000 | 7,000,000 |
| 21-Jan-20 | 30-Jun-23 | 0.095 | 7,000,000 | - | - | 7,000,000 | 7,000,000 |
| 18-Nov-20 | 30-Jun-23 | 0.080 | - | 5,000,000 | - | 5,000,000 | 5,000,000 |
| 18-Nov-20 | 30-Jun-23 | 0.095 | - | 5,000,000 | - | 5,000,000 | 5,000,000 |
| | | | 118,500,000 | 10,000,000 | (25,500,000) | 103,000,000 | 103,000,000 |
| Weighted average exercise price | | | \$0.079 | \$0.090 | - | \$0.081 | \$0.080 |

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 24: SHARE-BASED PAYMENTS (continued)

Options – 2020

| Grant date | Expiry date | Ex. Price | Balance 1-Jul-19 | Granted during the year | (Cancelled) during the year | Exercised during the year | Balance 30-Jun-20 | Number vested and exercisable |
|---------------------------------|-------------|-----------|------------------|-------------------------|-----------------------------|---------------------------|-------------------|-------------------------------|
| 9-Jan-17 | 9-Jan-20 | 0.065 | 10,000,000 | - | (10,000,000) | - | - | - |
| 9-Jan-17 | 9-Jan-20 | 0.080 | 10,000,000 | - | (10,000,000) | - | - | - |
| 9-Jan-17 | 9-Jan-20 | 0.095 | 10,000,000 | - | (10,000,000) | - | - | - |
| 19-Mar-18 | 19-Mar-21 | 0.065 | 3,500,000 | - | - | - | 3,500,000 | 3,500,000 |
| 19-Mar-18 | 19-Mar-21 | 0.080 | 6,000,000 | - | - | - | 6,000,000 | 6,000,000 |
| 19-Mar-18 | 19-Mar-21 | 0.095 | 6,000,000 | - | - | - | 6,000,000 | 6,000,000 |
| 21-Mar-18 | 31-Dec-21 | 0.060 | 5,000,000 | - | - | - | 5,000,000 | 5,000,000 |
| 21-Mar-18 | 31-Dec-21 | 0.070 | 5,000,000 | - | - | - | 5,000,000 | 5,000,000 |
| 4-Jul-19 | 30-Jun-22 | 0.065 | - | 5,000,000 | - | - | 5,000,000 | 5,000,000 |
| 4-Jul-19 | 30-Jun-22 | 0.080 | - | 5,000,000 | - | - | 5,000,000 | 5,000,000 |
| 4-Jul-19 | 30-Jun-22 | 0.095 | - | 5,000,000 | - | - | 5,000,000 | 5,000,000 |
| 12-Nov-19 | 30-Jun-23 | 0.065 | - | 19,000,000 | - | - | 19,000,000 | 19,000,000 |
| 12-Nov-19 | 30-Jun-23 | 0.080 | - | 19,000,000 | - | - | 19,000,000 | 19,000,000 |
| 12-Nov-19 | 30-Jun-23 | 0.095 | - | 19,000,000 | - | - | 19,000,000 | 19,000,000 |
| 21-Jan-20 | 30-Jun-23 | 0.065 | - | 7,000,000 | - | - | 7,000,000 | 7,000,000 |
| 21-Jan-20 | 30-Jun-23 | 0.080 | - | 7,000,000 | - | - | 7,000,000 | 7,000,000 |
| 21-Jan-20 | 30-Jun-23 | 0.095 | - | 7,000,000 | - | - | 7,000,000 | 7,000,000 |
| | | | 55,500,000 | 93,000,000 | (30,000,000) | - | 118,500,000 | 118,500,000 |
| Weighted average exercise price | | | \$0.078 | \$0.080 | \$0.08 | - | \$0.079 | \$0.079 |

Fair values of share options are determined using the Black-Scholes model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected yield and the risk-free interest rate for the term of the option. The inputs to the model used were:

| Grant date | Expiry date | Ex. Price | Number of Options | Share price at grant date | Volatility | Interest rate | Dividend yield | Value of Option |
|------------|-------------|-----------|-------------------|---------------------------|------------|---------------|----------------|-----------------|
| 4-Jul-19 | 30-Jun-22 | \$0.065 | 5,000,000 | \$0.048 | 62% | 0.93% | - | \$0.01576 |
| 4-Jul-19 | 30-Jun-22 | \$0.080 | 5,000,000 | \$0.048 | 62% | 0.93% | - | \$0.01304 |
| 4-Jul-19 | 30-Jun-22 | \$0.095 | 5,000,000 | \$0.048 | 62% | 0.93% | - | \$0.01096 |
| 12-Nov-19 | 30-Jun-23 | \$0.065 | 19,000,000 | \$0.058 | 62% | 0.91% | - | \$0.02452 |
| 12-Nov-19 | 30-Jun-23 | \$0.080 | 19,000,000 | \$0.058 | 62% | 0.91% | - | \$0.02125 |
| 12-Nov-19 | 30-Jun-23 | \$0.095 | 19,000,000 | \$0.058 | 62% | 0.91% | - | \$0.01862 |
| 21-Jan-20 | 30-Jun-23 | \$0.065 | 7,000,000 | \$0.048 | 55% | 0.66% | - | \$0.01472 |
| 21-Jan-20 | 30-Jun-23 | \$0.080 | 7,000,000 | \$0.048 | 55% | 0.66% | - | \$0.01198 |
| 21-Jan-20 | 30-Jun-23 | \$0.095 | 7,000,000 | \$0.048 | 55% | 0.66% | - | \$0.00991 |
| 18-Nov-20 | 30-Jun-23 | \$0.080 | 5,000,000 | \$0.064 | 70% | 0.10% | - | \$0.02343 |
| 18-Nov-20 | 30-Jun-23 | \$0.095 | 5,000,000 | \$0.064 | 70% | 0.10% | - | \$0.02043 |

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 24: SHARE-BASED PAYMENTS (continued)

Set out below are the summaries of Performance Rights granted as share based payments:

Performance Rights – 2021

| Class | Grant date | Expiry date | Balance 1-Jul-20 | Granted/(cancelled) during the year | Converted during the year | Balance 30-Jun-21* |
|-------|------------|-------------|---------------------|--|------------------------------|-----------------------|
| A | 17-Nov-15 | 17-Nov-20 | 10,000,000 | - | (10,000,000) | - |
| D | 16-Aug-16 | 25-Aug-21 | 3,000,000 | - | - | 3,000,000 |
| E | 16-Aug-16 | 25-Aug-21 | 3,000,000 | - | (3,000,000) | - |
| F | 17-Nov-15 | 17-Nov-20 | 3,333,333 | (3,333,333) | - | - |
| G | 16-Aug-16 | 25-Aug-21 | 8,000,000 | - | - | 8,000,000 |
| | | | 27,333,333 | (3,333,333) | (13,000,000) | 11,000,000 |

* On 25 August 2021, the remaining 11,000,000 performance rights expired without the vesting conditions being met. As at the date of this annual report the Company has no performance rights on issue.

Performance Rights – 2020

| Class | Grant date | Expiry date | Balance 1-Jul-19 | Granted/(cancelled) during the year* | Converted during the year | Balance 30-Jun-20 |
|-------|------------|-------------|---------------------|---|------------------------------|----------------------|
| A | 17-Nov-15 | 17-Nov-20 | 10,000,000 | - | - | 10,000,000 |
| B | 17-Nov-15 | 17-Nov-20 | 10,000,000 | (10,000,000) | - | - |
| C | 17-Nov-15 | 17-Nov-20 | 10,000,000 | (10,000,000) | - | - |
| D | 16-Aug-16 | 25-Aug-21 | 3,000,000 | - | - | 3,000,000 |
| E | 16-Aug-16 | 16-Aug-21 | 3,000,000 | - | - | 3,000,000 |
| F | 17-Nov-15 | 17-Nov-20 | 3,333,333 | - | - | 3,333,333 |
| G | 16-Aug-16 | 16-Aug-21 | 8,000,000 | - | - | 8,000,000 |
| | | | 47,333,333 | (20,000,000) | - | 27,333,333 |

* The Board determined that the milestones of the 20 million performance rights issued to Mr Peter Williams were incapable of satisfaction following his resignation from the Board on 31 May 2020 and they were subsequently cancelled following his resignation.

On meeting vesting conditions, Performance Rights will each convert into one ordinary share with no further consideration. Performance Rights were valued at the closing share price on the grant date, less discounts to reflect the effects of any market based vesting conditions. The expected vesting period for each Performance Right for performance-based vesting conditions is the period until expiry of the performance right. As at 30 June 2021, the Company had 11,000,000 performance rights on issue, which had been fully expensed. On 25 August 2021, all remaining performance rights expired without the vesting conditions being met.

b. Weighted average remaining contractual life

The weighted average remaining contractual life of share-based payment options outstanding as at 30 June 2021 was 1.85 years (2020: 2.45 years). The weighted average remaining contractual life of Performance Rights that were outstanding as at 30 June 2021 was 0.15 years (2020: 0.8 years).

c. Weighted average fair value

The weighted average fair value of options outstanding as at 30 June 2021 was \$0.018 (2020: \$0.017). The weighted average fair value of Performance Rights outstanding as at 30 June 2021 was \$0.058 (2020: \$0.043).

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 25: FINANCIAL INSTRUMENTS

Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, available for sale financial assets, trade and other receivables and trade and other payables.

The Group manages its exposure to key financial risks, including interest rate, liquidity and credit risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rates. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 1 to the financial statements.

The totals of each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

| | Consolidated | |
|---|-------------------|-------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Financial Assets | | |
| Cash and cash equivalents | 20,873,411 | 3,822,329 |
| Trade and other receivables | 1,158 | 3,777 |
| Short term deposits | 16,866 | 18,232 |
| Investment in strategic uranium inventory | 53,872,850 | - |
| Security bonds | 8,842,380 | 8,882,380 |
| Listed investments, at fair value | 579,421 | 54,430 |
| Total Financial Assets | 84,186,086 | 12,781,148 |
| Financial Liabilities | | |
| Trade and other payables | 350,097 | 731,195 |
| Total Financial Liabilities | 350,097 | 731,195 |

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 25: FINANCIAL INSTRUMENTS (continued)

Risk exposures and responses

i. Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

| 2021 | Floating Interest Rate \$ | Fixed Interest Rate 1 Year or Less \$ | 1 to 5 Years \$ | Non- Interest Bearing \$ | Total \$ | Weighted Effective Interest Rate |
|---|------------------------------------|--|-----------------------|-----------------------------------|-------------------|---|
| Financial Assets | | | | | | |
| Cash | 10,873,345 | 10,000,000 | - | 66 | 20,873,411 | 0.09% |
| Trade and other receivables | - | - | - | 1,158 | 1,158 | N/A |
| Short term deposits | - | - | - | 16,866 | 16,866 | N/A |
| Investment in strategic uranium inventory | - | - | - | 53,872,850 | 53,872,850 | N/A |
| Other financial assets | - | 8,842,380 | - | 579,421 | 9,421,801 | 0.28% |
| Total Financial Assets | 10,873,345 | 18,842,380 | - | 54,470,361 | 84,186,086 | 0.05% |
| Financial Liabilities | | | | | | |
| Trade and other payables | 11,911 | - | - | 338,186 | 350,097 | 0.43% |
| Total Financial Liabilities | 11,911 | - | - | 338,186 | 350,097 | 0.43% |

| 2020 | Floating Interest Rate \$ | Fixed Interest Rate 1 Year or Less \$ | 1 to 5 Years \$ | Non- Interest Bearing \$ | Total \$ | Weighted Effective Interest Rate |
|------------------------------------|------------------------------------|--|-----------------------|-----------------------------------|-------------------|---|
| Financial Assets | | | | | | |
| Cash | 622,265 | 3,200,000 | - | 64 | 3,822,329 | 0.53% |
| Trade and other receivables | - | - | - | 3,777 | 3,777 | N/A |
| Short term deposits | - | - | - | 18,232 | 18,232 | N/A |
| Other financial assets | - | 8,882,380 | - | 54,430 | 8,936,810 | 0.87% |
| Total Financial Assets | 622,265 | 12,082,380 | - | 76,503 | 12,781,148 | 0.76% |
| Financial Liabilities | | | | | | |
| Trade and other payables | 6,235 | - | - | 724,960 | 731,195 | 0.11% |
| Total Financial Liabilities | 6,235 | - | - | 724,960 | 731,195 | 0.11% |

ii. Sensitivity Analysis

As at 30 June 2021, if interest rates had changed by +/-75 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Group would have been \$223,078 lower/higher (2020 - \$95,238 lower/higher) as a result of lower/higher interest income from cash and cash equivalents.

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 25: FINANCIAL INSTRUMENTS (continued)

iii. Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate access to funds are maintained.

iv. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments.

Fair value hierarchy

The following tables detail the Groups assets and liabilities, measured or disclosed at fair value using a three level hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

| 2021 | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|---|---------------|---------------|---------------|-------------|
| Financial assets: | | | | |
| <i>Fair value through profit or loss:</i> | | | | |
| Listed investments | 579,421 | - | - | 579,421 |
| Investment in strategic uranium inventory | 53,872,850 | - | - | 53,872,850 |
| 2020 | | | | |
| Financial assets: | | | | |
| <i>Fair value through profit or loss</i> | | | | |
| Listed investments | 54,430 | - | - | 54,430 |

Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Group at the balance date are recorded at amounts approximating their carrying amount. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the last trade price. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 26: PARENT ENTITY DISCLOSURES

| | 2021 \$ | 2020 \$ |
|---|--------------------|--------------------|
| Statement of Financial Position | | |
| Assets | | |
| Current assets | 20,902,429 | 3,855,687 |
| Non-current assets | 95,790,700 | 39,105,486 |
| Total assets | <u>116,693,129</u> | <u>42,961,173</u> |
| Liabilities | | |
| Current liabilities | 439,236 | 787,121 |
| Total liabilities | <u>439,236</u> | <u>787,121</u> |
| Equity | | |
| Issued capital | 151,617,044 | 79,306,493 |
| Reserves | 10,774,712 | 10,555,412 |
| Accumulated losses | (46,137,863) | (47,687,853) |
| Total equity | <u>116,253,893</u> | <u>42,174,052</u> |
| Statement of Profit or Loss and Other Comprehensive Income | | |
| Profit/(loss) for the year | 1,549,990 | (2,406,159) |
| Total comprehensive loss for the year | <u>1,549,990</u> | <u>(2,406,159)</u> |

Guarantees

Boss Energy Limited has not entered into any guarantees in the current or previous financial year in relation to the debts of its subsidiaries.

Other Commitments and Contingencies

Boss Energy Limited has no commitments to acquire property, plant and equipment and has no contingent liabilities other than those already disclosed in the notes to the financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 27: RELATED PARTY TRANSACTIONS

As at 30 June 2021, there were no balances owed from/to KMP and or companies associated with the KMP.

NOTE 28: EVENTS SUBSEQUENT TO BALANCE DATE

The following events occurred between the end of the financial year and the date of this report:

- On 1 August 2021, Bryn Jones transitioned from Technical Director to a Non-Executive Director;
- On 16 August 2021, the Company's shares began trading on the OTCQB Venture Market under the ticker symbol "BQSSF". OTC is the largest Alternative Trading System in the US;
- On 25 August 2021, a total of 11,000,000 Performance Rights expired without the vesting conditions being met;
- During August 2021, the Company sold its total investment of 1,755,820 ordinary shares in Greenvale Mining Limited (ASX: GRV). The carrying value of this investment as at 30 June 2021 was \$579,421 and the total proceeds received from the sale of were approximately \$1.02 million;
- On 16 September 2021, the Company advised that it had taken another key step in its strategy to re-start production at its mothballed Honeymoon uranium project in South Australia with the appointment of the EPC contractor for the electrical, instrumentation and control system; and
- On 29 September 2021, the Company issued a total of 3,403,172 zero exercise price options (ZEPOs) under the short term incentive program and 3,403,172 ZEPOs under the long term incentive program. All ZEPOs were granted under and subject to the terms of the Company's Employee Securities Incentive Plan as last approved by Shareholders at the 2020 Annual General Meeting. The Company also agreed to issue 2,007,500 ZEPOs under the short term incentive program and 2,392,500 ZEPOs under the long term incentive program to Managing Director and Chief Executive Officer, Mr Duncan Craib. The issue of these ZEPOs to Mr Craib will be subject to shareholder approval to be sought at the upcoming 2021 Annual General Meeting.

Other than that, between the end of the financial year and the date of this report there are no items, transactions or events of a material or unusual nature likely, in the opinion of the directors, to affect significantly, the results of those operations, or the state of affairs of the Group in future financial years that require disclosure.

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Peter O'Connor
Chairman

DATED at PERTH this 29th day of September 2021

RSM Australia Partners

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BOSS ENERGY LIMITED**

Opinion

We have audited the financial report of Boss Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 30 June 2021, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How our audit addressed this matter |
|---|---|
| Investments in Strategic Uranium Inventory Refer to Note 8 in the financial statements | |
| <p>During the year, the Group invested in 1.25 million pounds of U₃O₈ (uranium) with a value of \$53,872,850 as at 30 June 2021. The Group initially records investments in strategic uranium inventory at cost, on the date that control of the uranium passes to the Group.</p> <p>Subsequent to initial recognition, this investment is measured at its fair value at each reporting date. Fair value is determined based on the spot price for uranium at the reporting date and converted to Australian dollars. The fair value change is recognised in profit or loss in the financial period in which it occurs.</p> <p>We considered this a key audit matter due to the significance of this balance on the statement of financial position at the reporting date and profit or loss for the year then ended.</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Ensured that the Group's accounting policy with respect to its investments in strategic uranium inventory were in compliance with Australian Accounting Standards; • Obtained an independent confirmation of all physical quantities of uranium owned, from the storage facilities with which the Group maintains an account as at the reporting date; • Agreed the uranium price used in the calculation of the fair value of this investment at the reporting date to published spot prices; • Assessing the reasonableness of the foreign exchange rate used in the calculation of the fair value of this investment at the reporting date by comparing it to the foreign exchange rate obtained from the Reserve Bank of Australia; • Recalculated the fair value of this investment at the reporting date and ensured that the Group has properly accounted for the movements in fair value in accordance with its accounting policy; and • Reviewing the relevant disclosures in the financial statements. |
| Exploration and Evaluation Expenditure Refer to Note 10 in the financial statements | |
| <p>The Group has capitalised exploration and evaluation expenditure with a carrying value of \$10,584,340 at the reporting date.</p> <p>We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the assets including:</p> <ul style="list-style-type: none"> • Determination of whether the exploration and evaluation expenditure can be associated with finding specific mineral resources and the basis on which that expenditure is allocated to an area of interest; and • Assessing whether any indicators of impairment are present at the reporting date. | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Ensuring that the right to tenure of the area of interest is current; • Agreeing a sample of additions to supporting documentation and ensuring the amounts are capital in nature and relate to the area of interest; • Assessing and evaluating management's determination that exploration activities have not yet progressed to the stage where the existence or otherwise of economically recoverable reserves may be determined; • Enquiring with management and reviewing budgets to test that the Group will incur substantive expenditure for each area of interest in the future; and • Assessing and evaluating management's assessment that no indicators of impairment existed at the reporting date. |

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

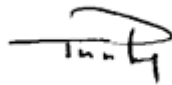
In our opinion, the Remuneration Report of Boss Energy Limited, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 29 September 2021

Corporate Governance

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

Unless disclosed below, all the principles and recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2021 (Reporting Period).

Board Composition

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report and their term of office are detailed in the Director's Report.

The independent Directors of the Company are Mr Peter O'Connor, Mr Dudley Kingsnorth and Mr Wyatt Buck.

When determining the independent status of a Director the Board used the Guidelines detailed in the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

Diversity Policy

The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people.

Our policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

The Company's strategies are to:

1. recruit and manage on the basis of an individual's competence, qualification and performance;
2. create a culture that embraces diversity and that rewards people to act in accordance with this policy;
3. appreciate and respect the unique aspects that individual brings to the workplace;
4. foster an inclusive and supportive culture to enable people to develop to their full potential;
5. identify factors to be taken into account in the employee selection process to ensure we have the right person for the right job;
6. take action to prevent and stop discrimination, bullying and harassment; and
7. recognise that employees at all levels of the Company may have domestic responsibilities.

The Board is accountable for ensuring this policy is effectively implemented. Each employee has a responsibility to ensure that these objectives are achieved.

Compliance with ASX Recommendations

| Recommendation | Boss Energy Limited Current Practice |
|--|--|
| <p>1.1 A listed entity should have and disclose a board charter setting out:</p> <ul style="list-style-type: none"> (a) The respective roles and responsibilities of its board and management; and (b) Those matters expressly reserved to the board and those delegated to management. | <p>The Company has established a Board Charter.</p> <p>The Board Charter sets out the specific responsibilities of the Board in relation to corporate governance, the role of the Board, the Board's relationship with management, the key responsibilities of the Board, the structure of the Board, the role of the chair, the role of Board committees and the occurrence of Board meetings. It is available for review at www.bossenergy.com</p> |
| <p>1.2 A listed entity should:</p> <ul style="list-style-type: none"> (a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | <p>The Company has implemented a policy of undertaking police and bankruptcy checks on all directors before appointment or putting to shareholders for election.</p> <p>The Company provides all relevant information on all directors in its annual report and on its website.</p> |
| <p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their employment.</p> | <p>The Company requires that a detailed letter of appointment or an executive services agreement is executed with each director and employee prior to the commencement of duties.</p> |
| <p>1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p> | <p>The Company's organisation chart reflects the position of the Company Secretary within the Company structure.</p> |
| <p>1.5 A listed entity should:</p> <ul style="list-style-type: none"> (a) Have and disclose a diversity policy; (b) Through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) Disclose in relation to each reporting period: <ul style="list-style-type: none"> 1. the measurable objectives set for that period to achieve gender diversity; 2. the entity's progress towards achieving those objectives; and 3. either: <ul style="list-style-type: none"> A. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or | <p>The Company has adopted a formal Diversity Policy, a summary of which is provided above.</p> <p>As at the date of this Report:</p> <ul style="list-style-type: none"> • The Board comprised five members, all of whom were male. • The senior executives comprised nine people, seven of whom were male and two females. • The whole organisation comprises ten people, seven of whom are male and three females. <p>The Company was not in the S&P / ASX 300 Index at the commencement of the reporting period.</p> |

| | | |
|-----|---|---|
| | <p>B. if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be 30% of its directors of each gender within a specified period.</p> | |
| 1.6 | <p>A listed entity should:</p> <p>(a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) Disclose for each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>The Board Performance Evaluation Policy is available at www.bossenergy.com</p> <p>During the reporting period, the Board collectively assessed their respective roles and contributions to the Company and determined they were appropriate.</p> |
| 1.7 | <p>A listed entity should:</p> <p>(a) Have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>The Board constantly assesses the performance of the Managing Director, the Company Secretary and other Key Management Personnel during the course of the year.</p> |
| 2.1 | <p>The board of a listed entity should:</p> <p>(a) Have a nomination committee which:</p> <ol style="list-style-type: none"> 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director; and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or <p>(b) If it does not have a nomination committee, disclose the fact and the processes it employs to address board succession issues and to ensure the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>The Board consider that given the current size of the Board and the Company, this function is efficiently achieved with full Board participation and by the Audit and Remuneration Committee.</p> <p>Accordingly, the Board has not established a separate nomination committee. The Board has adopted a Nomination Committee Charter by which it abides. The charter is available at the Company’s website www.bossenergy.com</p> |
| 2.2 | <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the</p> | <p>The Board Charter which is available at www.bossenergy.com incorporates a set of</p> |

| | | |
|-----|--|--|
| | board currently has or is looking to achieve in its membership. | skills and abilities that are desirable for the composition of the Board. The Board is satisfied that it currently possesses an appropriate mix of desired skills in the areas of geology, exploration, mining, commerce, the uranium industry and finance to act effectively. |
| 2.3 | <p>A listed entity should disclose:</p> <p>(a) The names of the directors considered by the board to be independent directors;</p> <p>(b) If a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) The length of service of each director.</p> | <p>The Company considers that Mr Peter O'Connor, My Wyatt Buck and Mr Dudley Kingsnorth are all independent directors on the Board due to the other directors currently acting in an executive capacity or having previously acted in an executive capacity.</p> <p>The Company discloses the length of service for each director in the Director's Report of its annual report.</p> |
| 2.4 | A majority of the board of a listed entity should be independent directors. | There are currently three independent directors on the Board out of five in total. The Company complies with this recommendation. |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | Mr Peter O'Connor is the Chairman and is considered independent. The Company complies with this recommendation. |
| 2.6 | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their roles as directors effectively. | <p>The Company has an induction program for all new directors to appropriately familiarise them with the policies and procedures of the Company.</p> <p>The Company encourages and facilitates all Directors to develop their skills, including with the opportunity to attend external seminars to maintain compliance in areas such as risk and disclosure.</p> |
| 3.1 | A listed entity should articulate and disclose its values. | <p>The Board has adopted a Code of Conduct, Securities Trading Policy, Whistleblower Policy, Continuous Disclosure Policy and Shareholder Communication Policy which detail frameworks for acceptable corporate behaviour.</p> <p>These are available at the Company's website www.bossenergy.com</p> |
| 3.2 | <p>A listed entity should:</p> <p>(a) Have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) Ensure that the board or a committee of the board is informed of any material breaches of that code.</p> | <p>The Company's Code of Conduct is available at www.bossenergy.com</p> <p>It is a requirement of the Board that it is informed of any material breaches, none of which occurred during the reporting period.</p> |

| | |
|--|---|
| <p>3.3 A listed entity should:</p> <ul style="list-style-type: none"> (a) Have and disclose a whistleblower policy; and (b) Ensure that the board or a committee of the board is informed of any material incidents reported under that policy. | <p>The Company's Whistleblower Policy is available at www.bossenergy.com</p> <p>It is a requirement of the Board that it is informed of any material breaches, none of which occurred during the reporting period.</p> |
| <p>3.4 A listed entity should:</p> <ul style="list-style-type: none"> (a) Have and disclose an anti-bribery and corruption policy; and (b) Ensure that the board or a committee of the board is informed of any material breaches of that policy. | <p>The Company has not yet adopted an anti-bribery and corruption policy; however, the Company will look to implement an appropriate policy in the near term.</p> |
| <p>4.1 The board of a listed entity should:</p> <ul style="list-style-type: none"> (a) Have an audit committee which: <ul style="list-style-type: none"> 1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 2) is chaired by an independent director, who is not the chair of the board; and disclose: <ul style="list-style-type: none"> 3) the charter of the committee; 4) the relevant qualifications and experience of the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or (b) If it does not have an audit committee, disclose the fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner. | <p>The Company has an Audit and Remuneration Committee which is currently chaired by an independent director (Dudley Kingsnorth); who is not the chair of the Board. However, it does not consist of three members.</p> <p>The Directors require that management report regularly on all financial and commercial aspects of the Company to ensure that they are familiar with all aspects of corporate reporting and believe this to mitigate the risk of not having an independent committee.</p> <p>The Board has adopted a formal policy regarding the appointment, removal and rotation of the Company's external auditor and audit partner.</p> |
| <p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal controls which is operating effectively.</p> | <p>The Board receives a section 295A declaration from the equivalent of the CEO and CFO for each quarterly, half yearly and full year report in advance of approval of these reports.</p> |
| <p>4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external</p> | <p>As well as receiving management accounts and financial updates at each Board meeting, the Board receives a section 295A declaration from the equivalent of the CEO and CFO for each</p> |

| | | |
|-----|---|--|
| | auditor. | quarterly in advance of approval of these reports. |
| 5.1 | A listed entity should have a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1. | The Board has adopted a formal Continuous Disclosure Policy to ensure compliance with the ASX Listing Rules. The Policy is available at www.bossenergy.com |
| 5.2 | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | The Board approves all material market announcements made by the Company prior to release to the ASX and is notified once release has occurred. |
| 5.3 | A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation. | The Company complies with this recommendation. |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | The Company complies with this recommendation and all relevant information can be found at www.bossenergy.com |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | The Company has developed a Shareholder Communications Strategy to ensure all relevant information is identified and reported accordingly. |
| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | The Company encourages all shareholders to attend General Meetings of the Company via its notices of meeting, and in the event they cannot attend, to participate by recording their votes. The Company has implemented an online voting system to further encourage participation by shareholders. |
| 6.4 | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by poll rather than by a show of hands. | The Company puts all resolutions that are subject to the Listing Rules to a poll. Further the Chair has regard for the results of the proxy voting when deciding if a non-Listing Rule resolution should be put to a poll instead of by show of hands. |
| 6.5 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | The Company and its share registry actively encourage electronic communication. All new shareholders are issued with a letter encouraging the registration of electronic contact methods. |
| 7.1 | The board of a listed entity should: <ul style="list-style-type: none"> (a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> 1) has at least three members, a majority of whom are independent directors; and | <p>Mr Wyatt Buck is chair of the Technical and Risk Committee. Mr Buck is independent and not the chair of the Board. The Technical and Risk Committee consists of three directors of which a majority are independent.</p> <p>The Technical and Risk Committee was only formed in October 2020. Prior to this the</p> |

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| <p>2) is chaired by an independent director; and disclose:</p> <p>3) the charter of the committee;</p> <p>4) the members of the committee; and</p> <p>5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings: or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>Company did not have an independent committee however, the Directors required that management report regularly on all financial and commercial aspects of the Company to ensure that they are familiar with all aspects of corporate reporting and believe this to mitigate the risk of not having an independent committee.</p> |
| <p>7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p>The Board currently reviews its risk management strategy on an annual basis at a minimum at a Board level. The Board considers it to be sound.</p> |
| <p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p> | <p>The Company is not of the size or scale to warrant the cost of an internal audit function. This function is undertaken by the Board as a whole via the regular and consistent reporting in all risk areas.</p> |
| <p>7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> | <p>The Company does not currently have any material exposure to any economic, environmental and social sustainability risks.</p> |
| <p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>1) has at least three members, a majority of whom are independent directors; and</p> <p>2) is chaired by an independent director; and disclose:</p> <p>3) the charter of the committee;</p> <p>4) the members of the committee; and</p> <p>5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the</p> | <p>The Company has an Audit and Remuneration Committee which is currently chaired by an independent director (Dudley Kingsnorth); who is not the chair of the Board. However, it does not consist of three members.</p> <p>The Board considers industry peers and during the current financial year engaged an independent consultant to evaluate the remuneration for all directors and executives.</p> <p>The Board is cognisant of the fact that it wishes to attract and retain the best people, and considers strategies other than monetary to balance the need for the best people and the financial position of the Company.</p> |

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| | <p>members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | |
| 8.2 | <p>A listed entity should separately disclose its policies and practises regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | <p>The Company discloses its policies on remuneration in the Remuneration Report set out in its Annual Report.</p> |
| 8.3 | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>The Company recognises that Directors, executives and employees may hold securities in the Company and that most investors are encouraged by these holdings. The Company's Securities Trading Policy (available at www.bossenergy.com) explains and reinforces the Corporations Act 2001 requirements relating to insider trading. The Policy applies to all Directors, executives, employees and consultants and their associates and closely related parties.</p> <p>The Company has an Employee Securities Incentive Plan which has been approved by shareholders. Performance rights and unquoted options have been offered to key management personnel under the plan in prior years.</p> |

Additional Information

Class of Shares and Voting Rights

The voting rights attached to the Fully Paid Ordinary Shares of the Company are:

- a) at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and
- b) on a show of hands every person that is present, who is a member, has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

Options do not carry any voting rights.

Distribution of Shareholders (as at 23 September 2021)

| Spread of Holdings | Number of Holders | Number of Shares |
|--------------------|-------------------|----------------------|
| 1-1,000 | 148 | 23,313 |
| 1,001-5,000 | 1,603 | 5,202,280 |
| 5,001 - 10,000 | 1,838 | 15,064,598 |
| 10,001 -100,000 | 4,439 | 171,948,110 |
| Over 100,001 | 1,235 | 2,086,038,005 |
| Total | 9,263 | 2,278,276,306 |

There are 368 holders of unmarketable parcels comprising a total of 376,554 ordinary shares.

There are currently no shares subject to voluntary escrow.

There is no current on-market buy back taking place.

Company Secretary

Mathew O'Hara

Registered Office

Suite 3, Churchill Court
234 Churchill Avenue
Subiaco WA 6008
Telephone: (08) 6263 4494

Share Registry

Automic Registry Services
Level 3 50 Holt Street
Surry Hills NSW 2010
Ph: (02) 9698 5414

Substantial Shareholders (based on Substantial Shareholder Notices lodged with ASX)

| Name | Number of Shares | % |
|--|------------------|------|
| Paradise Investment Management Pty Ltd | 181,308,269 | 7.96 |
| Sachem Cove Partners LLC | 130,189,940 | 5.71 |

Twenty Largest Registered Shareholders (as at 23 September 2021)

| | Name | Number of Shares | % |
|----|--|----------------------|---------------|
| 1 | Citicorp Nominees Pty Limited | 375,552,962 | 16.48% |
| 2 | HSBC Custody Nominees (Australia) Limited | 375,378,219 | 16.48% |
| 3 | BNP Paribas Nominees Pty Ltd <IB AU Noms Retail client DRP> | 168,342,555 | 7.39% |
| 4 | Mr Antonius Joseph Smit | 89,577,620 | 3.93% |
| 5 | UBS Nominees Pty Ltd | 69,148,307 | 3.04% |
| 6 | HSBC Custody Nominees (Australia) Limited – A/C 2 | 56,066,312 | 2.42% |
| 7 | BNP Paribas Noms Pty Ltd <DRP> | 42,114,460 | 1.85% |
| 8 | Merrill Lynch (Australia) Nominees Pty Limited | 39,937,797 | 1.75% |
| 9 | HSBC Custody Nominees (Australia) Limited | 37,741,357 | 1.66% |
| 10 | BNP Paribas Nominees Pty Ltd ACF Clearstream | 37,289,076 | 1.64% |
| 11 | BNP Paribas Nominees Pty Ltd Six Sis Ltd <DRP A/C> | 36,947,042 | 1.62% |
| 12 | CS Third Nominees Pty Limited <HSBC Cust Nom Au Ltd 13 A/C> | 34,356,453 | 1.53% |
| 13 | Sachem Cove Special Opportunities Fund LP | 24,413,209 | 1.07% |
| 14 | Tees River Uranium Fund Limited | 21,499,999 | 0.94% |
| 15 | McNeil Nominees Pty Limited | 21,482,521 | 0.94% |
| 16 | JP Morgan Nominees Australia Pty Limited | 18,772,980 | 0.82% |
| 17 | Washington H Soul Pattinson and Company Limited | 17,164,286 | 0.75% |
| 18 | Epic Feast Pty Ltd | 15,833,333 | 0.70% |
| 19 | National Nominees Limited | 14,991,603 | 0.66% |
| 20 | The Purple Bougainvillea Pty Ltd <Williams Family Super A/C> | 14,905,979 | 0.65% |
| | TOTAL | 1,510,516,070 | 66.30% |

Unquoted Securities (as at 23 September 2021)

| Class | Number |
|---|------------|
| Unquoted options exercisable at \$0.065 each on or before 30-Jun-22 | 5,000,000 |
| Unquoted options exercisable at \$0.080 each on or before 30-Jun-22 | 5,000,000 |
| Unquoted options exercisable at \$0.095 each on or before 30-Jun-22 | 5,000,000 |
| Unquoted options exercisable at \$0.065 each on or before 30-Jun-23 | 26,000,000 |
| Unquoted options exercisable at \$0.080 each on or before 30-Jun-23 | 31,000,000 |
| Unquoted options exercisable at \$0.095 each on or before 30-Jun-23 | 31,000,000 |

Unquoted Securities >20% Holders (as at 23 September 2021)

| Class | Holder | Number | % |
|---|----------------|------------|-----|
| Unquoted options exercisable at \$0.065 each on or before 30-Jun-22 | Mathew O'Hara | 2,500,000 | 50% |
| | Asha Rao | 2,500,000 | 50% |
| Unquoted options exercisable at \$0.080 each on or before 30-Jun-22 | Mathew O'Hara | 2,500,000 | 50% |
| | Asha Rao | 2,500,000 | 50% |
| Unquoted options exercisable at \$0.095 each on or before 30-Jun-22 | Mathew O'Hara | 2,500,000 | 50% |
| | Asha Rao | 2,500,000 | 50% |
| Unquoted options exercisable at \$0.065 each on or before 30-Jun-23 | Duncan Craib | 15,000,000 | 57% |
| | Peter O'Connor | 7,000,000 | 27% |
| Unquoted options exercisable at \$0.080 each on or before 30-Jun-23 | Duncan Craib | 15,000,000 | 48% |
| | Peter O'Connor | 7,000,000 | 23% |
| Unquoted options exercisable at \$0.095 each on or before 30-Jun-23 | Duncan Craib | 15,000,000 | 48% |
| | Peter O'Connor | 7,000,000 | 23% |

Schedule of Mining Tenements

| Tenement Name | Location | Licence Number | Interest |
|----------------|-----------------|----------------|----------|
| Yarramba | South Australia | EL6510 | 100% |
| South Eagle | South Australia | EL6081 | 100% |
| Gould's Dam | South Australia | EL6512 | 100% |
| Katchiwilleroo | South Australia | EL6511 | 100% |
| Ethiudna | South Australia | EL6020 | 100% |
| Gould's Dam | South Australia | RL83-85 | 100% |
| Honeymoon Mine | South Australia | ML6109 | 100% |