BOSS RESOURCES LIMITED
ACN 116 834 336
NOTICE OF GENERAL MEETING

The general meeting of the Company will be held at the offices of the Company at Suite 23, 513 Hay Street, Subiaco, Western Australia on Wednesday, 28 February 2018 at 10.00am (WST).

Your Non-Conflicted Directors unanimously recommend that you **VOTE IN FAVOUR** of the Acquisition.

The Independent Expert has concluded that the Acquisition is not fair but reasonable to non-associated Shareholders.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 6143 6730

Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice.

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BOSS RESOURCES LIMITED
ACN 116 834 336

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Boss Resources Limited ACN 116 834 336 (**Company**) will be held at the offices of the Company at Suite 23, 513 Hay Street, Subiaco, Western Australia, Western Australia on Wednesday, 28 February 2018 at 10.00am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 26 February 2018 at 4.00pm (WST).

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

AGENDA

1. RESOLUTION 1 - APPROVAL OF THE ACQUISITION OF WATTLE MINING PTY LTD

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

> *"That for the purposes of item 7 of section 611 of the Corporations Act 2001 (Cth), Listing Rules 10.1 and 10.11 and for all other purposes, approval is given to the Company to complete the acquisition of Wattle Mining Pty Ltd, including to issue and allot up to 300,000,000 Shares to Davey Management (Aus) Pty Ltd ATF Davey Family Superannuation Fund and Davey Holdings (Aus) Pty Ltd ATF Burnaford Trust (**Vendors)** and the acquisition by Mr Grant Davey and the Vendors of a relevant interest in the issued share capital of the Company of up to a maximum of 22.70%, on the terms and conditions and in the manner set out in the Explanatory Memorandum accompanying this Notice."*

The Independent Expert has prepared an independent report on the Acquisition and has concluded that the Acquisition is not fair but reasonable to non-associated Shareholders. Refer to section 9 for further information.

Voting Exclusion and Prohibition

The Company will disregard any votes cast on this Resolution by Mr Grant Davey, the Vendors and any of their associates.

The Company will not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

(b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In accordance with the Corporations Act, no vote may be cast in favour of the Resolution by Mr Grant Davey, the Vendors or any of their associates.

By order of the Board

Oonagh Malone
Company Secretary

Dated: 10 January 2018

BOSS RESOURCES LIMITED
ACN 116 834 336

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of the Company at Suite 23, 513 Hay Street, Subiaco, Western Australia on Wednesday, 28 February 2018 at 10.00am (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolution will be voted.

A Proxy Form is located at the end of this Explanatory Memorandum.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolution.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

(a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;

(b) a proxy need not be a member of the Company; and

(c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10.00am (WST) on 26 February 2018, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. BACKGROUND

3.1 Overview of the Acquisition

On 7 December 2017, the Company announced that it had entered into a binding conditional agreement with Wattle Mining Pty Ltd (**Wattle**), Davey Management (Aus) Pty Ltd ATF Davey Family Superannuation Fund and Davey Holdings (Aus) Pty Ltd ATF Burnaford Trust (together the **Vendors**) to acquire 100% of the shares in Wattle (**Agreement**).

Pursuant to the Agreement, it is proposed that:

(a) the Company will acquire 100% of the issued share capital in Wattle. Wattle holds the remaining 20% interest in Boss Energy Pty Ltd (**Boss Energy**), the holding company for

Boss Uranium Pty Ltd (**Boss Uranium**) and the Honeymoon Uranium Project (**Sale Interest**); and

(b) as consideration for acquiring the Sale Interest, the Company will issue in aggregate 300,000,000 Shares (**Consideration Shares**) to the Vendors in the following proportions, unless the Vendors notify the Company in writing otherwise prior to completion:

Vendor	Consideration Shares
Davey Management (Aus) Pty Ltd ATF Davey Family Superannuation Fund	28,500,000
Davey Holdings (Aus) Pty Ltd ATF Burnaford Trust	271,500,000
Total	**300,000,000**

(**Acquisition**).

On completion of the Acquisition, the Company will be the 100% owner of the Honeymoon Uranium Project, comprising mining lease 6109, exploration licenses 5621, 5215, 5263, 5622, 6020 and retention license 83-90 (**Honeymoon Uranium Project**). Further details of the Honeymoon Uranium Project are provided in Section 5.2.

3.2 Restrictions in relation to the Consideration Shares

The acquisition of the Sale Interest by the Company will constitute the acquisition of a "classified asset" for the purposes of Listing Rule 10.7. The term "classified asset" includes an interest in an entity, the substantial portion of whose assets is an interest in a mining exploration area. Relevantly, the main interest held by Wattle is the indirect interest in the Honeymoon Uranium Project.

ASX considers that vendors of a "classified asset", such as an interest in the Honeymoon Uranium Project, from persons in a position of influence should not ordinarily receive a benefit until the value of the asset has become apparent and is reflected in the market price of the company's securities. In such circumstances, the relevant consideration must be "restricted securities" (ie securities issued subject to the restrictions set out in Appendix 9B of the Listing Rules) for a period of 12 months from the date of issue of the securities.

The Company has applied for, and been granted, an ASX waiver from Listing Rule 10.7 to allow it to issue unrestricted Shares to the Vendors. In lieu of ASX imposed escrow, each of the Vendors have agreed to voluntarily escrow 91% of the Consideration Shares (comprising approximately 19.9% of the enlarged Share capital following Completion), for a period of 12 months from the date of issue of Consideration Shares. The Vendors will be released from these voluntary restrictions in certain circumstances, including:

(a) if the Shares achieve a daily volume weighted average price of equal to or greater than $0.12 for 20 consecutive ASX trading days on which the Company's Shares are traded;

(b) to allow the Vendors to accept a takeover bid where holders of at least half of the bid class securities that are not restricted accept the offer;

(c) to allow the Consideration Shares to be transferred or cancelled in accordance with a merger by way of scheme of arrangement; or

(d) where the disposal of the Consideration Shares is taken with the prior written consent of the Company to alleviate financial hardship.

3.3 Management of potential conflict issues

Mr Grant Davey is a director of the Company and controller of the Vendors. In order to manage any potential or perceived conflict of interest or duty, Mr Davey:

(a) has not participated or been involved in the consideration and negotiation by the Board with respect to the Acquisition; and

(b) abstained from expressing a view on the Acquisition or making a recommendation to Shareholders in respect of the Resolution.

Accordingly, only the Non-Conflicted Directors have participated or been involved in the consideration and negotiation of the Acquisition on behalf of the Company and made a recommendation to Shareholders in relation to the Acquisition.

3.4 Overview of the Agreement

The Company has entered into the Agreement with Wattle and the Vendors to acquire 100% of the share capital of Wattle.

Completion of the Acquisition is subject to the satisfaction or waiver of the following outstanding conditions precedent:

(a) Shareholders approving the Resolution at the Meeting;

(b) no government or other person having:

(i) commenced, or threatened to commence, any proceedings or investigation for the purpose of prohibiting or otherwise challenging or interfering with the Acquisition;

(ii) taken or threatened to take any action as a result, or in anticipation, of the Acquisition that would be inconsistent in any material respect with any of the warranties in the Agreement; or

(iii) enacted or proposed any legislation (including any subordinate legislation) or order, or imposed any condition which would prohibit, materially restrict or materially delay the implementation of the Acquisition;

(c) Mr Davey forgiving all monies owed by Wattle to Mr Grant Davey (or an affiliate of Mr Grant Davey) at the date of the Agreement or otherwise assigning the benefit of such debt to the Company;

(d) there being no material adverse change in Wattle or its financial position prior to Completion; and

(e) there being no breach of any of the Vendors' warranties prior to Completion,

(**Conditions**).

The Agreement may be terminated:

(a) by the Vendors or the Company if the Conditions are not satisfied (or waived) by 28 February 2018;

(b) by the Company if a material breach occurs in respect of a Vendor warranty;

(c) by the Company if the Vendors:

(i) fail to perform and comply, in all material respects, with their obligations under the Agreement to be performed and complied with in the period before Completion; or

(ii) fail to deliver each of the documents and instruments required to be delivered by them at Completion, or fail to otherwise perform all of their obligations required to be performed at Completion; or

(d) by the Vendors if the Company:

(iii) fails to perform and comply, in all material respects, with its obligations under the Agreement to be performed and complied with in the period before Completion; or

(iv) fails to deliver each of the documents and instruments required to be delivered by it at Completion, or fails to otherwise perform all of its obligations required to be performed at Completion.

The Agreement contains covenants, warranties, representations and indemnities that are otherwise customary for such agreement of this nature.

4. CONSIDERATIONS RELEVANT TO YOUR VOTE ON THE ACQUISITION

4.1 Reasons to vote in favour of the Acquisition

(a) Your Non-Conflicted Directors unanimously recommend you vote in favour of the Acquisition

After carefully considering all aspects of the Acquisition and the Independent Expert's Report, the Non-Conflicted Directors consider that the Acquisition is in the best interests of Shareholders and unanimously recommend that you vote in favour of the Resolution to approve the Acquisition.

Mr Davey does not make any recommendation in relation to the Acquisition. In order to manage any potential or perceived conflict of interest or duty, Mr Davey has not participated or been involved in the Board's consideration and negotiation of the Acquisition.

(b) Increases ownership of the Honeymoon Uranium Project from 80% to 100%

If the Acquisition proceeds, the Company will acquire the Sale Interest and, as a result, its ownership of the Honeymoon Uranium Project will increase from 80% to 100%. This will increase the Company's indicated and inferred resource inventory and proportion of any future production and cash flow from future production.

Prior to Completion, the Company's 80% interest in the Honeymoon Uranium Project provided the Company with an attributable estimated resource inventory of 50.64Mlb. After Completion, the Company's ownership of the Honeymoon Uranium Project, will increase from 80% to 100%, increasing the Company's estimated resource inventory to 63.3Mlb.

(c) 100% ownership of any future discoveries made within the Honeymoon Uranium Project

The Non-Conflicted Directors consider that significant exploration potential remains within the Honeymoon Uranium Project.

Following the Acquisition, any future discoveries made within the Honeymoon Uranium Project will be 100% owned by the Company, which has the potential to deliver significant additional value to Shareholders.

(d) Increased exposure to the Honeymoon Uranium Project

Wattle is granted the following benefits in respect of its 20% interest in Boss Energy:

(a) Wattle's 20% interest Boss Energy being free carried until completion of a bankable feasibility study for the Honeymoon Uranium Project and decision to mine; and

(b) a right by written notice to appoint one Director in proportion to Wattle's shareholding in Boss Energy.

If the Acquisition is approved by Shareholders and subsequently implemented, the Company will acquire the remaining 20% interest, and the Vendors will no longer have any rights to either the remaining 20% interest in Honeymoon Uranium Project or to appoint a Director.

In addition, the Acquisition will increase both the Company's direct exposure to the Honeymoon Uranium Project and its proportion of any future production and cash flow from the Honeymoon Uranium Project from 80% to 100%.

(e) Potential significant future cost savings

The Acquisition has the potential to deliver a range of cost savings to the Company, through the development phase and the mining phase of the Honeymoon Uranium Project. Cost savings are expected to result from:

(a) the Company (as opposed to a management committee) having total control of the development of the Honeymoon Uranium Project; and

(b) not being required to operate a production joint venture with the Vendors.

(f) Strengthened position when negotiating raising debt or equity

Owning 100% of the Honeymoon Uranium Project is expected to significantly strengthen the Company's position when seeking to raise additional debt or equity to provide the Company with project development finance. This has the potential to result in:

(a) the process for structuring project development being quicker and more straightforward; and

(b) in respect of debt funding, the terms of any secured project finance being on more favourable terms to the Company by, for example, imposing fewer restrictive covenants on the Company.

The Acquisition will also remove the risk that the Vendors are unable to secure project development finance to fund their share of the development costs for the Honeymoon Uranium Project or that there are significant delays in securing this finance.

(g) Strengthened position when negotiating production offtake

The Acquisition will increase the scale of the Company's production profile and, as such, the Company's attractiveness to potential customers. The Company expects that this increased scale of production, together with the fact that customers will no longer be able to source production from the Honeymoon Uranium Project from an alternate source (i.e. the Vendors), will strengthen the Company's negotiating position. This has the potential to improve the terms on which the Company sells its product to customers.

(h) Buy-out right at fair market value

Pursuant to the shareholders agreement of Boss Energy, at completion of a positive bankable feasibility study the Company has a buy-out right to purchase all of the then outstanding Boss Energy shares held by Wattle.

A bankable feasibility study typically increases the value of the issued share capital of a company, such that if Shareholder approval is not given at the Meeting, it may be significantly more expensive for Boss to purchase the Sale Interest at completion of the bankable feasibility study rather than at present.

(i) The Independent Expert has concluded that the Acquisition is not fair but reasonable

The Independent Expert has concluded that the Acquisition is not fair but reasonable to non-associated Shareholders in the absence of an alternative offer.

The Independent Expert considers that the Acquisition is not fair because the value of a Share following the Acquisition on a minority basis is lower than the value of a Share prior to the Acquisition on a control basis. However, the Independent Expert considers the Acquisition to be reasonable because the advantages of the Acquisition to non-associated Shareholders are greater than the disadvantages. In particular, the Acquisition accelerates the acquisition of 100% of the Honeymoon Uranium Project before a bankable feasibility study, avoiding the potential impact of any increase in value of the Honeymoon Uranium Project and brings the Honeymoon Uranium Project under unified single ownership which should simplify the executive decision making and negotiations with third parties.

The Independent Expert's Report is set out in full in Schedule 2.

4.2 Reasons why you may choose to vote against the Acquisition

(a) Dilution of the existing interests of Shareholders on issue of the Consideration Shares

There will be a dilution of the percentage interest of Shareholders (other than the Vendors and their associates) as a result of the proposed issue of the Consideration Shares on Completion.

Following the issue of the Consideration Shares, the voting power of the Vendors and their associates will increase from approximately 1.07% to 22.70% (based on the Company's current issued capital at the date of this Explanatory Memorandum).

The voting power of other Shareholders will be diluted from holding in aggregate approximately 98.93% (before Completion) to approximately 77.30% (after Completion).

Further details of the potential change to the Company's capital structure as a result of the Acquisition is detailed in Section 5.4.

(b) You may prefer the current ownership structure and not want the Vendors to have significant influence over the Company

On Completion, the Vendors will have an approximate 22.70% interest in the Company, and will be the largest Shareholder of the Company and would have significant control over the Company.

The Vendors have provided their intentions to the Company, which are detailed in Section 8.

(c) The Vendors will gain an interest in all of the Company's assets

Even though the remaining 20% of the Honeymoon Uranium Project is being acquired for 21.63% of the issue capital of the Company, the Vendors and Mr Davey will also gain a 21.63% interest in all other assets held by the Company. Refer to Section 5.2 for further details of the Company's assets.

(d) Potential impact on Share Price

Pursuant to the Acquisition, the Vendors will increase their voting power in the Company to an aggregate of 22.70%. The Vendors increased shareholding may dissuade potential acquirers of the Company from making a takeover offer in the future. This may adversely affect the Company's share price and reduce the opportunity for Shareholders to receive a takeover premium in the future.

However, at the date of the Explanatory Memorandum, the Company has not received, nor does it expect to receive, any potential takeover bid proposals.

Further, the Company will have a lower free float (on a proportional basis) which may reduce liquidity and adversely affect the market value of Shares.

(j) The Independent Expert has concluded that the Acquisition is not fair

The Independent Expert has concluded that the Acquisition is not fair but reasonable to non-associated Shareholders in the absence of an alternative offer.

Refer to Section 4.1(i) for further details of the Independent Expert's conclusion.

The Independent Expert's Report is set out in full in Schedule 2.

5. OVERVIEW OF THE COMPANY

5.1 Background

The Company was incorporated in 2005 under its former name, Boss Energy Limited, and listed on ASX in 2007.

The Company is a minerals exploration company focused on the discovery and development of uranium and gold deposits in South Australia and Burkina Faso. The Company's key focus is on the Honeymoon Uranium Project, where it has made some significant uranium discoveries.

5.2 Overview of operations

(a) Honeymoon Uranium Project

The Honeymoon Uranium Project is located in South Australia, approximately 80km north-west from the town of Broken Hill near the South Australia and New South Wales border. In addition to holding a mining lease and exploration licences, there exists infrastructure on site to the value of $170 million which incorporates an 880,000lb per annum solvent extraction plant, currently placed on care and maintenance.

The Honeymoon Uranium Project is fully permitted with a 3.3Mlb uranium oxide per annum export licence.

The Honeymoon Uranium Project has a combined JORC 2012 mineral resource across three main project areas of 43.5Mt at an average grade of 660ppm eU3O8 (for 63.3Mlb eU3O) above the 250ppm lower cut-off (refer to the ASX announcement dated 15 March 2017).

The Honeymoon Uranium Project also has a combined exploration target of between 32Mt to 78Mt at a grade of between 450ppm and 1400ppm eU3O8 with a potential target endowment of between 42Mlb and 100Mlb of contained uranium. This exploration target is conceptual in nature and there has been insufficient exploration to estimate a mineral resource. It is uncertain if further exploration will result in the estimation of a mineral resource.

The Company has taken the considered approach that:

(a) a minimum production rate of 2Mlbs/annum is required to be competitive;

(b) the 2Mlb/annum process plant has been designed with a lower feed tenor of 47mg/l compared to the previous average operating tenor of 53mg/l so that the new plant will not be volumetrically constrained;

(c) a dedicated process for managing gypsum has been included in the process design, and recent results demonstrate that the calcium (gypsum) can be successfully managed; and

(d) any upside in feed tenors achieved from the improved leaching and/or wellfield performance should result in higher production rates and therefore even lower costs.

An endorsed restart strategy is in place following the successful development work undertaken in the expansion study and pre-feasibility study. Final technical confirmation will be provided by the current field leach trial to validate assumptions made regarding wellfield production rates and production profiles to attain the planned 2Mlb uranium oxide/annum and 3.2Mlb uranium oxide/annum considered in the pre-feasibility study. All material assumptions underpinning these production targets continue to apply and have not materially changed. These staged developmental steps are to ensure Honeymoon Uranium Project can operate in the lowest cost quartile of competitive global producers.

Competent Persons Statement

The information is extracted from the report entitled Substantial Resource Update for Jasons Deposit created on 15 March 2017 and is available to view on www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Mineral Resource Statement Project Total (All deposits)				
Classification	**Million tonnes**	**eU3O8 (ppm)**	**contained metal (U_3O_8, Kt)**	**contained metal (U_3O_8, Mlb)**
Measured	1.7	1720	2.95	6.5
Indicated	5.9	810	4.80	10.6
Inferred	35.9	586	21.0	46.7
Grand Total	**43.5**	**660**	**28.8**	**63.3**

(b) Burkina Faso Gold Assets

On 5 March 2014, the Company announced a joint venture with Teranga Gold Corporation (TSX: TGZ) (formerly Gryphon Minerals Limited) over the Company's Golden Hill and Gourma Gold Projects located in Burkina Faso (refer to ASX announcement dated 4 July 2014 for full details of the agreement). Teranga Gold Corporation currently has a 51% interest (can earn up to 80%) in the Golden Hill and Gourma Gold Projects.

The Company is currently in early stage discussions about the disposal of its gold interests in Burkina Faso. These negotiations not have been concluded and remain subject to commercial confidentiality.

Golden Hill Project

The Golden Hill property consists of three adjacent exploration permits covering 468km^2 located in the southwest Burkina Faso, approximately 200km northeast of the Banfora gold project. Golden Hill is considered particularly prospective as it is located within the central part of the highly mineralized Houndé Greenstone Belt. This belt hosts a number of high-grade gold discoveries, including the Siou, Yaramoko and Houndé deposits, the latter property being contiguous with Golden Hill. To the south of Golden Hill is another large land position where active exploration programs are well underway. Golden Hill straddles the same stratigraphy and structures that host these deposits.

Gourma Project

The Gourma Project is located within the Fada N'Gourma Greenstone Belt, 250km east of Ouagadougou and only 80 km south-southwest of Niger's largest gold deposit, the 50,000 ounce per annum Samira Hill gold mine (1.9 million ounce project). The project consists of six contiguous permits (Diabatou, Tyara, Foutouri Boutouanou, Tyabo and Kankandi) that cover a total area of approximately 1,300 km^2. The Tyabo and Kankandi permits were acquired by the Company in January 2015 and, at the election of the joint venture partner, became part of the joint venture agreement.

(c) Swedish Assets

Due to the Company's focus on the Honeymoon Uranium Project, no works have been undertaken on the Company's assets in Sweden since 2015. The Company does not intend to renew the licenses comprising the Skogtrask Project and the Lilltrask Project. A brief summary of these projects are detailed below.

Skogtrask Project

The Skogtrask Project is located 9 kilometres south of the regional centre of Kalix in northeast Sweden. The Project is located close to road and rail access, power and port infrastructure, within a region that is reliant on forestry and mining for its economy.

The Skogtrask Project covers a mafic to ultramafic intrusion that was located from airborne magnetic surveys and government mapping. This intrusion lies adjacent to a major deep structure of a type that worldwide has been demonstrated to control the location of major nickel-copper camps. The Skogtrask deposit is hosted by a 1.8-1.9 Ga Svecofennian-aged mafic to ultramafic intrusion, which in turn is hosted in sulphidic sediments. This age is known to be highly prospective for nickel-copper-PGE mineralization worldwide.

Lilltrask Project

The Lilltrask Project covers an area of approximately 14.9km2 and is located in the Lilltrask area in northern Sweden approximately 35km from Lulea, the regional administrative and industrial centure on the cost of the Gulf of Bothnia. The project area is characterised by the presence of norites and gabbro-norites containing disseminated Ni-Cu sulphides. The mafic rocks bearing Ni-Cu mineralisation were found in the boulders and also in one small outcrop located approximately 500m from the bitumen road passing through the licenses

5.3 Directors

At the date of this Explanatory Memorandum, the Board comprises:

Director	Position
Mark Hohnen	Non-Executive Chairman
Duncan Craib	Chief Executive Officer and Managing Director
Evan Cranston	Non-Executive Director
Grant Davey	Non-Executive Director
Peter Williams	Non-Executive Director

5.4 Capital structure

(a) Shares on issue

At the date of this Explanatory Memorandum, the Company has 1,072,403,008 Shares on issue.

(b) Performance Rights on issue

At the date of this Explanatory Memorandum, the Company has a total of 59,999,999 performance rights on issue, as detailed below:

Number	Terms
10,000,000	**Vesting condition**: Trading price of $0.075 for 20 consecutive days **Expiry date**: 17 November 2020 **Exercise Price**: Nil consideration
3,333,333	**Vesting condition**: Trading price of $0.085 for 20 consecutive ASX trading days **Expiry date**: 17 November 2020 **Exercise Price**: Nil consideration
13,333,333	**Vesting condition**: Discovery of 75,000t of contained nickel at 2% (or equivalent) or equivalent copper or platinum group element mineralisation which the Company decides to mine in Europe **Expiry date**: 17 November 2020 **Exercise Price**: Nil consideration
13,333,333	**Vesting condition**: Discovery of 125,000t of contained nickel at 2% (or equivalent) or equivalent copper or platinum group element mineralisation which the Company decides to mine in Europe

Number	Terms
	Expiry date: 17 November 2020 **Exercise Price**: Nil consideration
2,000,000	**Vesting condition**: 24 months service **Expiry date**: 16 August 2021 **Exercise Price**: Nil consideration
3,000,000	**Vesting condition**: facilitation and completion of a capital raising for an amount not less than $5,000,000 **Expiry date**: 16 August 2021 **Exercise Price**: Nil consideration.
3,000,000	**Vesting condition**: closing price of Shares is at or above $0.085 for 20 consecutive ASX trading days **Expiry date**: 16 August 2021 **Exercise Price**: Nil consideration
8,000,000	**Vesting condition**: ASX announcement confirming the successful raise of the capital expenditure required for the extended plant construction as contemplated by a Board approved definitive feasibility study **Expiry date**: 16 August 2021 **Exercise Price**: Nil consideration

(c) Options on issue

At the date of this Explanatory Memorandum, the Company has 40,000,000 options on issue as detailed below:

Number	Exercise Price	Expiry Date
10,000,000	$0.02	31/08/18
10,000,000	$0.065	09/01/20
10,000,000	$0.080	09/01/20
10,000,000	$0.095	09/01/20

5.5 Substantial Shareholders

Based on publicly available information, at the date of this Explanatory Memorandum, the Company has the following substantial Shareholders in accordance with section 671B of the Corporations Act:

	Name	Number of Shares	%
1	Mr Antonius Joseph Smit	83,000,000	7.74
2	Kingslane Pty Ltd	56,161,837	5.24

5.6 Top 20 Shareholders

Based on publicly available information, at the date of this Explanatory Memorandum, the twenty largest shareholders in the Company are as follows:

	Name	Number of Shares	%
1	Mr Antonius Joseph Smit	83,000,000	7.74
2	Kingslane Pty Ltd	56,161,837	5.24

	Name	Number of Shares	%
3	National Nominees Limited	41,010,767	3.82
4	Mr James David Taylor	39,533,336	3.69
5	Purple Bougainvillea Pty Ltd	32,505,979	3.03
6	J P Morgan Nominees Australia Limited	31,975,516	2.98
7	Citicorp Nominees Pty Ltd	22,407,964	2.09
8	Mr Stephen John Dobson	21,017,253	1.96
9	Neon Capital	20,810,000	1.94
10	Vynben Pty Ltd	16,666,667	1.55
11	Epic Feast Pty Ltd	15,833,333	1.48
12	Precambrian Pty Ltd	15,000,000	1.40
13	HSBC Custody Nominees Australia Limited	14,277,379	1.33
14	Zero Nominees	14,148,205	1.32
15	Ossart Holdings Pty Ltd	13,550,000	1.26
16	Somas Super Pty Ltd	13,066,667	1.22
17	Kobia Holdings Pty Ltd	12,500,000	1.17
18	Mr Morou Francois Ouedraogo	12,000,000	1.12
19	Mr James David Taylor & Mrs Marion Amy Taylor	11,769,960	1.10
20	HSBC Custody Nominees Australia Limited	11,196,959	1.04
TOTAL		**498,431,822**	**46.48**

6. IMPACT ON THE COMPANY'S FINANCIAL POSITION

6.1 Introduction

The pro forma financial information set out below has been provided for illustrative purposes and is intended to provide Shareholders with an indication of the Company's financial position should the Acquisition be implemented.

6.2 Basis of Preparation

The pro forma consolidated statement of financial position set out below is based on the Company's consolidated statement of financial position as at 30 June 2017 and assumes Completion occurred on that date.

The Company's financial report for the year ended 30 June 2017 has been audited by RSM Australia Partners who issued an unmodified audit report for that financial report. The full report for the year ended 30 June 2017 can be obtained from the Company's website at bossresources.com.au.

The pro forma consolidated statement of financial position is presented in accordance with the Australian Accounting Standards.

The pro forma financial information has been presented in an abbreviated form and does not contain all the disclosure required by the Australian Accounting Standards applicable to financial reports prepared in accordance with the Corporations Act.

6.3 Pro forma Statement of Financial Position

	Consolidated	
	30 June 2017	Pro forma 30 June 2017

	Consolidated	
	30 June 2017	Pro forma 30 June 2017
	$	$
Current Assets		
Cash and cash equivalents	4,876,784	7,614,005
Trade and other receivables	216,433	216,433
Other assets	-	-
Total Current Assets	**5,093,217**	**7,830,438**
Non-current Assets		
Plant and equipment	421,839	421,839
Other financial assets	9,095,459	9,095,459
Exploration and evaluation expenditure	13,337,810	13,337,810
Total Non-Current Assets	**22,855,108**	**22,855,108**
Total Assets	**27,948,325**	**30,685,546**
Current Liabilities		
Trade and other payables	1,015,059	1,015,059
Provisions	8,746	8,746
Borrowings	3,000,000	3,000,000
Total Current Liabilities	**4,023,805**	**4,023,805**
Non-Current Liabilities		
Borrowings	4,000,000	4,000,000
Provisions	8,345,796	8,345,796
Total Current Liabilities	**12,345,796**	**12,345,796**
Total Liabilities	**16,369,601**	**16,369,601**
Net Assets	**11,578,724**	**14,315,945**
Equity		
Issued capital	56,209,988	74,032,209
Reserves	8,899,544	8,899,544
Accumulated losses	(52,484,360)	(68,615,808)
Total Equity attributable to the owners of the Company	**12,625,172**	**14,315,945**
Non-controlling interest	(1,046,448)	-
Total Equity	**11,578,724**	**14,315,945**

6.4 Pro Forma Adjustments and Subsequent Events

The following pro forma and historic adjustments have been made to the consolidated statement of financial position as at 30 June 2017 in order to present the pro forma consolidated statement for financial position:

(a) issue of 60,000,000 Shares on 11 August 2017 at a price of $0.05 per share to raise $3,000,000 before capital raising costs of $177,784;

(b) issue of 100 Shares at a price of $0.05 per share to raise $5 under the cleansing prospectus dated 31 August 2017;

(c) payment of A$85,000, representing the expected total fees payable to financial and legal advisers, the Independent Expert, the Share Registry and costs relating to printing and dispatch of the Notice of Meeting;

(d) issue of 300,000,000 Consideration Shares, valued using the closing share price of Boss Shares on 10 January 2018 (being the last practicable trading before the date of this Explanatory Memorandum) of $0.05;

(e) adjustment to the carrying amount of the non-controlling interest held by Wattle, in accordance with the requirements of Australian Accounting Standard AASB 10 Consolidated Financial Statements para B96;

(f) acquisition of the Sale Interest valued by aggregating the payments set out in paragraph (c) above, the value of the consideration shares determined in accordance with paragraph (d) above, and the derecognition of the non-controlling interest set out in paragraph (e) above; and

(g) expensing of the cost of the sale interest in accordance with the Company's accounting policy for capitalisation of exploration and evaluation expenditure.

Note: The value of the Sale Interest to be recorded in the accounts of the Company will ultimately be calculated by reference to the closing price of Shares on the date of the Meeting, and it will therefore differ from the value referred to in paragraph (f) above.

7. IMPACT ON THE COMPANY'S CAPITAL STRUCTURE AND LEVEL OF CONTROL

7.1 If the Resolution is not approved

If the Resolution is not approved, the Acquisition will not proceed and:

(a) the Company (and its Shareholders) will not acquire the Sale Interest (and the remaining 20% interest in the Honeymoon Uranium Project), therefore, will not have the opportunity to derive the benefits described in Section 4.1;

(b) there will be no change to the Honeymoon Uranium Project and the Company will continue to free carry the Vendors through until a decision to mine is made by the Company;

(c) in the period between a decision to mine and the actual commencement of mining, the Vendors will be required to make a decision as to whether to part take in the mining operation and, therefore, fund their portion of the mine development and the working capital requirements, or sell their interest in the Honeymoon Uranium Project;

(d) the Company will continue to progress the bankable feasibility study currently underway in relation to the Honeymoon Uranium Project and its ongoing exploration activities; and

(e) the voting power of the Vendors and their associates will not increase as a result of the issue of the Consideration Shares.

7.2 If the Resolution is approved

If the Resolution is approved, subject to the satisfaction of the remaining Conditions, the Acquisition will proceed and:

(a) the Company will acquire the Sale Interest and derive the anticipated benefits associated with owning 100% of the Honeymoon Uranium Project detailed in Section 4.1;

(b) the Company will continue to progress the bankable feasibility study currently underway in relation to the Honeymoon Uranium Project and its ongoing exploration activities; and

(c) the Consideration Shares will be issued to the Vendors and their collective voting power in the Company will increase in aggregate from approximately 1.07% to 22.70% (based on the Company's issued share capital at the date of this Explanatory Memorandum).

7.3 Capital structure as a result of the Acquisition

If the Resolution is approved and the Acquisition completes following the issue of the Consideration Shares, based on the Company's current issued capital at the date of this Explanatory Memorandum, the capital structure of the Company will be as follows:

	Number of Shares	Number of Options	Number of Performance Rights
At the date of this Explanatory Memorandum	1,072,403,008	40,000,000	59,999,999
Consideration Shares	300,000,000	-	-
TOTAL	**1,372,403,008**	**40,000,000**	**59,999,999**

7.4 Impact on control of the Company

At the date of this Explanatory Memorandum, the Vendors and their associates either hold or otherwise have a relevant interest in 11,483,333 Shares and a voting power of approximately 1.07%.

If the Acquisition is approved then in aggregate 300,000,000 Consideration Shares will be issued to the Vendors. Based on the Company's issued capital at the date of this Explanatory Memorandum, the voting power of the Vendors and their associates will increase to approximately 22.70% (assuming no options are exercised and no performance rights are vested).

On a fully diluted basis, the voting power of the Vendors and their associates will increase to approximately 21.15%.

The effect that the issue of the Consideration Shares will have on the voting power of the Vendors and their associates after Completion, based on the Company's current issued capital at the date of this Explanatory Memorandum, is summarised in the table below.

	Shareholders (other than the Vendors)	%	Mr Davey & Vendors	%	Total	%
Existing shares	1,060,919,675	98.93	11,483,333 Grant Davey – 1,000,000 Davey Management (Aus) Pty Ltd ATF Davey Family Super Fund – 10,483,333 Davey Holdings (Aus) Pty Ltd ATF Burnaford Trust - 0	1.07 0.09 0.98 0	1,072,403,008	100
On Completion	1,060,919,675	77.30	311,483,333 Grant Davey – 1,000,000 Davey Management (Aus) Pty Ltd ATF Davey Family Super Fund – 38,983,333[(1)]	22.70 0.07 2.84[(1)]	1,372,403,008	100

	Shareholders (other than the Vendors)	%	Mr Davey & Vendors	%	Total	%
			Davey Holdings (Aus) Pty Ltd ATF Burnaford Trust – 271,500,000[(1)]	19.78[(1)]		
On a fully diluted basis	1,160,919,674	78.85	311,483,333 Grant Davey – 1,000,000 Davey Management (Aus) Pty Ltd ATF Davey Family Super Fund – 38,983,333[(1)] Davey Holdings (Aus) Pty Ltd ATF Burnaford Trust – 271,500,000[(1)]	21.15 0.068 2.65[(1)] 18.44[(1)]	1,472,403,007	100

[(1)] Assumes the Vendors do not give notice in writing to the Company prior to Completion requiring the Consideration Shares to be issued in different proportions.

7.5 Impact of Acquisition on options and performance rights

If the Acquisition proceeds, there will be no direct or immediate effect on options or performance rights currently on issue.

8. INTENTIONS OF THE VENDORS IN RELATION TO THE COMPANY

Following Completion, the Vendors and their associates will have a relevant interest in 311,483,333 Shares, equating to a voting power of approximately 22.70% (based on the Company's issued capital at the date of this Explanatory Memorandum) and will be the Company's major Shareholder.

At the date of this Explanatory Memorandum, the Vendors have informed the Company that:

(a) they have no intention of appointing any additional person as a Director following Completion;

(b) they have no intention to change the business of the Company;

(c) they have no intention to inject further capital into the Company or change its financial or dividend policies;

(d) they have no intention to alter the future employment of the present employees of the Company; and

(e) they have no intention to otherwise redeploy the fixed assets of the Company.

9. INDEPENDENT EXPERT'S REPORT

9.1 Introduction

To assist Shareholders to assess the Acquisition and consider whether to vote in favour of the Resolution, the Company appointed BDO Corporate Finance (WA) Pty Ltd to prepare the Independent Expert's Report and opine as to whether the Acquisition is fair and reasonable to Shareholders (other than the Vendors and their associates).

The Independent Expert has concluded that the Acquisition is not fair but reasonable to non-associated Shareholders in the absence of an alternative offer.

Shareholders are strongly encouraged to read the Independent Expert's Report which is provided in Schedule 2.

9.2 Meaning of "fair" and "reasonable"

According to ASIC guidance, in this context, the Acquisition will be "fair" if the value of the financial benefit being provided to the Vendors and their associates is equal to or less than the value of the Sale Interest. This comparison should be made assuming 100% ownership of the Company and irrespective of whether the consideration is scrip or cash and is required to include the application of a minority discount.

The Acquisition is "reasonable" if it is fair. However, it might also be reasonable if, despite not being "not fair", the Independent Expert believes there are sufficient reasons for Shareholders to approve the Acquisition.

9.3 Basis of the Independent Expert's opinion

The Independent Expert considers that the Acquisition is not fair because the value of a Share following the Acquisition on a minority basis is lower than the value of a Share prior to the Acquisition on a control basis. However, the Independent Expert considers the Acquisition to be reasonable because the advantages of the Acquisition to non-associated Shareholders are greater than the disadvantages. In particular, the Acquisition accelerates the acquisition of 100% of the Honeymoon Uranium Project before a bankable feasibility study, avoiding the potential impact of any increase in value of the Honeymoon Uranium Project and brings the Honeymoon Uranium Project under unified single ownership which should simplify the executive decision making and negotiations with third parties.

10. ADDITIONAL INFORMATION

10.1 Interests of Directors in securities

At the date of this Explanatory Memorandum, the number of securities held by or on behalf of each Director are as follows:

Director	Number of Shares	Percentage Interest (%)	Number of Options	Number of Performance Rights
Duncan Craib	2,500,000	0.23	30,000,000	-
Evan Cranston	6,666,667	0.62	-	-
Mr Davey[(1)]	11,483,333	1.07	-	-
Mark Hohnen	18,666,667	0.17	-	16,000,000
Peter Williams	32,505,979	3.03	-	30,000,000
Total	**71,822,646**	**6.70**	**30,000,000**	**46,000,000**

[(1)] Mr Davey holds 1,000,000 Shares directly and 10,483,333 Shares through Davey Management (Aus) Pty Ltd, a Vendor. On Completion, Mr Davey will hold (directly or indirectly) 311,483,333 Shares.

10.2 Benefits to Directors

No Non-Conflicted Director will obtain any benefit from the Acquisition, other than in their capacity as a holder of securities.

The Vendors will be issued the Consideration Shares pursuant to the Acquisition and as a result Mr Grant Davey as controller and shareholder of the Vendors will receive an indirect benefit.

10.3 Other agreements conditional on the Acquisition

None of the Non-Conflicted Directors, the Vendors and Mr Davey are aware of, other than the Agreement, any agreement or proposed agreement between the Vendors and the Company (or any of their respective associates) that is conditional upon, or directly or indirectly dependent on, Shareholder approval of the Acquisition.

10.4 Formal disclosures and consents

Mr Davey, the Vendors and BDO Corporate Finance (WA) Pty Ltd have each given and have not, before the date of this Explanatory Memorandum, withdrawn their consent:

(a) to be named in the Explanatory Memorandum in the form and context in which they are named; and

(b) if applicable, to the inclusion of each statement it has made (if any) in the form and context in which the statement appears in the Explanatory Memorandum.

More specifically:

(a) Mr Davey and the Vendors have given, and not withdrawn before the date of this Explanatory Memorandum, their written consent to the inclusion of all information concerning the relevant details in the form and context in which they appear, including but not limited to, company overviews, operational details, shareholder details and voting power; and

(b) BDO Corporate Finance (WA) Pty Ltd has given, and not withdrawn before the date of this Explanatory Memorandum, its written consent to the inclusion of references to Independent Experts Report in the form and context in which those references appear in the Explanatory Memorandum.

10.5 Fees and expenses

The aggregate amount of fees and expenses to be incurred (or expected to be incurred) by the Company in connection with the Acquisition is estimated to be approximately $85,000 (exclusive of GST). This includes:

(a) fees payable to financial and legal advisers, the Independent Expert and the share registry; and

(b) costs relating to printing and dispatch of this Notice.

10.6 Other material information

The Directors are not aware of any information material to the making of a decision by a Shareholder in relation to the Acquisition which is not detailed in this Explanatory Memorandum or which has not been previously disclosed to Shareholders.

11. REGULATORY APPROVALS

11.1 Background

The Resolution seeks approval for the acquisition of the Sale Interest in exchange for the Consideration Shares for the purposes of Listing Rules 10.1 and 10.11 and item 7 of section 611 of the Corporations Act.

The Resolution is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of the Resolution.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on the Resolution, by signing and returning the Proxy Form or lodging the Proxy Form via the online portal, you are giving your express authorisation to allow the Chairman to vote the proxy in accordance with the Chairman's intention.

11.2 Directors' Recommendation

The Non-Conflicted Directors support the Acquisition and recommend that Shareholders vote in favour of Resolution 1.

11.3 Approval for the purposes of Listing Rule 10.1

Listing Rule 10.1 prohibits (among other things) the acquisition of a "substantial asset" from a "related party" (or an associate of a related party) without the approval of shareholders. For the purposes of Listing Rule 10.1:

(a) a substantial asset is an asset valued at more than 5% of the equity interests of the Company as set out in the latest accounts given to ASX; and

(b) a related party includes a person who is a Director or any entity that is controlled by the related party.

The Acquisition requires the approval of Shareholders for the purposes of Listing Rule 10.1 because the Sale Interest is valued at more than 5% of the Company's equity interests and the Vendors are related parties as they are controlled by Mr Davey, who is a Director.

In accordance with Listing Rule 10.10, the Notice contains a voting exclusion statement to the effect that the votes of Mr Davey and the Vendors and their respective associates will be disregarded and an independent expert's report has been prepared by BDO Corporate Finance (WA) Pty Ltd (refer to Schedule 2).

11.4 Approval for the purposes of Listing Rule 10.11

(a) General

Listing Rule 10.11, prohibits issuing securities to a:

(a) related party; or

(b) person whose relationship with the entity is, in ASX's opinion, such that approval should be obtained,

unless an exception in Listing Rule 10.12 applies.

Pursuant to the Acquisition, the Company proposes to issue the Consideration Shares to the Vendors who are controlled by, Mr Davey, a Director (and therefore a related party).

Accordingly, the Company is asking Shareholders to approve the issue of the Consideration Shares to the Vendors in accordance with Listing Rule 10.11.

(b) Application of Listing Rule 7.1

Listing Rule 7.1 provides that the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing the Resolution will be to allow the Company to issue in aggregate 300,000,000 Shares to the Vendors (or their nominee) without using up the Company's 15% placement capacity under Listing Rule 7.1.

(c) Section 208 of Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Consideration Shares as the exception in section 210 of the Corporations Act applies. The Consideration Shares are being issued as consideration for the Acquisition and are considered to be on arm's length terms for the purposes of section 210 of the Corporations Act.

(d) Specific information required by Listing Rule 10.13

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

(a) the Consideration Shares will be issued to the Vendors (or their respective nominees);

(b) the maximum number of Consideration Shares to be issued to the Vendors (or their respective nominees) is 300,000,000 Shares;

(c) the Consideration Shares will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);

(d) the Consideration Shares will be issued for nil cash consideration;

(e) the Consideration Shares will rank equally in all respects with the existing Shares on issue;

(f) no funds will be raised from the issue of the Consideration Shares as they are being issued for nil cash consideration but as part of the consideration for the Acquisition;

(g) the Consideration Shares will be as consideration for the Acquisition;

(h) a voting exclusion statement is included in the Notice for the Resolution; and

(i) other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass the Resolution.

11.5 Approval for the purposes of item 7, section 611 of the Corporations Act

(a) General

Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in the issued voting shares of a company if, because of the acquisition, that person's or another person's voting power in the company increases from:

(a) 20% or below to more than 20%; or

(b) a starting point that is above 20% and below 90%.

Item 7 of section 611 of the Corporations Act provides an exception to the prohibition detailed above if a company obtains the approval of its shareholders for the acquisition at a general meeting of its shareholders. The detail of what constitutes a '*relevant interest*' is extensively defined in the Corporations Act. It includes holding voting shares, being able to exercise control over voting shares and having the power to dispose of, or control the disposal of, voting shares. It does not matter how remote the relevant interest is or how it arises. If two or more persons can jointly exercise one of these powers, each of them is taken to have that power.

The Vendors and their associates will hold 22.70% of the issued share capital of the Company if the Acquisition completes and no further Shares are issued by the Company.

(b) Voting prohibition statement

In accordance section 611 of the Corporations Act, none of the Vendors and any of their associates are permitted to vote in favour of the Resolution.

(c) Application of Listing Rule 7.1

Listing Rule 7.1 provides that the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Pursuant to Listing Rule 7.2, exception 16, the effect of passing the Resolution will be to allow the Company to issue in aggregate up to 300,000,000 Shares to the Vendors (or their nominee) without using up the Company's 15% placement capacity under Listing Rule 7.1.

(d) Information required by item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74

The information that Shareholders require under item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74 is as follows:

(a) For the purposes of the Corporations Act, each Vendor and Mr Davey are associates of one another in relation to the Company. The Vendors and Mr Davey have confirmed that there are no other associates in relation to the Company.

(b) If the Resolution is passed and Completion occurs, the maximum extent of the increase of the Vendors' and Mr Davey's voting power is 21.63%.

(c) If the Resolution is passed and Completion occurs, the Vendors' and Mr Davey's voting power will increase to approximately 22.70%.

(d) The Acquisition is being undertaken to increase the Company's interest and exposure in the Honeymoon Uranium Project which is expected to bring greater value to the Company and its Shareholders. For further information about the advantages and disadvantages of the Acquisition, refer to Sections 4.1 and 4.2.

(e) Completion is expected to occur on or around 28 February 2018.

(f) A summary of the material terms of the proposed Acquisition is detailed in Section 3.1.

(g) Except for the Agreement, there are no other relevant agreements between the Company, the Vendors and Mr Davey that are conditional on (or directly or indirectly depend on) Shareholders approving the Acquisition.

(h) The Vendors' intentions regarding the future of the Company are detailed in Section 8.

(i) None of the Company, the Vendors or Mr Davey intend to change its existing policies in relation to financial matters or dividends.

(j) Other than the interest Non-Conflicted Directors have in the Acquisition by reason of their ownership of securities of the Company, no Non-Conflicted Director has an interest in the Agreement. Mr Davey is a party to the Agreement as well as the controller of the Vendors.

(k) Neither the Vendors, Mr Davey nor the Company intend to nominate any new director to the Board in connection with the Acquisition.

SCHEDULE 1: DEFINITIONS

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

$ means Australian Dollars.

Agreement has the meaning given in Section 3.1.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Acquisition has the meaning given in Section 3.1.

Board means the board of Directors.

Boss Energy has the meaning given in Section 3.1.

Boss Uranium has the meaning given in Section 3.1.

Chairman means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

Company means Boss Resources Limited (ACN 116 834 336).

Completion means completion of the Acquisition.

Consideration Shares means the 300,000,000 Shares to be issued pursuant to the Agreement.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Honeymoon Uranium Project has the meaning given in Section 3.1.

Independent Expert means BDO Corporate Finance (WA) Pty Ltd.

Independent Expert's Report means the report prepared by the Independent Expert detailed in Schedule 2.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Non-Conflicted Directors means Messrs Evan Cranston, Mark Hohnen, Peter Williams and Duncan Craib.

Notice means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

Proxy Form means the proxy form attached to the Notice.

Resolution means the resolution contained in the Notice.

Sale Interest has the meaning given in Section 3.1.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

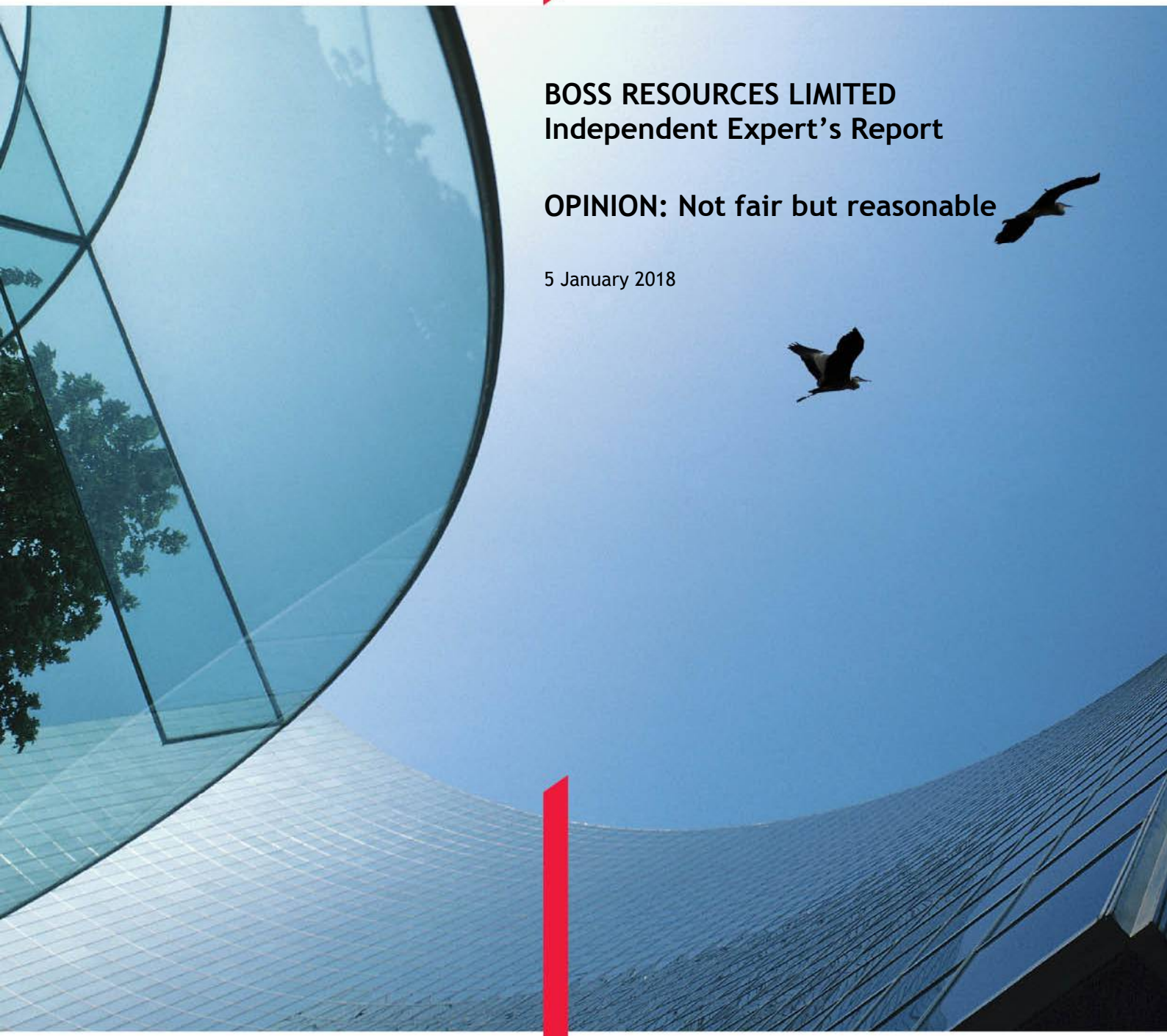
Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Vendors has the meaning given in Section 3.1.

Wattle has the meaning given in Section 3.1.

WST means Western Standard Time, being the time in Perth, Western Australia.

SCHEDULE 2: INDEPENDENT EXPERT'S REPORT



BOSS RESOURCES LIMITED
Independent Expert's Report

OPINION: Not fair but reasonable

5 January 2018

BDO

Financial Services Guide

5 January 2018

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 (**'we'** or **'us'** or **'ours'** as appropriate) has been engaged by Boss Resources Limited (**'Boss Resources'**) to provide an independent expert's report on the proposal to acquire the remaining 20% interest in its subsidiary, Boss Energy Pty Ltd (**'Boss Energy'**) from Wattle Mining Pty Ltd (**'Wattle'**) (the **'Proposed Transaction'**). You will be provided with a copy of our report as a retail client because you are a shareholder of Boss Resources.

Financial Services Guide
In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (**'FSG'**). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our internal and external complaints handling procedures and how you may access them.

Information about us
BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide
We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice
We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive
We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately $28,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees
All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Boss Resources for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals
We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution
Internal complaints resolution process
As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme
A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service (‘**FOS**’). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter. Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Free call: 1800 367 287
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact details
You may contact us using the details set out on page 1 of the accompanying report.

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Appendix 1 – Glossary and copyright notice

Appendix 2 – Valuation Methodologies

Appendix 3 - Independent Technical Specialist Valuation Report prepared by CSA Global

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5 January 2018

The Directors
Boss Resources Limited
Suite 23, 513 Hay Street
SUBIACO, WA, 6008

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 7 December 2017, Boss Resources Limited (**'Boss Resources'** or **'the Company'**) announced that it had entered into a binding, conditional, agreement to acquire 100% of the shares in Wattle Mining Pty Ltd (**'Wattle'**) (**'the Proposed Transaction'**). Wattle holds the remaining 20% interest in Boss Resources' subsidiary, Boss Energy Pty Ltd (**'Boss Energy'**) which is the holding company for Boss Uranium Pty Ltd and the Honeymoon Uranium Project (**'Honeymoon Project'**). Wattle is controlled by Boss Resources' Director Mr Grant Davey. Boss Resources intends to acquire Wattle by issuing the shareholders of Wattle with 300,000,000 ordinary shares in Boss Resources.

2. Summary and Opinion

2.1 Purpose of the report

The directors of Boss Resources have requested that BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) prepare an independent expert's report (**'our Report'**) to express an opinion as to whether or not the acquisition of Wattle, is fair and reasonable to the non-associated shareholders (**'Shareholders'**) of Boss Resources.

Our Report is prepared pursuant to ASX Listing Rule (**'Listing Rule'**) 10.1 and item 7 of section 611 of the Corporations Act 2001 Cth (**'Corporations Act'** or **'the Act'**) and is to be included in the Explanatory Memorandum to be provided to the shareholders of Boss Resources in order to assist the Shareholders in their decision whether to approve the Proposed Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (**'ASIC'**) Regulatory Guide 74 'Acquisitions Approved by Members' (**'RG 74'**), Regulatory Guide 111 'Content of Expert's Reports' (**'RG 111'**) and Regulatory Guide 112 'Independence of Experts' (**'RG 112'**).

In arriving at our opinion, we have assessed the terms of the Proposed Transaction as outlined in the body of this report. We have considered:

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- how the value of a Boss Resources share prior to the Proposed Transaction compares to the value of a Boss Resources share following the Proposed Transaction;
- other factors which we consider to be relevant to Shareholders in their assessment of the Proposed Transaction; and
- the position of Shareholders should the Proposed Transaction not proceed.

2.3 Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that, in the absence of an alternative offer, the Proposed Transaction is not fair but reasonable to Shareholders.

In our opinion, the Proposed Transaction is not fair because the value of a Boss Resources share following the Proposed Transaction on a minority basis is lower than the value of a Boss Resources share prior to the Proposed Transaction on a control basis. However, we consider the Proposed Transaction to be reasonable because the advantages of the Proposed Transaction to Shareholders are greater than the disadvantages. In particular, the Proposed Transaction brings the Honeymoon Project under unified single ownership which should simplify the executive decision making and negotiations with third parties.

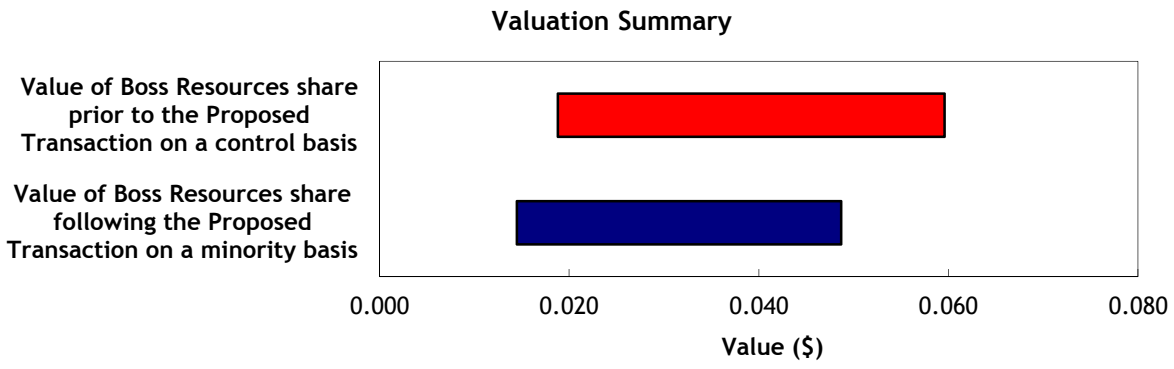
2.4 Fairness

In section 12 we determined that the value of a Boss Resources share prior to the Proposed Transaction compares to the value of a Boss Resources share following the Proposed Transaction, as detailed below.

	Ref	Low $	Preferred $	High $
Value of Boss Resources share prior to the Proposed Transaction on a control basis	10.4	$0.0188	$0.0412	$0.0596
Value of Boss Resources share following the Proposed Transaction on a minority basis	11.1	$0.0145	$0.0325	$0.0487

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, and an alternative offer, the Proposed Transaction is not fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 13 of this Report, in terms of both:

- advantages and disadvantages of the Proposed Transaction; and
- other considerations, including the position of Shareholders if the Proposed Transaction does not proceed and the consequences of not approving the Proposed Transaction.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information and/or an alternative proposal we believe that the Proposed Transaction is reasonable for Shareholders.

We note that Wattle is entitled to a free carry in respect of their 20% interest in the Honeymoon Project until the completion of a Bankable Feasibility Study ('**BFS**'). At that point Boss Resources is entitled to purchase the remaining shares in Boss Energy at fair market value for cash and/or Boss Resources shares. The basis of such a purchase is that the transaction would be based on "Fair Market Value" for cash and/or shares in Boss Resources, at Boss Resources' election. The mechanism for determining "Fair Market Value" under the Shareholders' Agreement is as follows:

- the parties shall first attempt in good faith to agree on the fair market value, taking into account the net present value of the Honeymoon Project and the market cap of Boss Resources at the time of valuation;
- if the parties can't agree, then they must appoint an appraiser to make a final and binding determination; and
- if the parties can't agree to an appraiser, the matter shall be submitted to dispute resolution.

Following a decision to mine, Wattle shall have the right to sell all, but not part, of the outstanding Boss Energy shares held by Wattle at the Fair Market Value defined above.

Accordingly, by accelerating the acquisition of the shares, Boss Resources avoids the potential impact of any increase in value of the Honeymoon Project.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	**Advantages**	**Section**	**Disadvantages**
13.4	Boss Resources will obtain 100% ownership of the Honeymoon Project.	13.5	The Proposed Transaction is not fair
13.4	Project finance should be less complex to negotiate and more likely to be obtained with 100% ownership.	13.5	Dilution of existing Shareholders' interests

ADVANTAGES AND DISADVANTAGES			
Section	**Advantages**	**Section**	**Disadvantages**
13.4	Avoids the threat of a new joint venture party becoming involved in the Honeymoon Project.		
13.4	No cash element		
13.4	Potential future cost savings-		
13.4	Future off-take agreements simpler to negotiate		

Other key matters we have considered include:

Section	Description
13.1	Alternative Proposals
13.2	Practical Level of Control
13.3	Consequences of not approving the Proposed Transaction

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of a substantial asset from certain persons, including related parties, when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity at the date of the latest published accounts. Based on the audited accounts as at 30 June 2017, the value of the consideration paid for the asset is approximately 100% of the equity interest of Boss Resources.

Listing Rule 10.1 applies where the vendor or acquirer of the relevant asset is a related party of the listed entity. Grant Davey is a director of Boss Resources and controls Wattle and is therefore a related party for the purposes of Listing Rule 10.1.

Listing Rule 10.10.2 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the Proposed Transaction is fair and reasonable to the shareholders whose votes are not to be disregarded.

Accordingly, an independent expert's report is required for the Proposed Transaction. The report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to non-associated shareholders of Boss Resources.

Corporations Act section 611 – Acquisition of substantial interests

Section 606 of the Corporations Act expressly prohibits the acquisition of shares by a party if that acquisition will result in that person (or someone else) holding an interest in 20% or more of the issued shares of a public company, unless a full takeover offer is made to all shareholders or that person can avail itself of one of the other exceptions in section 611 of the Corporations Act. As a result of the Proposed Transaction Mr Davey (and associates) will increase his interest in Boss Resources from 1.07% to 22.7% on an undiluted basis.

Section 611 permits such an acquisition if the shareholders of that entity have agreed to the issue of such shares. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares. Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

RG 74 states that the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of the entity, by either:

- undertaking a detailed examination of the Proposed Transaction themselves, if they consider that they have sufficient expertise, experience and resources; or
- by commissioning an Independent Expert's Report.

The directors of Boss Resources have commissioned this Independent Expert's Report to satisfy this obligation.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act define the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. RG 111 provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

RG111 suggests that where the Proposed Transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism used to effect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the Proposed Transaction is a control transaction as defined by RG 111 and we have therefore assessed the Proposed Transaction as a control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject of the offer in a control transaction it is inappropriate for the expert to apply a discount on the basis that the shares being acquired represent a minority or portfolio interest as such the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- a comparison between value of a Boss Resources share prior to the Proposed Transaction on a control basis and the value of a Boss Resources share following the Proposed Transaction on a minority basis (fairness – see Section 12 'Is the Proposed Transaction Fair?'); and
- an investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution relating to the Proposed Transaction, after reference to the value derived above (reasonableness – see Section 13 'Is the Proposed Transaction Reasonable?').

3.4 APES 225 'Valuation Services' compliance

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('**APES 225**').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Proposed Transaction

On 7 December 2017, Boss Resources announced that it had entered into a binding, conditional, agreement to acquire 100% of Wattle Mining Pty Ltd ('**Wattle**'). Wattle owns 20% of Boss Energy Pty Ltd ('**Boss Energy**') with the remaining 80% owned by Boss Resources. Boss Energy is the holding company for Boss Uranium Pty Ltd and the Honeymoon Project.

If the Proposed Transaction is approved by Shareholders and completes, Boss Resources' ownership of the Honeymoon Project will increase from 80% to 100%, thereby increasing Boss Resources' existing resource inventory, forecast production and cash flow from production.

The consideration payable by Boss Resources for the acquisition of Wattle comprises 300,000,000 ordinary shares in Boss Resources ('**Consideration Shares**').

The details of the Proposed Transaction are set out in the Share Sale and Purchase Agreement between Boss Resources, Wattle and the current shareholders of Wattle (being entities controlled by Mr Grant Davey) ('**SSAP Agreement'**). Completion of the sale and purchase of the Wattle shares is conditional on satisfaction of the following conditions precedent:

- Shareholders of the Boss Resources passing all necessary resolutions as required under the Boss Resources' constitution, the Listing Rules and the Corporations Act;
- no government or other person having:
    - commenced, or threatened to commence, any proceedings or investigation for the purpose of prohibiting or otherwise challenging or interfering with the Proposed Transaction;
    - taken or threatened to take any action as a result, or in anticipation, of the Proposed Transaction that would be inconsistent in any material respect with any of the warranties in the SSAP Agreement; or
    - enacted or proposed any legislation (including any subordinate legislation) or order, or imposed any condition which would prohibit, materially restrict or materially delay the implementation of the Proposed Transaction;
- Mr Davey forgiving all monies owed by Wattle to Mr Grant Davey (or an affiliate of Mr Grant Davey) at the date of the SSAP Agreement or otherwise assigning the benefit of such debt to the Company;
- there being no material adverse change in Wattle or its financial position between the date of the SSAP Agreement and completion of the Proposed Transaction; and
- there being no breach of any of the vendors' warranties between the date of the SSAP Agreement and the completion of the Proposed Transaction.

As at the date of our Report, Mr Grant Davey, a director of Boss Resources, holds a relevant interest in 11,483,333 shares in the Company (1.07% interest). The issue of the Consideration Shares to Mr Davey and his controlled entities, which together own 100% of Wattle, will increase the holding of Mr Davey (and his controlled entities) in Boss Resources to 311,483,333 shares representing a maximum holding of 22.70% on an undiluted basis.

	Mr Grant Davey (and his controlled entities)	Other Shareholders	Total
Issued shares at date of Report	11,483,333	1,060,919,675	1,072,403,008
% holdings at the date of our Report	1.07%	98.93%	100.00%
Shares to be issued as share consideration	300,000,000	-	300,000,000
Issued shares after the completion of the Proposed Transaction	**311,483,333**	**1,060,919,675**	**1,372,403,008**
% holdings after the completion of the Proposed Transaction	22.70%	77.30%	100.00%

Source: BDO analysis

As at the date of our Report, there are a total of 40,000,000 unlisted options on issue in Boss Resources as set out in the section 5 of our Report and the Notice of Meeting. Of these options, 10,000,000 are currently 'in the money' with an exercise price below the current quoted market price. If only these options were exercised the share structure of the Company following the Proposed Transaction would be:

	Mr Grant Davey (and his controlled entities)	Other Shareholders	Total
Issued shares at date of our Report	11,483,333	1,060,919,675	1,072,403,008
% holdings at the date of our Report	1.07%	98.93%	100.00%
Shares to be issued as share consideration	300,000,000	-	300,000,000
Shares to be issued upon conversion of options	-	10,000,000	10,000,000
Issued shares after the completion of the Proposed Transaction	**311,483,333**	**1,070,919,675**	**1,382,403,008**
% holdings after the completion of the Proposed Transaction	22.53%	77.47%	100.00%

Source: BDO analysis

On a fully diluted basis (exercise/ conversion of all options and performance rights), the holding of Mr Grant Davey (and his controlled entities) would be as set out in the table below.

	Mr Grant Davey (and his controlled entities)	Other Shareholders	Total
Issued shares at date of our Report	11,483,333	1,060,919,675	1,072,403,008
% holdings at the date of our Report	1.07%	98.93%	100.00%
Shares to be issued as share consideration	300,000,000	-	300,000,000
Shares to be issued upon conversion of all outstanding options	-	40,000,000	40,000,000
Shares to be issued upon conversion of all outstanding performance rights	-	59,999,999	59,999,999
Issued shares after the completion of the Proposed Transaction	**311,483,333**	**1,160,919,674**	**1,472,403,007**
% holdings after the completion of the Proposed Transaction	21.15%	78.85%	100.00%

Source: BDO analysis

5. Profile of Boss Resources

5.1 History

Boss Resources is headquartered in Subiaco, Western Australia and listed on the ASX on 20 July 2007. The primary focus of the Company is the Honeymoon Uranium Project ('**Honeymoon Project**') located in South Australia.

The Company acquired the Honeymoon Project from Uranium One Inc. ('**Uranium One**') on 30 November 2015. The Honeymoon Project is currently held in Boss Uranium Pty Ltd ('**Boss Uranium**'), a wholly owned subsidiary of Boss Energy. Boss Energy was incorporated on 27 August 2015 as the holding company for Boss Uranium, with 80% of the shares in Boss Energy being held by Boss Resources and the other 20% held by Wattle. Wattle's shareholding in Boss Energy is free carried until completion of the Bankable Feasibility Study ('**BFS**') for the Honeymoon Project and the decision to mine. Following a BFS, Boss Resources would have the option to acquire Wattle's 20% in Boss Energy.

The basis of such a purchase is that the transaction would be based on "Fair Market Value" for cash and/or shares in Boss Resources, at Boss Resources' election. The mechanism for determining "Fair Market Value" under the Shareholders' Agreement is as follows:

- the parties shall first attempt in good faith to agree on the fair market value, taking into account the net present value of the Honeymoon Project and the market cap of Boss Resources at the time of valuation;
- if the parties can't agree, then they must appoint an appraiser to make a final and binding determination; and
- if the parties can't agree to an appraiser, the matter shall be submitted to dispute resolution.

Following a decision to mine, Wattle shall have the right to sell all, but not part, of the outstanding Boss Energy shares held by Wattle at the Fair Market Value defined above.

Accordingly, by accelerating the acquisition of the shares Boss Resources avoids the potential impact of any increase in value of the Honeymoon Project.

Boss Resources also has mineral assets in Burkina Faso. The Company has an earn-in agreement on the Golden Hill Gold Project and Gourma Gold Project ('**Gold Projects**') with Toronto Stock Exchange listed Teranga Gold Corporation ('**Teranga**'). Teranga currently has a 51% interest in the Gold Projects and solely manages the joint venture and will fund all exploration on the Gold Projects up to the completion of a Definite Feasibility Study ('**DFS**') and decision to mine. Boss Resources has free carried interest until completion of a DFS and decision to mine. Following the delivery of a DFS, Teranga will increase its interest in the Gold Projects to 70%, and then will have the right to acquire an additional 10% by payment of $2.5million. Following the DFS but prior to a decision to mine, Boss Resources can convert its interest in the Gold Projects into a 1.5% net smelter return. If Boss Resources chooses not to convert its interest to a net smelter return, it will be required to contribute on a pro rata basis following a decision to mine.

Boss Resources also has mineral assets in Sweden as follows:

- Skogtrask Project. Nickel-copper project located in northeast Sweden approximately 9 kilometres from Kalix.
- Lilltrask Project. Nickel-copper project located in northern Sweden approximately 35 kilometres from Lulea.

Boss Resources has not undertaken any work on these mineral assets in Sweden since 2015. The Company does not intend to renew the licences pertaining to the Skogtrask Project and the Lilltrask Project.

Board of directors

The current board of directors and senior management of the Company are:

- Mr Mark Hohnen – Non-Executive Chairman;
- Mr Duncan Craib – Managing Director;
- Mr Evan Cranston – Non-Executive Director;
- Mr Grant Davey - Non-Executive Director; and
- Mr Peter Williams - Non-Executive Director.

Honeymoon Project

The Honeymoon Project is located in the Curnamona Region of South Australia. The project was acquired in 2015 from Uranium One, at which time it had established infrastructure and a plant under care and maintenance. The Honeymoon Project is covered by one granted mining lease and five granted exploration licenses, eight retention leases and two miscellaneous purposes licenses. The tenement package covers approximately 2,595 square kilometres.

On 11 May 2016, Boss Resources announced that it had commenced an expansion study of the Honeymoon Project. The study was designed to identify optimisation and cost reduction opportunities, to assist with future redesign and start-up of the processing plant. Boss Resources announced that it had selected GR Engineering Services Limited ('**GR Engineering**') to deliver the expansion study.

On 28 September 2016, the Company announced that it had completed the expansion study, and based on the results, would consider the commencement of a pre-feasibility study ('**PFS**').

On 25 October2016, the Company announced that it would commence a drill program, following approvals from the South Australian Government. The Company announced that a 75 drill hole mud rotary program at Jasons deposit would commence as soon as the South Australian Government approved the Company's program for environment protection and rehabilitation.

On 26 October 2016, the Company announced that a PFS was underway, with work being carried out by GR Engineering and the Australian Nuclear Science and Technology Organisation ('**ANSTO**'). Work outlined in the PFS scope included:

- metallurgical test work;
- upgraded mineral resource estimates;
- engineering to define the pre works required to start up the existing plant;
- engineering to define the expansion requirements for a 2Mlb/annum operation at Honeymoon; and
- engineering to define the expansion requirements for a 3.6Mlb/annum operation at Honeymoon inclusive of Gould's Dam.

On 17 August 2017, the Company announced that it had officially commenced a Field Leach Trial '(**FLT**'), to optimise the wellfield design and to ensure viable sustaining operations of the Honeymoon Project. As

part of the FLT, the pregnant leach solution produced will be used to feed the ion exchange pilot plant that will be used to confirm the performance of the selected resin over multiple load-elute cycles.

Key Funding Events

On 20 October 2015, the Company announced that it had raised $4.3 million to fund the acquisition of the Honeymoon Project. The funds were raised through a rights issue, shortfall issue and an additional placement.

On 1 June 2016, the Company announced it had raised $1.25 million (before costs) through the issue of 31,250,000 shares at an issue price of $0.04. The funds were raised to progress work at the Honeymoon Project including the drill program, and for general working capital

On 31 August 2016, the Company announced that it had completed a placement to the Chairman, raising approximately $500,000 (before costs).

On 20 January 2017, the Company announced that it had completed a placement of approximately 104.6 million ordinary shares at an issue price of $0.065 per share, raising a total of approximately $6.8 million (before issue costs). The funds were raised for working capital purposes.

On 9 August 2017, the Company announced it had raised $3 million before issue costs, through a placement of 60,000,000 new ordinary shares at an issue price of $0.05 per share. The funds were raised for general working capital, to advance activities at Honeymoon Project and also for payment of a promissory note due to Uranium One in November 2017.

5.2 Historical Financial Position

Statement of Financial Position	Audited as at 30-Jun-17 $	Audited as at 30-Jun-16 $	Audited as at 30-Jun-15 $
CURRENT ASSETS			
Cash and cash equivalents	4,876,784	2,619,672	935,881
Trade and other receivables	216,433	84,903	36,119
Other assets	-	29,052	219,687
TOTAL CURRENT ASSETS	5,093,217	2,733,627	1,191,687
NON-CURRENT ASSETS			
Plant and Equipment	421,839	420,903	26,688
Other financial assets	9,095,459	8,961,199	92,532
Exploration and evaluation expenditure	13,337,810	13,834,394	5,080,000
TOTAL NON-CURRENT ASSETS	22,855,108	23,216,496	5,199,220
TOTAL ASSETS	27,948,325	25,950,123	6,390,907
CURRENT LIABILITIES			
Trade and other payables	1,015,059	401,198	95,892
Provisions	8,746	-	-
Borrowings	3,000,000	-	-
TOTAL CURRENT LIABILITIES	4,023,805	401,198	95,892
NON-CURRENT LIABILITIES			
Borrowings	4,000,000	7,000,000	-

Provisions	8,345,796	8,842,380	-
TOTAL NON-CURRENT LIABILITIES	12,345,796	15,842,380	-
TOTAL LIABILITES	16,369,601	16,243,578	95,892
NET ASSETS	11,578,724	9,706,545	6,295,015
EQUITY			
Issued capital	56,209,988	49,138,898	43,302,956
Reserves	8,899,544	7,209,952	6,317,085
Accumulated losses	(52,484,360)	(46,428,733)	(43,325,026)
TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY	12,625,172	9,920,117	6,295,015
Non-controlling interest	(1,046,448)	(213,572)	-
TOTAL EQUITY	11,578,724	9,706,545	6,295,015

Source: Audited financial statements for the years ended 30 June 2015, 30 June 2016 and 30 June 2017.

Commentary on Historical Statements of Financial Position

We note that Boss Resources' interest in the Honeymoon Project is held through its 80% ownership of Boss Energy, which in turn owns 100% of Boss Uranium which holds the Honeymoon Project. The Honeymoon Project is therefore consolidated in the financial statements of Boss Resources with a non-controlling interest in the net assets of Boss Resources representing the 20% of Boss Energy held by Wattle.

We note the following in relation to Boss Resources' statement of financial position:

- Cash and cash equivalents was $935,881 as at 30 June 2015, $2,619,672 as at 30 June 2016 and $4,876,784 as at 30 June 2017. The increase in cash and cash equivalents of $2,257,112 during the year ended 30 June 2017 was primarily the result of proceeds from the issue of shares of $7,071,089. This was offset by cash outflows from operating activities of $4,589,589 and cash outflows from investing activities of $224,388, which mainly comprised payments for property plant and equipment of $62,088 and security bonds of $162,300.
- Trade and other receivables of $216,433 as at 30 June 2017 relate to trade receivables of $347,923 less provisions for doubtful debts of $131,490. The provision for doubtful debts of $131,490 was fully impaired during the prior year, as that amount was receivable for sales of fuel that was acquired as part of the Honeymoon Project acquisition.
- Other financial assets of $9,095,459 as at 30 June 2017 relate to security bonds of $9,053,319 and available for sale financial assets of $42,140. The security bonds are in relation to the Honeymoon Project as required by the Government of South Australia in respect of the rehabilitation liability. Available for sale financial assets comprised 1,755,820 shares in listed entity Greenvale Energy Limited.
- Exploration and evaluation expenditure was $5,080,000 as at 30 June 2015, $13,834,394 as at 30 June 2016 and $13,337,810 as at 30 June 2017. The increase of $8,754,394 for the year to 30 June 2016, relates to acquisition of the Honeymoon Project of $8,834,394 and the impairment of exploration and evaluation of $80,000. The decrease of $496,584 for the year ended 30 June 2017 relates to a reduction in the associated restoration provision.

- Trade and other payables of $1,015,059 as at 30 June 2017 is comprised of trade payables of $750,418, accrued expenditure of $137,287 and interest payable on promissory notes of $127,354.
- Borrowings as at 30 June 2017 relates to promissory notes issued by the Company to Uranium One on behalf of Boss Energy, to enable Boss Energy to partially repay loans owing to Uranium One. Interest on these notes accrues daily on the principal, at interest rates equal to the bank interest rates paid on performance bonds over the Honeymoon Project. The promissory notes are secured by a charge in favour of the noteholder over all current and future assets of the Company. Repayment of the promissory notes is due on the earliest of:
  - any change in control of the Company;
  - any sale of the Honeymoon Project;
  - the Company obtaining financing for at least $15,000,000 with a minimum consequent repayment date of 30 November 2016; and
  - at the longstop dates of 30 November 2017 and 30 November 2019, for the $3,000,000 and $4,000,000 promissory notes respectively.
- Provisions of $8,345,796 as at 30 June 2017, relate to a restoration/ rehabilitation provision associated with the Honeymoon Project.

Statement of Comprehensive Income	Audited y/e 30-Jun-17 $	Audited y/e 30-Jun-16 $	Audited y/e 30-Jun-15 $
Continuing Operations			
Revenue	163,106	167,456	109,577
Other Income	-	289,820	-
Loss on disposal of property, plant and equipment	-	(37,413)	-
Impairment of exploration and evaluation expenditure	-	(80,000)	-
Employees and consultants	(2,355,477)	(1,027,622)	(458,179)
Accounting and legal	(108,470)	(273,198)	(132,733)
Travel and accommodation	(49,092)	(83,842)	(20,692)
Financing charges	(224,476)	(230,008)	(3,851)
Regulatory fees	(44,362)	(38,436)	(31,715)
Occupancy and communications	(70,566)	(59,264)	(44,026)
Exploration and evaluation expenditure	(3,904,856)	(1,082,224)	(378,245)
Impairment of financial assets	(28,093)	(98,130)	(80,146)
Other expenses	(266,217)	(336,651)	(61,769)
Loss before income tax expense	**(6,888,503)**	**(2,889,512)**	**(1,101,779)**
Income tax (benefit)/expense	-	-	-
Loss after income tax expense	**(6,888,503)**	**(2,889,512)**	**(1,101,779)**

Statement of Comprehensive Income	Audited y/e 30-Jun-17 $	Audited y/e 30-Jun-16 $	Audited y/e 30-Jun-15 $
Other comprehensive income			
Items that may be reclassified subsequently to operating result:			
Net gain/(loss) on fair value of available for sale financial assets	-	-	9,913
Exchange difference on translating foreign controlled entities	-	146	(1,751)
Total comprehensive (loss) for the period	**(6,888,503)**	**(2,889,366)**	**(1,093,617)**
Attributable to non-controlling interests	(832,876)	(213,572)	-
Attributable to shareholders of Boss Resources	(6,055,627)	(2,675,794)	(1,093,617)

Source: Audited financial statements for the years ended 30 June 2015, 30 June 2016 and 30 June 2017.

Commentary on Historical Statement of Comprehensive Income/ (Loss)

We note the following in relation to Boss Resources' statement of comprehensive income/ (loss):

- Revenue for the year ended 30 June 2015, 30 June 2016 and 30 June 2017 comprised interest revenue.
- Other income for the year ended 30 June 2016 related to a research and development tax rebate.
- Employee and consultant expenses increased from $1,027,622 for the year ended 30 June 2016 to $2,355,477. The increase is the result of the appointment of new key management personnel.
- Exploration and expenditure increased from $1,082,224 for the year ended 30 June 2016 to $3,904,856 for the year ended 30 June 2017. The expenditure for the year ended 30 June 2017 relates entirely to expenditure on the Honeymoon Project.

5.3 Capital Structure

The share structure of Boss Resources as at 29 December 2017 is outlined below:

	Number
Total ordinary shares on issue	1,072,403,008
Top 20 shareholders	498,431,822
Top 20 shareholders - % of shares on issue	46.48%

Source: Share registry information

The range of shares held in Boss Resources as at 29 December 2017 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	52	5,257	0.00%
1,001 - 5,000	40	132,664	0.01%
5,001 - 10,000	164	1,536,426	0.14%
10,001 - 100,000	654	32,985,259	3.08%
100,001 - and over	660	1,037,743,402	96.77%

TOTAL	**1,570**	**1,072,403,008**	**100.00%**

Source: Share registry information

The ordinary shares held by the most significant shareholders as at 29 December 2017 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Mr Antonius Joseph Smit	83,000,000	7.74%
Kingslane Pty Ltd	56,161,837	5.24%
National Nominees Ltd	41,010,767	3.82%
Mr James David Taylor	39,533,336	3.69%
Purple Bougainvillea PL	32,505,979	3.03%
Subtotal	252,211,919	23.52%
Others	820,191,089	76.48%
Total ordinary shares on Issue	**1,072,403,008**	**100.00%**

Source: Share registry information

The options on issue in Boss Resources as at 29 December 2017 are outlined below:

Options	Expiry	Exercise price
10,000,000	31 August 2018	$0.020
10,000,000	9 January 2020	$0.065
10,000,000	9 January 2020	$0.080
10,000,000	9 January 2020	$0.095

Source: Share registry information

Boss Resources also has Performance Rights on issue as at 29 December 2017 comprising the following:

Performance Rights	Vesting conditions	Expiry Date	Exercise Price
10,000,000	Trading price of $0.075 for 20 consecutive days.	17-Nov-20	Nil consideration
3,333,333	Trading price of $0.085 for 20 consecutive ASX trading days.	17-Nov-20	Nil consideration
13,333,333	Discovery of 75,000t of contained nickel at 2% (or equivalent) or equivalent copper or platinum group element mineralisation which the Company decides to mine in Europe.	17-Nov-20	Nil consideration

13,333,333	Discovery of 125,000t of contained nickel at 2% (or equivalent) or equivalent copper or platinum group element mineralisation which the Company decides to mine in Europe.	17-Nov-20	Nil consideration
2,000,000	24 months service.	16-Aug-21	Nil consideration
3,000,000	Facilitation and completion of a capital raising for an amount not less than $5,000,000.	16-Aug-21	Nil consideration
3,000,000	Closing price of Shares is at or above $0.085 for 20 consecutive ASX trading days.	16-Aug-21	Nil consideration
8,000,000	ASX announcement confirming the successful raise of the capital expenditure required for the extended plant construction as contemplated by a Board approved definitive feasibility study.	16-Aug-21	Nil consideration

Source: Share registry information

6. Profile of Wattle Mining Pty Ltd (the asset being acquired under the Proposed Transaction)

6.1 Wattle Mining Pty Ltd

Wattle Mining Pty Ltd is an Australian proprietary company, registered in August 2015. Mr Grant Davey is the sole director of Wattle Mining Pty Ltd.

6.2 Historical Financial Position

Statement of Financial Position	As at 30-Jun-17 $	As at 30-Jun-16 $
CURRENT ASSETS		
Cash on hand	1,000	1,000
TOTAL CURRENT ASSETS	1,000	1,000
NON-CURRENT ASSETS		
Shares in related companies	20	20
Preliminary expenses	661	661
Mining Assets/rights	263,243	187,994
TOTAL NON-CURRENT ASSETS	263,924	188,675
TOTAL ASSETS	264,924	189,675
NON-CURRENT LIABILITIES		
Unsecured Loan - Grant Davey	263,924	188,675
TOTAL NON-CURRENT LIABILITIES	263,924	188,675
TOTAL LIABILITES	263,924	188,675
NET ASSETS	1,000	1,000
EQUITY		
Issued and paid up capital	1,000	1,000
TOTAL EQUITY	1,000	1,000

Source: Financial statements for the years ended 30 June 2016 and 30 June 2017.

Commentary on Historical Statements of Financial Position

- Mining Assets/Rights of $263,243 as at 30 June 2017, relate to Wattle's 20% interest in Boss Energy which holds Boss Uranium and the Honeymoon Project.
- The unsecured loan of $263,924 as at 30 June 2017, relates to a loan provided by Mr Grant Davey. We note that it is a condition precedent of the Proposed Transaction as set out in the SSPA Agreement that the loan is forgiven by Mr Grant Davey or the benefit of the loan is transferred to Boss Resources.

7. Economic analysis

Domestic growth

The Australian economy expanded by 0.8% in the June 2017 quarter, and according to available information, seems to have expanded at a slower rate in the September 2017 quarter. However, the economy is expected to strengthen over the coming years, which will further reduce spare capacity in the labour market and lead to a gradual increase in wage growth and inflation.

Inflation in the country remains below the Reserve Bank of Australia's ('**RBA**') target of 2% to 3%, with headline inflation of 1.8% recorded over the year ended 30 September 2017. As noted above, this is expected to pick up gradually as the economy strengthens.

Housing market conditions continue to differ between states, with prices increasing in some markets and conditions starting to ease in others, such as Sydney. Housing credit growth has eased a little, and the profile of new lending has shifted away from interest only and other forms of riskier lending. This suggests that recent measures introduced by the Australian Prudential Regulatory Authority are assisting in targeting the risks associated with household balance sheets. However, household debt still remains high and continues to increase at a rate faster than household income.

Commodity prices

Prices of industrial commodities continued to strengthen in the September 2017 quarter (compared to the September 2016 quarter), while most agricultural prices remained broadly stable. The iron ore spot price has declined from recent highs, with weaker sentiment in the market fuelled partly by impending cuts to steel production in China that have been mandated to improve environmental outcomes.

Energy prices increased by 2% in the September 2017 quarter (compared to the September 2016 quarter), largely due to a 17% leap in coal prices due to China's environmentally-motivated measures to cut back on coal production.

Metals prices surged by approximately 10% in the September 2017 quarter due to strengthening demand resulting from China's needs for various metals to support its property, infrastructure and manufacturing sectors. This was also coupled with supply constraints due to targeting excess capacity enforced by Chinese authorities.

Currency movements

The Australian dollar has appreciated since the middle of the year, partially reflecting a weakening of the USD. This higher exchange rate is expected to contribute to the subdued price pressures in the economy, and is also impacting the outlook for output and employment.

Outlook

The outlook for the Australian economy based on the September 2017 quarter is little changed from that of the June 2017 quarter. Growth in resource exports is expected to largely offset the diminishing drag from lower levels of mining investment. Along with other categories of exports, the mining sector is expected to contribute to economic growth over the next few years.

In terms of business investment, the outlook is more positive than what it has been for a while. A considerable amount of public infrastructure work is planned or underway, contributing to private-sector activity. Overall, growth is forecast by the RBA to average approximately 3% over the next few years.

Source: www.rba.gov.au *Statement by Philip Lowe, Governor: Monetary Policy Decision 7 November 2017 and 5 December 2017*

8. Industry analysis

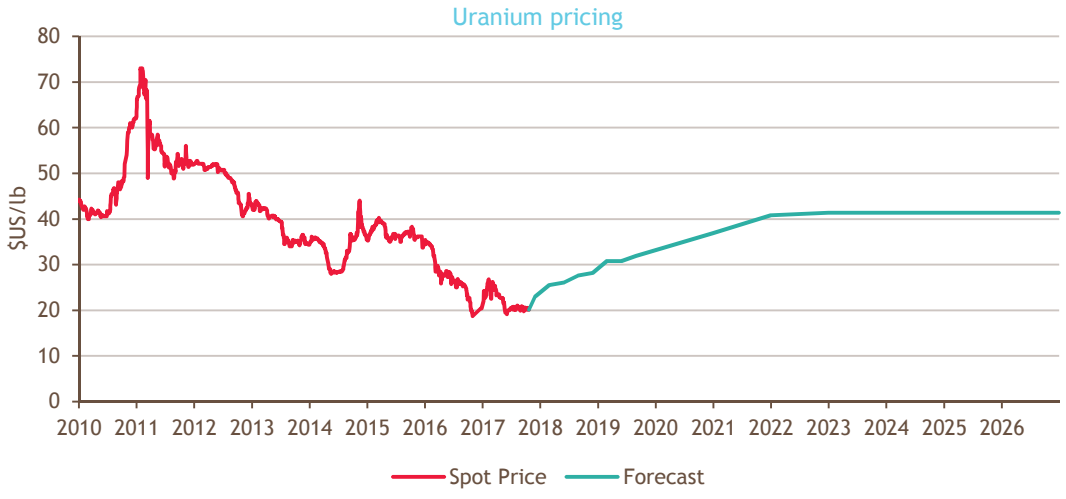
Globally, economic uranium deposits are relatively scarce, which means mining is concentrated to a few select countries. The most common method of uranium extraction is open pit mining due to the volume intensive nature of extraction. This is attributable to uranium ore mostly occurring at relatively low concentrations. The state of the world's uranium market is almost wholly dependent on the global fortunes of the nuclear power generation industry. Over the past five years, the industry has displayed high volatility with global demand for uranium and prices plummeting following the Fukushima disaster in Japan in March 2011.

Prices

Unlike most other commodities, the uranium price does not trade on an open, liquid market. As such, buyers and sellers negotiate contracts privately so prices are published by independent market consultants. Contract pricing is mostly common on a long term supply basis among energy companies who require the long-term security of supply to justify development of new nuclear power plants, for example. Given this security, the long term supply contracts are priced at a premium to spot pricing. The historical uranium spot price discussed below is the U_3O_8 physical spot price obtained from Bloomberg.

Prior to the Fukushima nuclear power plant disaster in March 2011, uranium spot prices were beginning to gain momentum after a steady decline from project delays caused by the global financial crisis and issues with oversupply from production in Kazakhstan. The beginning of January 2011 had shown a significant spike in uranium spot prices as a result of expansion in Asia. Following a peak of US$73.0/lb on 8 February 2011, uranium spot prices declined from 2012 to 2014 before climbing back to a high of US$39.63/lb on 5 March 2015. Uranium spot prices averaged US$36.67/lb throughout 2015 but continued the longer term downtrend in 2016.

The heightened volatility in prices over this period is still said to be attributable to on-going environmental concerns and government restrictions resulting from the Fukushima nuclear disaster in 2011. The uranium spot price fell to a 12-year low of US$18.75/lb in October 2016, and has averaged US$21.97/lb over the calendar year to October 2017. The following graph shows historical and forecast daily spot prices since January 2010:



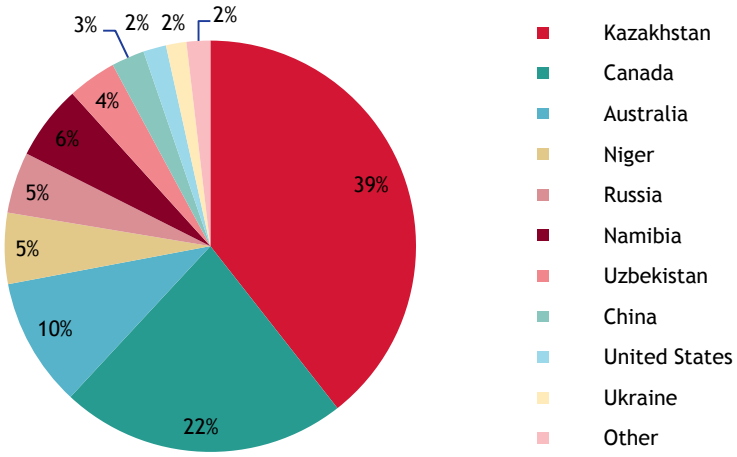
Source: Bloomberg, Consensus Economics

With the spot price dropping below US$19.00/lb in October 2016, the near term recovery of uranium spot prices is unlikely however, there is a bullish long term outlook due to the lack of fossil fuel alternatives to provide stable baseload power. Chinese demand, resulting from a substantial new-build reactor program, is also expected to keep uranium supply in a deficit and place upward pressure on prices in the long term. The positive long term outlook for uranium is reflected in current long term contract pricing, which is generally trading at a $10-20/lb premium over spot prices, and higher in some instances. Consensus Economics' long term spot price projections show a recovery to around US$41.34/lb in 2021.

Uranium Production

Kazakhstan, Australia and Canada accounted for 72% of the world's uranium production in 2016. Australia accounted for around 10% of global uranium production despite holding an estimated 31% of the world's uranium deposits. This is a result of government restrictions on the development of new uranium mines. The graph below illustrates the breakdown of uranium production by country for 2016.

Global Uranium Production 2016



Source: World Nuclear Association

Uranium demand is on the rise, with the Sendai Nuclear Power Plant in Japan reaching full production capacity, despite being one of the 54 nuclear reactors to be shut down after the Fukushima disaster.

Global Outlook

The nuclear energy industry is on a steady recovery since the Japanese nuclear power plant crisis at Fukushima in March 2011, with Asian and Eastern European countries embracing nuclear power generation in view of reducing greenhouse gas emissions.

China's government policy underpins its uranium consumption, as the Chinese government aims to have 80 gigawatts of nuclear electricity generating capacity in place by 2020. Japan, which closed its nuclear power plants for testing after the Fukushima disaster in early 2011, plans to restart its reactors over the coming years, further driving global supply.

Nuclear power offers a viable long term source of baseload energy over fossil fuels which are becoming scarcer. Following the November 2015 global climate summit in Paris which focused on moving towards cleaner energy, numerous countries throughout Africa are showing enormous potential as being the next uranium superpower with many international miners such as Rio Tinto Limited, Areva Holdings Australia Pty Ltd and ARMZ Uranium Holding Co. establishing operations there.

Demand for uranium may increase as emerging economies look for alternative sources of energy. The rise in gas prices is also increasing the demand for alternative energy sources such as nuclear power, further increasing the demand for uranium.

Output volumes and uranium prices will be the main driver behind the industry's performance throughout the next five years. Ongoing concerns about the environment, along with the continued expansion of nuclear energy generation throughout China and India is set to boost prices and encourage production for mining companies.

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('**FME**')
- Discounted cash flow ('**DCF**')
- Quoted market price basis ('**QMP**')
- Net asset value ('**NAV**')
- Market based assessment.

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. In our assessment of the value of Boss Resources shares we have chosen to employ the following methodologies:

9.1 Valuation of Boss Resources Shares prior to the Proposed Transaction

In our assessment of the value of Boss Resources shares prior to the Proposed Transaction, we have chosen to employ the following methodologies:

- NAV on a going concern basis as our primary valuation methodology; and
- QMP as our secondary methodology as this represents the value that a Shareholder can receive for a share if sold on market.

We have chosen these methodologies for the following reasons:

- Boss Resources' primary asset, the Honeymoon Project, does not currently generate any income nor are there any historical profits that could be used to represent future earnings, so the FME approach is not appropriate;
- Boss Resources currently has no foreseeable future net cash inflows, so the application of the DCF valuation approach is not appropriate;
- consequently, we have adopted the NAV approach as our primary valuation method. Boss Resources' primary asset, the Honeymoon Project, is not a producing asset and no revenue or cash flows are currently generated by this asset and therefore we consider that the NAV approach is best suited for the valuation; and
- we have adopted QMP as our secondary approach. The QMP basis is a relevant methodology to consider because Boss Resources' shares are listed on the ASX. This means there is a regulated and observable market where Boss Resources' shares can be traded. However, in order for the QMP methodology to be considered appropriate, the Company's shares should be liquid and the market should be fully informed of the Company's activities.

Independent specialist valuation

In valuing Boss Resources' Honeymoon Project as part of our NAV valuation, we have relied on the independent specialist valuation performed by CSA Global ('**CSA**') in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets 2015 ('**the Valmin Code**') and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (' the **JORC Code**'). We are satisfied with the valuation methodologies adopted by CSA which we

believe are in accordance with industry practice and compliant with the requirements of the Valmin Code. A copy of CSA's valuation report is attached in Appendix 3.

9.2 Valuation of Boss Resources Shares following the Proposed Transaction

In our assessment of the value of a Boss Resources share following the Proposed Transaction, we have chosen to employ the NAV (sum-of-parts) as our primary valuation methodology, having consideration for:

- the value of Boss Resources' 100% interest in the Honeymoon Project (placing reliance on CSA's independent specialist valuation opinion);
- the value of the other assets and liabilities of Wattle; and
- the effect of the share issue as part of the Proposed Transaction on the number of issued shares of Boss Resources.

10. Valuation of Boss Resources prior to the Proposed Transaction

10.1 Net Asset Valuation of Boss Resources

The value of Boss Resources' assets on a going concern basis is reflected in our valuation below:

Statement of Financial Position	Notes	Audited as at 30-Jun-17 $	Low valuation $	Preferred valuation $	High valuation $
CURRENT ASSETS					
Cash and cash equivalents	1	4,876,784	1,565,502	1,565,502	1,565,502
Trade and other receivables		216,433	216,433	216,433	216,433
Other assets		-	-	-	-
TOTAL CURRENT ASSETS		5,093,217	1,781,935	1,781,935	1,781,935
NON-CURRENT ASSETS					
Plant and Equipment		421,839	421,839	421,839	421,839
Other financial assets	2	9,095,459	9,095,459	9,095,459	9,095,459
Exploration and evaluation expenditure	3	13,337,810	27,393,686	57,396,295	82,181,059
TOTAL NON-CURRENT ASSETS		22,855,108	36,910,984	66,913,593	91,698,357
TOTAL ASSETS		27,948,325	38,692,919	68,695,528	93,480,292
CURRENT LIABILITIES					
Trade and other payables	4	1,015,059	550,643	550,643	550,643
Provisions		8,746	8,746	8,746	8,746
Borrowings		3,000,000	-	-	-
TOTAL CURRENT LIABILITIES		4,023,805	559,389	559,389	559,389
NON-CURRENT LIABILITIES					
Borrowings		4,000,000	4,000,000	4,000,000	4,000,000
Provisions	2	8,345,796	8,345,796	8,345,796	8,345,796
TOTAL NON-CURRENT LIABILITIES		12,345,796	12,345,796	12,345,796	12,345,796
TOTAL LIABILITES		16,369,601	12,905,185	12,905,185	12,905,185
NET ASSETS		11,578,724	25,787,734	55,790,343	80,575,107
less: non-controlling interest	5		(5,650,883)	(11,651,405)	(16,608,358)
NET ASSETS ATTRIBUTABLE TO EQUITY		11,578,724	20,136,851	44,138,938	63,966,749
Shares on issue (number)	6		1,072,403,008	1,072,403,008	1,072,403,008
Value per share ($)			$0.0188	$0.0412	$0.0596

Source: BDO analysis

We have been advised by management that there have been no material changes in the consolidated statement of financial position since 30 June 2017, other than those outlined below. We have assumed that the fair market value of the assets and liabilities as at 30 June 2017 are equal to the carrying value as set out in the above consolidated statement of financial position.

The table above indicates the net asset value of a Boss Resources share prior to the Proposed Transaction is between $0.0188 and $0.0596 with a preferred value of $0.0412.

We note the following in relation to the valuation in the table above and the adjustments which were made to the net assets of Boss Resources as at 30 June 2017 in arriving at our valuation.

Note 1: Cash and cash equivalents

We have adjusted the cash and cash equivalents balance to the 30 November 2017 balance per the management accounts of Boss Resources. We have agreed the balance for cash and cash equivalents to the relevant underlying documentation for Boss Resources and Boss Uranium including bank reconciliations and Boss Resources' Appendix 5B for the quarter ending 30 September 2017.

The major cash impacts since 30 June 2017 are as follows:

- capital raising of $3,000,000 in August 2017;
- repayment of current liability of $3,000,000 in November 2017; and
- expenditure for operating activities including principally exploration and evaluation.

Note 2: Other financial assets and non-current provisions

We have not adjusted the value of other financial assets. The majority of the other financial assets balance is security deposits held in respect of the provision for rehabilitation for the Honeymoon Project as required by the Government of South Australia. There has been no material movement in the value of the shares held in Greenvale Energy Limited.

Note 3: Exploration and evaluation expenditure

Valuation of the Honeymoon Project

We instructed CSA to provide an independent market valuation of the exploration assets held by Boss Resources. CSA considered a number of different valuation methods when valuing the exploration assets of Boss Resources.

CSA adopted the following methodology:

- for the Honeymoon Resource, CSA relied primarily on the income approach with the market approach as a secondary valuation method and the yardstick method as a cross check; and
- for the Gould's Dam and Jasons Resources, CSA relied primarily on the comparative transaction method with the yardstick method as a cross-check.

We consider these methods to be appropriate for Boss Resources' exploration assets.

Full details of CSA's valuation are provided in Appendix 3 to our Report.

The range of values for 100% of each of Boss Resources' exploration assets as assessed by CSA is set out below:

Boss Resources Ltd	Low value	Preferred value	High value
Mineral Asset Valuation - Honeymoon Project	USD	USD	USD
Honeymoon	15,000,000	30,000,000	40,000,000
Gould's Dam	5,000,000	10,000,000	15,000,000
Jasons	1,000,000	4,000,000	8,000,000
Value of Honeymoon Project (USD)	USD21,000,000	USD44,000,000	USD63,000,000
Exchange rate (USD/AUD)	0.7666	0.7666	0.7666
Value of Honeymoon Project (AUD)	**AUD27,393,686**	**AUD57,396,295**	**AUD82,181,059**

Source: BDO and CSA

The table above indicates a range of values between $27.4 million and $82.2 million, with a preferred value of $57.4 million.

Burkina Faso Assets

We note that the other mineral assets of Boss Resources, being its gold interests in Burkina Faso, have not been valued. We consider that these assets are immaterial to the value of the Company.

We understand that the Company is currently in early stage discussions about the disposal of its gold interests in Burkina Faso but that these negotiations have not been concluded as at the date of this Report and are subject to commercial confidentiality.

We have not included any value for these assets in the pre Proposed Transaction valuation or in the post Proposed Transaction valuation (section 11 below).

We note that these assets will not be affected by the Proposed Transaction. We have undertaken a sensitivity analysis of the impact of a range of values of these assets, based on the latest stage of negotiations; based on this we have concluded that it will not have a material effect on our opinion.

Swedish mineral assets

We note that the Swedish mineral assets comprising the Skogtrask Project and the Lilltrask Project have not been valued. This is on the basis that the Company has not incurred any expenditure on these assets since 2015 and intends to let the licences lapse.

Note 4: Trade and other payables

We have adjusted this balance to reflect the balance in Boss Resources consolidated management accounts at 30 November 2017 of $550,643, a reduction of $464,416 from the balance at 30 June 2017. We consider that market value approximates net book value at 30 November 2017.

Note 5: Non-controlling interest

We have determined the non-controlling interest in the consolidated entity (being the 20% interest in Boss Energy held by Wattle) prior to the Proposed Transaction to be in the range from $5.65 million to $16.61 million with a preferred value of $11.65 million. This is based on a 20% interest in the balance sheet of Boss Uranium as set out in the management accounts as at 30 November 2017 adjusted for the market value of the Honeymoon Project as assessed by CSA.

Note 6: Number of shares

As at the date of our Report, Boss Resources had 1,072,403,008 fully paid ordinary shares in issue.

Diluted basis

We have also addressed the valuation on the basis that all options currently on issue which are 'in the money' are exercised. Our assessment of value is set out in the table below.

NAV following the Proposed Transaction	Ref	Low value A$	Preferred value A$	High value A$
Value of Boss Resources post the Proposed Transaction		**20,136,851**	**44,138,938**	**63,966,749**
Cash raised from exercise of options		200,000	200,000	200,000
Value of Boss Resources post the Proposed Transaction (including cash raised)		**20,336,851**	**44,338,938**	**64,166,749**
Number of shares on issue post the Proposed Transaction	Note 6	1,072,403,008	1,072,403,008	1,072,403,008
Shares issued on exercise of options		10,000,000	10,000,000	10,000,000
Total shares on issue after conversion of options		1,082,403,008	1,082,403,008	1,082,403,008
Value per share ($)		**$0.0188**	**$0.0410**	**$0.0593**

We note that the fully diluted basis is a hypothetical exercise only in relation to value. We conclude that there is minimal impact on value.

10.2 Quoted Market Prices for Boss Resources securities prior to the Proposed Transaction

To provide a comparison to the valuation of Boss Resources in Section 10.1, we have also assessed the quoted market price for a Boss Resources share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.11 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of s611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

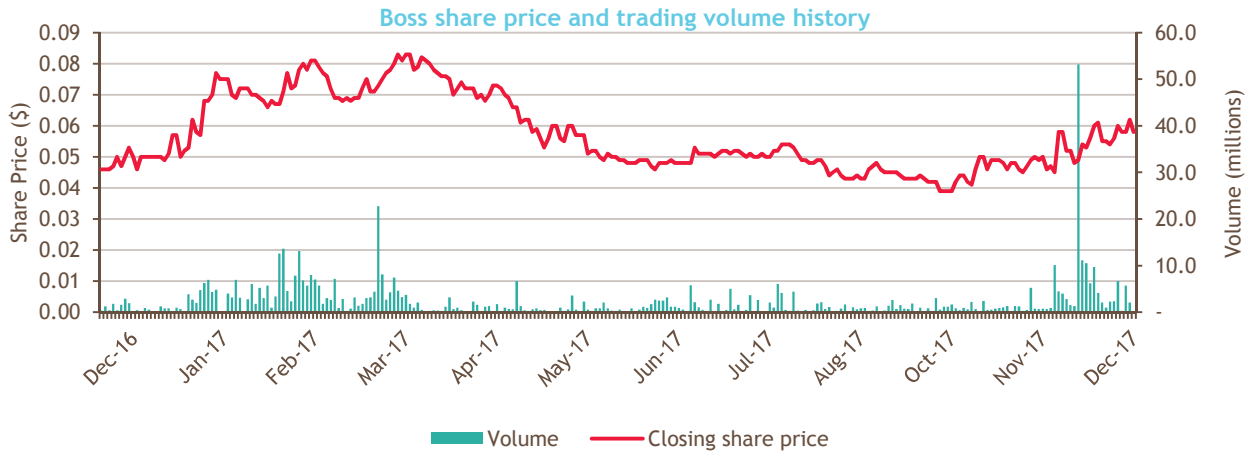
Whilst Mr Davey and his controlled entities will not be obtaining 100% of Boss Resources, RG111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. The expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 13.

Therefore, our calculation of the quoted market price of a Boss Resources share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of a Boss Resources share is based on the pricing prior to the announcement of the Proposed Transaction. This is because the value of a Boss Resources share after the announcement may include the effects of any change in value as a result of the Proposed Transaction. However, we have considered the value of a Boss Resources share following the announcement when we have considered reasonableness in Section 13.

Information on the Proposed Transaction was announced on 7 December 2017. Therefore, the following chart provides a summary of the share price movement over the 12 months to 6 December 2017 which was the last trading day prior to the announcement.



Source: Bloomberg

The daily price of Boss Resources shares from 6 December 2016 to 6 December 2017 has ranged from a low of $0.039 on 3 October 2017 to a high of $0.083 on 24 March 2017. The highest single day of trading was on 17 November 2017 when 53,161,756 shares were traded as a result of an announcement relating to drill results from the Company's Gold Projects. The share price trended downwards from March 2017 to a close of $0.039 on 3 October 2017, after which the share price has trended upwards to close at $0.058 on 6 December 2017, on the day before the announcement.

During the 12 months to 7 December 2017 a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		$ (movement)			$ (movement)		
01/12/2017	Results of AGM	0.058	▼	3.3%	0.058	▶	0.0%

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		$ (movement)			$ (movement)		
20/11/2017	RAPID ADVANCEMENT ON GOLDEN HILL	0.053	▼	1.9%	0.061	▲	15.1%
17/11/2017	BONANZA GOLD INTERCEPTS AT JACKHAMMER HILL	0.054	▲	10.2%	0.060	▲	11.1%
15/11/2017	HISTORICAL HIGH GRADES ACHIEVED AT HONEYMOON	0.048	▼	7.7%	0.053	▲	10.4%
10/11/2017	CAMECO SUSPENDS PRODUCTION FROM WORLD'S LARGEST URANIUM MINE	0.058	▶	0.0%	0.048	▼	17.2%
01/11/2017	HONEYMOON FIELD LEACH TRIAL EXCEEDING EXPECTATIONS	0.050	▲	2.0%	0.046	▼	8.0%
31/10/2017	Appendix 4G	0.049	▲	4.3%	0.050	▲	2.0%
31/10/2017	Annual Report to shareholders	0.049	▲	4.3%	0.050	▲	2.0%
30/10/2017	Notice of Annual General Meeting	0.047	▲	4.4%	0.049	▲	4.3%
30/10/2017	Quarterly Cashflow Report	0.047	▲	4.4%	0.049	▲	4.3%
30/10/2017	Quarterly Activities Report	0.047	▲	4.4%	0.049	▲	4.3%
26/10/2017	HONEYMOON FIELD LEACH TRIAL OUTRIGHT SUCCESS	0.046	▼	4%	0.049	▲	7%
04/10/2017	HONEYMOON FIELD LEACH TRIAL FIRST SUCCESS	0.042	▲	8%	0.042	▶	0%
14/09/2017	TGZ: Press Release - Golden Hill Results	0.044	▼	2%	0.043	▼	2%
12/09/2017	HONEYMOON FIELD LEACH TRIAL UPDATE	0.045	▶	0%	0.043	▼	4%
01/09/2017	Appendix 3B	0.043	▶	0%	0.048	▲	12%
31/08/2017	Cleansing Prospectus	0.043	▼	2%	0.047	▲	9%
28/08/2017	Full Year Statutory Accounts	0.043	▶	0%	0.043	▶	0%
23/08/2017	Withdrawal of Cleansing Notice	0.046	▲	2%	0.043	▼	7%
22/08/2017	Cleansing Statement	0.045	▲	2%	0.043	▼	4%
17/08/2017	COMMENCEMENT OF FIELD LEACH TRIAL	0.049	▶	0%	0.045	▼	8%
11/08/2017	Appendix 3B	0.049	▶	0%	0.049	▶	0%
09/08/2017	BOSS COMPLETES $3M CAPITAL RAISE	0.051	▼	4%	0.048	▼	6%
07/08/2017	Initial Director's Interest Notice	0.054	▶	0%	0.049	▼	9%
07/08/2017	Final Director's Interest Notice	0.054	▶	0%	0.049	▼	9%
01/08/2017	BOSS APPOINTS DUNCAN CRAIB AS MANAGING DIRECTOR	0.052	▲	4%	0.054	▲	4%
31/07/2017	Quarterly Cashflow Report	0.050	▶	0%	0.054	▲	8%
31/07/2017	Quarterly Activities Report	0.050	▶	0%	0.054	▲	8%
31/07/2017	FIELD LEACH TRIAL - DRILLING COMPLETED	0.050	▶	0%	0.054	▲	8%
27/07/2017	BOSS APPOINTS LEADING STRATEGIC & MARKETING ADVISER	0.051	▲	2%	0.052	▲	2%
25/07/2017	TGZ: Press Release - Drill Results	0.050	▼	2%	0.050	▶	0%

Date	Announcement	Closing Share Price Following Announcement $ (movement)			Closing Share Price Three Days After Announcement $ (movement)		
30/06/2017	Appendix 3B	0.048	▶	0%	0.051	▲	6%
19/06/2017	HONEYMOON FIELD LEACH TRIAL	0.047	▼	4%	0.048	▲	2%
06/06/2017	Amended Appendix 3B	0.050	▶	0%	0.048	▼	4%
02/06/2017	Appendix 3B	0.051	▲	4%	0.049	▼	4%
31/05/2017	HONEYMOON PRELIMINARY FEASIBILITY STUDY	0.050	▼	4%	0.050	▶	0%
12/05/2017	FINAL DRILL RESULTS FROM JASONS PROSPECT DRILLING	0.056	▲	6%	0.056	▶	0%
28/04/2017	Quarterly Cashflow Report	0.069	▼	1%	0.061	▼	12%
28/04/2017	Quarterly Activities Report	0.069	▼	1%	0.061	▼	12%
27/04/2017	HONEYMOON URANIUM PROJECT METALLURGICAL TESTWORK UPDATE	0.070	▼	3%	0.066	▼	6%
26/04/2017	TGZ: Press Release - Exploration Results	0.072	▼	1%	0.066	▼	8%
15/03/2017	Half Year Accounts	0.075	▲	3%	0.080	▲	7%
15/03/2017	SUBSTANTIAL RESOURCE UPDATE FOR JASONS DEPOSIT	0.075	▲	3%	0.080	▲	7%
09/02/2017	BOSS RESOURCES INVESTOR PRESENTATION	0.077	▲	8%	0.078	▲	1%
03/02/2017	CORE HOLES CONFIRM HIGH GRADE MINERALISATION AT JASONS	0.068	▲	3%	0.071	▲	4%
31/01/2017	Quarterly Cashflow Report	0.069	▼	1%	0.068	▼	1%
31/01/2017	Quarterly Activities Report	0.069	▼	1%	0.068	▼	1%
30/01/2017	Cleansing Notice	0.070	▶	0%	0.066	▼	6%
30/01/2017	Appendix 3B	0.070	▶	0%	0.066	▼	6%
20/01/2017	BOSS COMPLETES $6.8M CAPITAL RAISE	0.070	▼	7%	0.072	▲	3%
18/01/2017	Trading Halt	0.075	▶	0%	0.069	▼	8%
12/01/2017	Appendix 3B	0.068	▶	0%	0.075	▲	10%
09/01/2017	BOSS APPOINTS CEO TO LEAD NEXT STAGE OF DEVELOPMENT	0.058	▼	6%	0.068	▲	17%
14/12/2016	PFN CONFIRMS AND INCREASES HIGH GRADE MINERALISATION	0.050	▲	6%	0.046	▼	8%
08/12/2016	BOSS ANNOUNCES FURTHER HIGH-GRADE DRILL RESULTS AT JASONS	0.046	▶	0%	0.047	▲	2%
06/12/2016	BOE - FIRST DRILL RESULTS RECEIVED FROM DRILLING AT JASONS	0.046	▼	2%	0.047	▲	2%

Source: Bloomberg

On 6 December 2016, Boss Resources released the first drill results from Jasons. The share price decreased by 2% on the day of the announcement to close at $0.046, before increasing by 2% over the subsequent three-day period to close at $0.047.

On 8 December 2016, Boss Resources announced drill results at Jasons. The share price remained unchanged at close at $0.046 on the day of the announcement, before increasing by 2% over the subsequent three-day period to close at $0.047.

On 14 December 2016, Boss Resources announced that 'the Prompt Fission Neutron confirms and increases high grade mineralisation' at Jasons Deposit. The share price increased by 6% on the day of the announcement to close at $0.050, before declining 8% over the three days subsequent to close at $0.046.

On 9 January 2017, Boss Resources announced that it had appointed Duncan Craib as Chief Executive Officer to lead the next stage of the Honeymoon Project development. The share price decreased 6% on the day of the announcement to close at $0.058, before increasing 17% over the subsequent three-day period to close at $0.068.

On 20 January 2017, Boss Resources announced that it had completed a $6.8 million capital, through the issue of 104.6 million new shares at an issue price of $0.065 per share. The share price decreased by 7% on the day of the announcement to close at $0.070, before increasing 3% over the subsequent three days to close at $0.072.

On 9 February 2017, Boss Resources released an investor presentation. The share price increased by 8% on the day of the announcement to close at $0.077, before increasing a further 1% over the three days subsequent to close at $0.078.

On 15 March 2017, Boss Resources released its half year accounts and a resource update for Jasons Deposit. The update highlighted an increase to the Jasons Deposit resource, as a result of a 77 drill program completed over December 2016 and January 2017. The share price increased by 3% on the day of the announcement to close at $0.075, before increasing a further 7% over the subsequent three-day period to close at $0.080.

On 26 April 2017, Boss Resources released an announcement made by its joint venture partner Teranga Gold, which outlined exploration results relating to the Gold Projects. The announcement highlighted two new gold discoveries from its exploration program at Golden Hill. The share price decreased 1% on the day of the announcement, to close at $0.072, before declining a further 7% over the subsequent three-day period to close at $0.066.

On 27 April 2017, Boss Resources released an update on metallurgical test work being undertaken as part of the Company's Pre-Feasibility Study, including the results from ion exchange test work and leaching test work. The share price decreased 3% on the day of the announcement to close at $0.070, before declining a further 6% over the subsequent three days, to close at $0.066.

On 12 May 2017, Boss Resources released final round of drill results from the Jasons Prospect mud-rotary drill program including a summary of significant intercepts. The share price increased by 6% on the day of the announcement to close at $0.056.

On 31 May 2017, Boss Resources announced the completion of the Honeymoon Project's preliminary feasibility study, and provided information relating to the staged implementation approach to the development of the Honeymoon Project. The share price decreased by 4% on the day of the announcement to close at $0.050.

On 19 June 2017, Boss Resources announced that it had completed the planning and design activities for the field leach trial at the Honeymoon Project. The share price decreased by 4% on the day of the announcement to close at $0.047, before increasing by 2% over the subsequent three-day period, to close at $0.048.

On 1 August 2017, Boss Resources announced that Duncan Craib had been appointed Managing Director. The share price increased 4% on the day of the announcement to close at $0.052, before increasing a further 4% over the subsequent three-day period to close at $0.054.

On 9 August 2017, the Company announced that it had completed a $3 million capital raise, through the issue of 60 million ordinary shares at $0.05 per share. The share price decreased by 4% on the day of the announcement to close at $0.051 before decreasing by a further 6% over the subsequent three-day period to close at $0.048.

On 17 August 2017, the Company announced that it had completed the construction of the infrastructure for the field leach trial and officially commenced test work. The share price remained unchanged on the day of the announcement, before declining by 8% over the subsequent three-day period to close at $0.045.

On 31 August 2017, Boss Resources issued a cleansing prospectus to allow the on sale of the 60 million shares issued to sophisticated investors on 11 August 2017. This cleansing prospectus superseded the cleansing notice issued on 22 August 2017 and withdrawn on 23 August 2017. The share price increased by 2% on the day of the announcement to close at $0.046, before declining by 7% over the subsequent three-day period, to close at $0.043.

On 4 October 2017, Boss Resources announced first results from the Honeymoon Project field leach trial. The share price increased 8% on the day of the announcement to close at $0.042.

On 26 October 2017, Boss Resources released the results from the Honeymoon Project field leach trial. The share price decreased by 4.2% on the day of the announcement, to close at $0.046 before increasing by 6.5% over the three days subsequent, to close at $0.049.

On 30 October 2017, Boss Resources released its quarterly cash flow report, quarterly activities report and its notice of Annual General Meeting. The share price increased by 4.4% on the day of the announcement to close at $0.047 before increasing by a further 4.3% over the subsequent three-day period to close at $0.049.

On 31 October 2017, Boss Resources released its annual report to shareholders and an Appendix 4G. The share price increased by 4.3% on the day of the announcement to close at $0.049 before increasing a further 2% over the subsequent three-day period to close at $0.050.

On 1 November 2017, the Company announced results from the field leach trial. The share price increased by 2% on the day of the announcement to close at $0.050, before declining 8% over the subsequent three-day period to close at $0.046.

On 15 November 2017, Boss Resources announced that its field leach trial was yielding high tenors of uranium. The share price decreased by 7.7% on the day of the announcement to close at $0.048, before increasing by 10.4% over the subsequent three-day period to close at $0.053.

On 17 November 2017, Boss Resources released results from a drill program for the Golden Hill Project, identifying a mineralised prospect. The share price increased by 10.2% on the day of the announcement to close at $0.054.

On 20 November 2017, Boss Resources announced further results from a drill program at Golden Hill Project. The share price decreased by 1.9% on the day of the announcement to close at $0.053, before increasing by 15.1% over the subsequent three-day period, to close at $0.061.

To provide further analysis of the market prices for a Boss Resources share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 6 December 2017.

Share Price per unit	06-Dec-17	10 Days	30 Days	60 Days	90 Days
Closing price	$0.058				
Volume weighted average price (VWAP)		$0.059	$0.057	$0.055	$0.054

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Proposed Transaction, to avoid the influence of any increase in price of Boss Resources' shares that has occurred since the Proposed Transaction was announced.

An analysis of the volume of trading in Boss Resources shares for the twelve months to 6 December 2017 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	$0.056	$0.060	2,101,639	0.20%
10 Days	$0.051	$0.065	36,353,041	3.39%
30 Days	$0.045	$0.067	154,025,060	14.36%
60 Days	$0.038	$0.067	182,846,074	17.05%
90 Days	$0.038	$0.067	218,194,830	20.35%
180 Days	$0.038	$0.081	316,354,767	29.50%
1 Year	$0.038	$0.087	602,001,709	56.14%

Source: Bloomberg, BDO analysis

This table indicates that Boss Resources' shares display a moderate to high level of liquidity, with 56.14% of the Company's current issued capital being traded in a twelve-month period. RG 111.69 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- regular trading in a company's securities;
- approximately 1% of a company's securities are traded on a weekly basis;
- the spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- there are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Boss Resources, there have been no significant but unexplained fluctuations in share price or trade volume but we do not consider there to be a liquid and active market for its shares. In total the

shares in Boss Resources have been traded regularly over the review period, with 20.35% of the Company's current issued capital being traded over the 90-day period immediately prior to the announcement of the Proposed Transaction.

However, we note that within the overall average there is significant variation:

- on 17 November 2017, 53 million shares were traded in a single day, coinciding with Boss Resources' announcement titled "Bonanza gold intercepts at Jackhammer Hill" relating to the Company's Burkina Faso gold interests. If this single day's trading is excluded, the liquidity over the last 90 days to 6 December 2017 is reduced to 15.39%; and
- over the seven months period from 1 April 2017 to 1 November 2017 only 16% of the Company's issued capital was traded, an average of only 0.5% per week.

This suggests that the market for Boss Resources shares may be more volatile and less liquid and active than would provide an ideal basis for a quoted market price based valuation.

Our assessment is that a range of values for Boss Resources shares based on market pricing, after disregarding post announcement pricing, is between $0.054 and $0.058.

Control Premium

We have reviewed the control premiums paid by acquirers of general mining companies listed on the ASX. We have summarised our findings below:

Year	Number of control transactions	Average deal value ($m)	Average control premium (%)
2017	3	20.76	32.90
2016	13	59.54	74.92
2015	9	340.82	57.86
2014	15	118.46	47.88
2013	17	117.99	63.99
2012	18	207.01	52.45
2011	21	811.55	37.42
2010	21	555.11	50.61
2009	20	121.99	50.44
2008	18	631.60	33.19

Entire data set Metrics	Average Deal Value (AU$m)	Average Control Premium (%)
Mean	351.49	50.31
Median	45.48	39.10

Source: Bloomberg, BDO analysis

In arriving at an appropriate control premium to apply, we note that observed control premiums can vary due to the:

- nature and magnitude of non-operating assets;
- nature and magnitude of discretionary expenses;

- perceived quality of existing management;
- nature and magnitude of business opportunities not currently being exploited;
- ability to integrate the acquiree into the acquirer's business;
- level of pre-announcement speculation of the proposed transaction; and
- level of liquidity in the trade of the acquiree's securities.

The table above indicates the long term average control premiums paid by acquires of all mining companies listed on the ASX is approximately 50%. However, in assessing the sample of transactions included in the table, we noted transactions that appear to be extreme outliers. There outliers included 15 transactions in which the announced premium was in excess of 100%. When these outliers are removed, the average of control premium paid by acquirers is 40.62%.

In a sample where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the review period was approximately 39%.

In determining the appropriate control premium appropriate for Boss Resources, we considered a number of factors, noting that the average control premium is influenced by factors such as whether the consideration is cash or scrip and the deal size. In the case of Boss Resources, based on our research and considerations set out above, we believe that an appropriate control premium to apply to our valuation of Boss Resources' shares is between 20% and 30%.

Quoted market price including control premium

Applying a control premium to Boss Resources' quoted market share price results in the following quoted market price value including a premium for control:

Boss Resources Ltd Pre Transaction QMP	Low $	Midpoint $	High $
Quoted market price value	0.054	0.056	0.058
Control premium	20%	25%	30%
Quoted market price valuation including a premiums for control	**0.065**	**0.070**	**0.075**

Source: BDO analysis

Therefore, our valuation of a Boss Resources share based on the quoted market price method and including a premium for control is between $0.065 and $0.075, with a midpoint value of $0.070.

10.3 Placement of shares to sophisticated investors in August 2017

To provide a further comparison to the valuation of a share in Boss Resources in Sections 10.1 and 10.2, we have also considered the price at which Boss completed a capital raising in August 2017.

On 9 August 2017, the Company announced that it had completed a $3 million capital raise, through the issue of 60 million ordinary shares at $0.050 per share to sophisticated investors.

As these were minority interests we consider that it is appropriate to add a control premium to this placement value, as set out below.

Boss Resources Ltd	Low	Midpoint	High
August 2017 placement value	$	$	$
Placement price	0.050	0.050	0.050
Control premium	20%	25%	30%
Placement price including a premiums for control	**0.060**	**0.0625**	**0.065**

Source: BDO analysis

Therefore, our valuation of a Boss Resources share based on the quoted market price method and including a premium for control is between $0.060 and $0.065, with a midpoint value of $0.0625.

10.4 Assessment of a Boss Resources value prior to the Proposed Transaction

The results of the valuations performed are summarised in the table below:

Boss Resources	Low	Midpoint	High
Valuation Summary	$	$	$
Net asset value (10.1)	$0.0188	$0.0412	$0.0596
Value based on ASX market prices (10.2)	0.065	0.070	0.075
Capital raising price (10.3)	0.060	0.0625	0.065

We consider the net asset value to be the most appropriate methodology, given that the core value of the Company lies in the mineral assets that it holds. We instructed an independent specialist (CSA) to value Boss Resources' mineral assets in accordance with the VALMIN code, which we have included in our net asset value. The net asset value also best represents the value that is attributable to shareholders as a whole.

We note that our NAV value is lower than the value obtained using the QMP methodology. We attribute this difference in value derived under the three methods to the following:

- the NAV value is lower than the QMP value, which often occurs for companies focused on exploration which regularly trade at a premium to their net asset value. The reason for this is that mining companies at the pre-production stage generally anticipate a potential upside of 'blue-sky' prospects for the company and its mineral assets, which is factored into the share price often prior to such value being warranted by public announcements.
- under RG 111.69(d), the QMP methodology is considered appropriate where a liquid and active market exists. Our QMP analysis of Boss Resources shares in section 10.2 suggests that there is not a deep and sufficiently active market for the Company's shares in the 90 days prior to the announcement of the Proposed Transaction. This suggests that the QMP method may not give the most accurate indication of value, which explains some of the difference between the net assets based and ASX market prices based values;
- the capital raising price is reflective of the position in August 2017 which is now stale given that four months have since elapsed and so is not as good an indicator of the current situation as the NAV value which the key components of value, particularly the independently valued mineral assets which are current;
- the nature of the Proposed Transaction is such that the same assets are involved pre and post the Proposed Transaction, it is essentially the proportion of the Honeymoon Project which is included

which changes. Consequently, it is advantageous to consider the pre and post values on a consistent basis and this is more readily achieved with a NAV value because the QMP value on a post Proposed Transaction basis still contains an element of doubt about whether the Proposed Transaction will be approved; and

- our net assets value includes the assessment of value in an independent technical report on Boss Resources' mineral assets performed by CSA which utilises a combination of valuation methods reflecting the market value of Boss Resources' mineral assets.

Based on the results above, we consider the value of a Boss Resources share to be in the range from $0.0188 to $0.0596, with a preferred value of $0.0412.

11. Valuation of Boss Resources following the Proposed Transaction

11.1 Net Asset Valuation of Boss Resources

As discussed in section 9, we have relied on the NAV methodology in determining the value of a Boss Resources share following approval of the Proposed Transaction.

Our valuation of Boss Resources following the Proposed Transaction is summarised below.

Statement of Financial Position	Notes	Audited as at 30-Jun-17 $	Low valuation $	Preferred valuation $	High valuation $
CURRENT ASSETS					
Cash and cash equivalents	1	4,876,784	1,565,502	1,565,502	1,565,502
Trade and other receivables		216,433	216,433	216,433	216,433
TOTAL CURRENT ASSETS		5,093,217	1,781,935	1,781,935	1,781,935
NON-CURRENT ASSETS					
Plant and Equipment		421,839	421,839	421,839	421,839
Other financial assets	2	9,095,459	9,095,459	9,095,459	9,095,459
Exploration and evaluation expenditure	3	13,337,810	27,393,686	57,396,295	82,181,059
TOTAL NON-CURRENT ASSETS		22,855,108	36,910,984	66,913,593	91,698,357
TOTAL ASSETS		27,948,325	38,692,919	68,695,528	93,480,292
CURRENT LIABILITIES					
Trade and other payables	4	1,015,059	550,643	550,643	550,643
Provisions		8,746	8,746	8,746	8,746
Borrowings		3,000,000	-	-	-
TOTAL CURRENT LIABILITIES		4,023,805	559,389	559,389	559,389
NON-CURRENT LIABILITIES					
Borrowings		4,000,000	4,000,000	4,000,000	4,000,000
Provisions	2	8,345,796	8,345,796	8,345,796	8,345,796
TOTAL NON-CURRENT LIABILITIES		12,345,796	12,345,796	12,345,796	12,345,796
TOTAL LIABILITES		16,369,601	12,905,185	12,905,185	12,905,185
NET ASSETS		11,578,724	25,787,734	55,790,343	80,575,107
Shares on issue (number)	5		1,372,403,008	1,372,403,008	1,372,403,008
Value per share ($) - controlling basis			$0.0188	$0.0407	$0.0587
Minority Discount	6		23%	20%	17%
Value per share ($) - minority basis			$0.0145	$0.0325	$0.0487

Source: BDO analysis

The table above indicates the net asset value of a Boss Resources share following the Proposed Transaction and on a minority basis is between $0.0145 and $0.0487 with a preferred value of $0.0325. The following adjustments were made to the net assets of Boss Resources as at 30 June 2017 in arriving at our valuation of the Company following the Proposed Transaction.

Note 1: Cash and cash equivalents

We have adjusted the value of cash and cash equivalents as for the pre Proposed Transaction valuation (refer section 10.1 above).

Note 2: Other financial assets and non-current provisions

We have not adjusted the value of other financial assets (refer section 10.1 above).

Note 3: Exploration and evaluation expenditure

Valuation of the Honeymoon Project

As stated in section 10.1 of our Report, we instructed CSA to provide an independent market valuation of the Honeymoon Project.

The range of values for 100% of each of Boss Resources' exploration assets as assessed by CSA is set out below:

Boss Resources Ltd	Low value	Preferred value	High value
Mineral Asset Valuation - Honeymoon Project	USD	USD	USD
Honeymoon	15,000,000	30,000,000	40,000,000
Gould's Dam	5,000,000	10,000,000	15,000,000
Jasons	1,000,000	4,000,000	8,000,000
Value of Honeymoon Project (USD)	USD21,000,000	USD44,000,000	USD63,000,000
Exchange rate (USD/AUD)	0.7666	0.7666	0.7666
Value of Honeymoon Project (AUD)	**AUD27,393,686**	**AUD57,396,295**	**AUD82,181,059**

Source: BDO and CSA

The table above indicates a range of values between $27.4 million and $82.2 million, with a preferred value of $57.4 million.

Burkina Faso Assets

We note that the other mineral assets of Boss Resources, being its gold interests in Burkina Faso, have not been valued. We consider that these assets are immaterial to the value of the Company. We further note that the value of these assets is not affected by the Proposed Transaction.

We understand that the Company is currently in early stage discussions about the disposal of its gold interests in Burkina Faso but that these negotiations have not been concluded as at the date of this Report and are subject to commercial confidentiality.

We have not included any value for these assets in the pre Proposed Transaction valuation or in the post Proposed Transaction valuation.

We note that these assets will not be affected by the Proposed Transaction. We have undertaken a sensitivity analysis of the impact of a range of values of these assets, based on the latest stage of negotiations, based on this we have concluded that it will not have a material effect on our opinion

We note that these assets will not be affected by the Proposed Transaction. The assessed value of these assets, based on the latest stage of negotiations, will not have a material effect on our opinion.

Note 4: Trade and other payables

We have adjusted this balance to reflect the balance in Boss Resources consolidated management accounts at 30 November 2017 of $550,643, as per section 10.1 above.

Note 5: Number of shares

In determining a valuation per share for Boss Resources following the Proposed Transaction, we adjusted the number of shares on issue to reflect the Consideration Shares to be issued to Mr Grant Davey and his controlled entities as part of the Proposed Transaction. The number of fully paid ordinary Boss Resources shares that will be on issue following the Proposed Transaction will be 1,372,403,008.

Number of shares on issue	Number
Prior to the Proposed Transaction	1,072,403,008
Add: Share Consideration	300,000,000
Post the Proposed Transaction	**1,372,403,008**

Source: BDO analysis

In determining the value of a Boss Resources share on a diluted basis, in addition to increasing the number of shares to reflect the Consideration Shares to be issued, we have increased the number of shares to reflect the exercise of options where the exercise price is below the undiluted post transaction value per share. The total number of options that will be 'in the money' is 10,000,000. This increases the total number of shares from 1,372,403,008 to 1,382,403,008 on a diluted basis, as well as adding cash of $200,000 raised through the exercise.

We have also addressed the valuation on the basis that all options currently on issue which are 'in the money' are exercised. Our assessment of value is set out in the table below.

NAV following the Proposed Transaction	Ref	Low value A$	Preferred value A$	High value A$
Value of Boss Resources post the Proposed Transaction		**25,787,734**	**55,790,343**	**80,575,107**
Cash raised from exercise of options		200,000	200,000	200,000
Value of Boss Resources post the Proposed Transaction (including cash raised)		**25,987,734**	**55,990,343**	**80,775,107**
Discount for minority interest	10.2	23%	20%	17%
Value of Boss Resources post the Proposed Transaction (minority interest basis)		**20,010,555**	**44,792,275**	**67,043,339**
Number of shares on issue post the Proposed Transaction	10.1	1,372,403,008	1,372,403,008	1,372,403,008
Shares issued on exercise of options		10,000,000	10,000,000	10,000,000
Total shares on issue after conversion of options		1,382,403,008	1,382,403,008	1,382,403,008
Value per share ($)		**$0.0145**	**$0.0324**	**$0.0485**

We note that the fully diluted basis is a hypothetical exercise only in relation to value. We conclude that there is minimal impact on value.

Note 6: Minority Discount

As outlined in section 3.3 of our Report, in assessing fairness we have compared the value of a Boss Resources share prior to the Proposed Transaction on a control basis to the value of a Boss Resources share following the Proposed Transaction on a minority interest basis.

A minority interest discount is the inverse of a premium for control and is calculated using the formula 1-(1÷ (1 + control premium)). As discussed in section 10.2, we consider an appropriate control premium for Boss Resources to be in the range of 20% to 30%, giving a minority interest discount in the range of 17% to 23%.

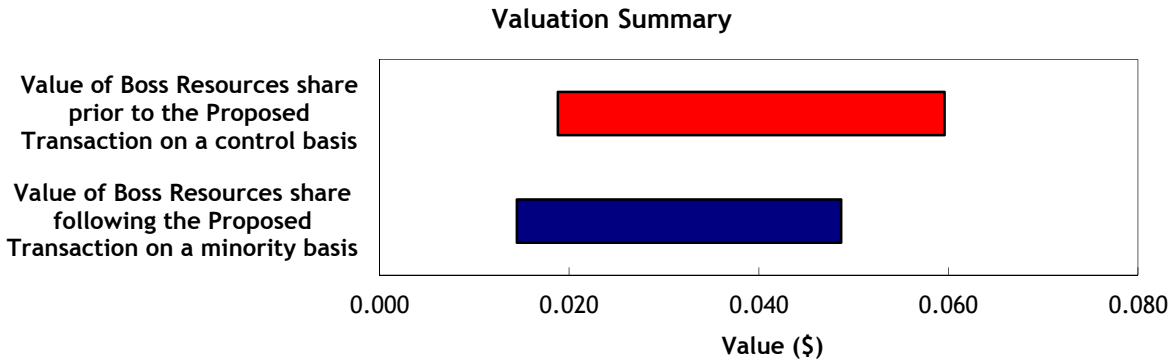
12. Is the Proposed Transaction fair?

The value of Boss Resources share prior to the Proposed Transaction on a control basis compares to the value of a Boss Resources share following the Proposed Transaction on a minority interest basis, as detailed below:

	Ref	Low $	Preferred $	High $
Value of Boss Resources share prior to the Proposed Transaction on a control basis	10.4	$0.0188	$0.0412	$0.0596
Value of Boss Resources share following the Proposed Transaction on a minority basis	11.1	$0.0145	$0.0325	$0.0487

We note from the table above that the value prior to the Proposed Transaction on a control basis is greater than the value following the Proposed Transaction on a minority basis. Therefore, we consider that the Proposed Transaction is not fair.

The above value ranges are graphically presented below:



13. Is the Proposed Transaction reasonable?

13.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Boss Resources a premium over the value ascribed to, resulting from the Proposed Transaction.

We note that should the Proposed Transaction not be approved then Boss Resources will have option to acquire Wattle's 20% in Boss Energy (and therefore the Honeymoon Project) if the Honeymoon Project proceeds to a BFS. The basis of such a purchase is that the transaction would be based on "Fair Market Value" for cash and/or shares in Boss Resources, at Boss Resources' election. The mechanism for determining "Fair Market Value" under the Shareholders' Agreement is as follows:

- the parties shall first attempt in good faith to agree on the fair market value, taking into account the net present value of the Honeymoon Project and the market cap of Boss Resources at the time of valuation;
- if the parties can't agree, then they must appoint an appraiser to make a final and binding determination; and
- if the parties can't agree to an appraiser, the matter shall be submitted to dispute resolution.

Following a decision to mine, Wattle shall have the right to sell all, but not part, of the outstanding Boss Energy shares held by Wattle at the Fair Market Value defined above.

Accordingly, by accelerating the acquisition of the shares Boss Resources avoids the potential impact of any increase in value of the Honeymoon Project.

It is important to note that the Proposed Transaction is essentially a matter of timing as Boss Resources gets access to 100% of the Honeymoon Project earlier than would otherwise be possible on proceeding to a BFS. The terms of the agreement for Boss Resources to acquire 100% after proceeding to a BFS are also a key component in determining the reasonableness of the Proposed Transaction.

We note that as the Honeymoon Project progresses towards the BFS it becomes more crucial to hold 100% and consequently the position of a minority holder becomes more advantageous to that party. Therefore there is a benefit to Boss in resolving the situation sooner rather than later.

13.2 Practical Level of Control

If the Proposed Transaction is approved, then Mr Grant Davey (and associates) will hold an interest of approximately 22.70% in Boss Resources on an undiluted basis.

Mr Davey is already represented on the Board as a director. We understand that there will be no change in the Board as a result of the Proposed Transaction.

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution required 75% of shares on issue to be voted in favour to approve a matter. If the Proposed Transaction is approved, then Mr Davey (and associates) will not have sufficient shares to block special resolutions.

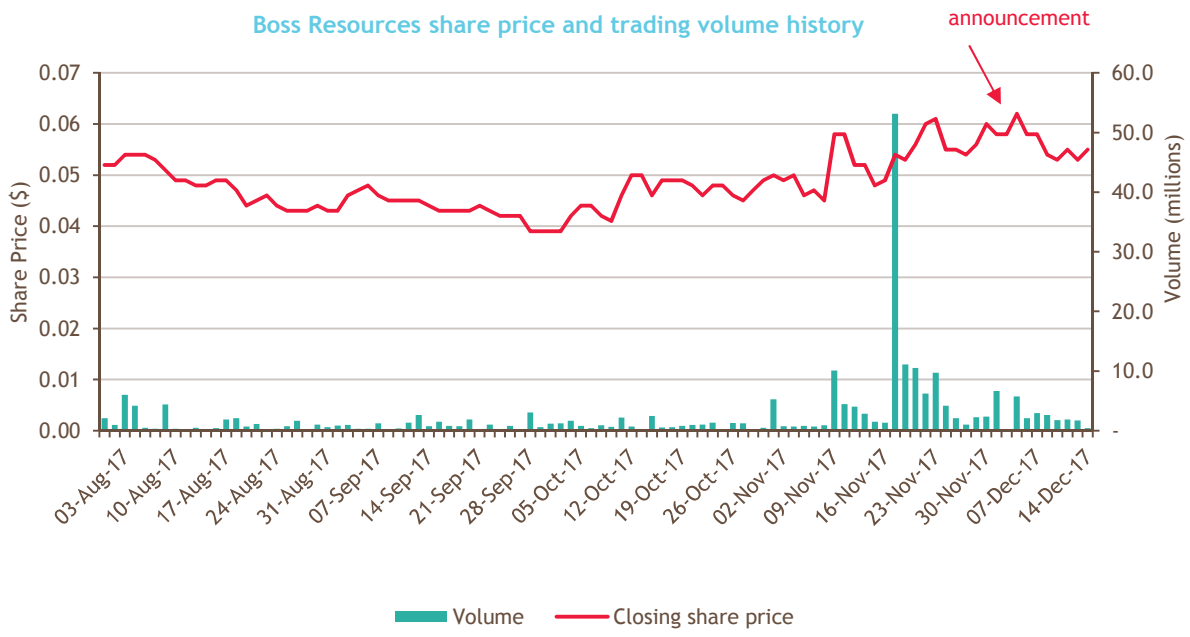
Boss Resources' Board currently comprises five directors including Mr Grant Davey.

Mr Davey (and associates)'s control of Boss Resources following the Proposed Transaction will be significant when compared to all other shareholders. The next most significant shareholder will hold approximately 6% following the Proposed Transaction.

Therefore, in our opinion, while Mr Davey (and associates) will be able to significantly influence the activities of Boss Resources, it will not be able to exercise a similar level of control as if it held 100% of Boss Resources. As such, Mr Davey (and associates) should not be expected to be subject to a similar premium for control as if he were acquiring 100% of Boss Resources.

13.3 Consequences of not Approving the Proposed Transaction

We have analysed movements in Boss Resources' share price since the Proposed Transaction was announced on 7 December 2017. A graph of the Company's share price and trade volume leading up to and following the announcement of the Proposed Transaction is set out below:



Source: Bloomberg

The daily price of Boss Resources' shares from the period 1 August 2017 to 14 December 2017 ranged a low of $0.039 on 3 October 2017 to $0.062 on 5 December 2017. On the day of the announcement, the share price closed unchanged from the previous day, at $0.058. A total of 2,929,665 shares were traded on the day of the announcement, which represents approximately 0.3% of the Company's total issued capital. On 8 December 2017, the first full day of trading following the announcement the share price closed down from the previous day, at $0.054.

The table below details the VWAP of Boss Resources shares for the 5-day period subsequent to the announcement of the Proposed Transaction on 7 December 2017.

Share Price per unit	7-Dec-17	5 Days
Closing price	$0.058	
Volume weighted average price (VWAP)		$0.054

Source: Bloomberg

Following the announcement of the Proposed Transaction, Boss Resources share price has decreased from a VWAP of $0.059 over the ten days prior to the announcement to $0.054 over the 5 days subsequent to the announcement.

Given the above analysis, if the Proposed Transaction is not approved then Boss Resources' share price is unlikely to decline.

13.4 Advantages of Approving the Proposed Transaction

We have considered the following advantages when assessing whether the Proposed Transaction is reasonable

Advantage	Description
Boss Resources will obtain 100% ownership of the Honeymoon Project.	The key benefits from Boss Resources obtaining 100% ownership of the Honeymoon Project include: • 100% ownership of the resources base and consequently increasing the return on investment for Shareholders; • 100% ownership of future discoveries made within the exploration licenses; and • 100% ownership and full control of all processing plant and infrastructure.
Project finance should be less complex to negotiate and more likely to be obtained with 100% ownership.	The Proposed Transaction eliminates the complexities in negotiating project finance which requires unanimous consent of the joint venture parties to incur debt or raise equity on behalf of the joint venture. This means that it is more likely that project finance will be obtained more readily.
Avoids the threat of a new joint venture party becoming involved in the Honeymoon Uranium Project.	If, in the future, Wattle's 20% interest were to be sold to a third party this might introduce uncertainty as to how to move the Honeymoon Project forward. This possibility is avoided by bringing the Honeymoon Project under single ownership.
No cash element.	The Proposed Transaction does not deplete the cash funds of Boss Resources as the consideration payable by the Company is in the form of ordinary shares in Boss Resources with no cash element.
Potential future cost savings.	Provides Boss Resources with full control over all decisions relating

Advantage	Description
	to the Honeymoon Project which will reduce management costs and help to avoid unnecessary delays to the Honeymoon Project.
Future off-take agreements simpler to negotiate.	Removes the complexities in negotiating and securing off-take agreements, which may otherwise result in delays to the Honeymoon Project and impact on project returns.

13.5 Disadvantages of Approving the Proposed Transaction

If the Proposed Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
The Proposed Transaction is not fair.	The Proposed Transaction is not fair for Shareholders as the value of a Boss Resources share following the Proposed Transaction on a minority interest basis is lower than the value of a Boss Resources share prior to the Proposed Transaction on a control basis. We note that on a like for like basis there is minimal difference in the value of a Boss Resources share pre and post. On a control basis the pre Proposed Transaction value is in the range from $0.0188 to $0.0596 compared to a post Proposed Transaction value, also on a control basis in the range from $0.0145 to $0.0487.
Dilution of existing Shareholders' interests.	Whilst the issue of Boss Resources shares as part of the Proposed Transaction is clearly dilutive to Shareholders (maximum dilution from 98.93% to 77.30%, refer Section 4), this is offset by the improved alignment between the interests of Wattle (or its nominees) and the interests of Shareholders. Rather than Wattle (or its nominees) participating in the Honeymoon Project through a 20% interest in Boss Energy, that 20% interest is transformed into a 21.63% shareholding interest (22.70% including existing interest) in Boss Resources as a whole.

14. Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that, in the absence of an alternative offer, the Proposed Transaction is not fair but reasonable to Shareholders.

In our opinion, the Proposed Transaction is not fair because the value of a Boss Resources share following the Proposed Transaction on a minority basis is lower than the value of a Boss Resources share prior to the Proposed Transaction on a control basis. However, we consider the Proposed Transaction to be reasonable because the advantages of the Proposed Transaction to Shareholders are greater than the disadvantages. In particular, the Proposed Transaction accelerates the acquisition of 100% of the Honeymoon Project before BFS avoiding the potential impact of any increase in value of the Honeymoon Project and brings the Honeymoon Project under unified single ownership which should simplify the executive decision making and negotiations with third parties.

15. Sources of information

This report has been based on the following information:

- draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- audited financial statements of Boss Resources for the years ended 30 June 2015, 2016 and 2017;
- unaudited management accounts of Boss Resources for the period from 1 July 2017;
- financial statement and management accounts of Wattle;
- Independent Valuation Report on Boss Resources' mineral assets dated 18 December 2017 performed by CSA Global;
- Share Sale and Purchase Agreement;
- share registry information;
- information in the public domain:
  - ASX Announcements
  - Reserve Bank of Australia Monetary Policy Decisions
  - Energy & Metals Consensus Forecasts
  - World Nuclear Association Publications; and
- discussions with Directors and Management of Boss Resources.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of $28,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Boss Resources in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Boss Resources, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Boss Resources and Wattle Pty Ltd and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Boss Resources and Wattle Pty Ltd and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd have, within the past two years, had any professional relationship with Boss Resources, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Boss Resources and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 300 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Chairman of BDO in Western Australia, Corporate Finance Practice Group Leader of BDO in Western Australia and the Natural Resources Leader for BDO in Australia.

Adam Myers is a member of Chartered Accountants Australia & New Zealand. Adam's career spans 19 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

18. Disclaimers and consents

This report has been prepared at the request of the directors of Boss Resources for inclusion in the Explanatory Memorandum and Notice of Meeting which will be sent to all Boss Resources Shareholders. Boss Resources engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the Proposed Transaction to acquire 100% of Wattle Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum and Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum and Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Wattle Pty Ltd. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Proposed Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Boss Resources, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Boss Resources.

The valuer engaged for the mineral asset valuation, CSA Global, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Sherif Andrawes

Director



Adam Myers

Director

Appendix 1 – Glossary of Terms

Reference	Definition
The Act	The Corporations Act 2001 Cth
ANSTO	Australian Nuclear Science and Technology Organisation
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
BFS	Bankable Feasibility Study
Boss Energy	Boss Energy Pty Ltd
Boss Resources	Boss Resources Limited
Boss Uranium	Boss Uranium Pty Ltd
The Company	Boss Resources Limited
Consideration Shares	300,000,000 shares to be issued to current shareholders of Wattle as part of the Proposed Transaction
Corporations Act	The Corporations Act 2001 Cth
CSA	CSA Global Pty Ltd
DCF	Discounted Future Cash Flows
DFS	Definite Feasibility Study
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FLT	Field Leach Trial
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service

Reference	Definition
Gold Projects	Golden Hill Gold Project and Gourma Gold Project
GR Engineering	GR Engineering Services Limited
Honeymoon Project	The Honeymoon Uranium Project
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
Listing Rules	means the listing rules of the ASX
NAV	Net Asset Value
PFS	Pre-Feasibility Study
The Proposed Transaction	Boss Resources Limited entered into a binding agreement to acquire 100% of the shares in Wattle Mining Pty Ltd.
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)
Our Report	This Independent Expert's Report prepared by BDO
RG 74	Acquisitions approved by Members (December 2011)
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of Boss Resources not associated with Mr Davey
Shareholders' Agreement	The shareholders' agreement in respect of Boss Energy dated 31 August 2015 entered into between Boss Resources, Boss Energy and Wattle
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
Teranga	Teranga Gold Corporation
Uranium One	Uranium One Australia Pty Ltd
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of

Reference	Definition
	Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital
Wattle	Wattle Mining Pty Ltd

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BDO Corporate Finance (WA) Pty Ltd
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Appendix 2 – Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax (‘**EBIT**’) or earnings before interest, tax, depreciation and amortisation (‘**EBITDA**’). The capitalisation rate or ‘earnings multiple’ is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows (‘DCF’)*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 *Market Based Assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 – Independent Technical Specialist Valuation Report prepared by CSA Global

CSA Global
Mining Industry Consultants



Independent Technical Specialist's Report

Valuation of the Honeymoon Uranium Project Held by Boss Resources Limited

CSA Global Report № R408.2017

18th December 2017

www.csaglobal.com

Report prepared for

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Author and Reviewer Signatures

CSA Global Authorisation	Graham Jeffress BSc(Hons), FAIG, RPGeo, FAusIMM, FSEG	Signature:	Electronic signature not for duplication. Graham Jeffress

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Executive Summary

CSA Global Pty Ltd (CSA Global) was commissioned by BDO Corporate Finance (WA) Pty Ltd (BDO) to prepare an Independent Technical Specialist's Report and Valuation on the Honeymoon Uranium Project owned by Boss Resources Limited ("Boss" or "the Company").

This independent technical assessment and valuation report (the "Report") was prepared for BDO. The Report provides an opinion to support an Independent Expert's Report to be prepared by BDO for distribution to shareholders of the Company, and has been prepared as a public document, in the format of an independent technical specialist's report and has been prepared in accordance with the VALMIN Code.

The Report provides a review of the Honeymoon Uranium Project, and provides a market valuation of these Mineral Assets. CSA Global has used a range of valuation methods to reach a conclusion on the value ranges of these assets. Note that the valuations are of the Mineral Assets, and not of the value of Boss as a company.

The statements and opinions contained in the Report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 1 December 2017 and could alter over time depending on exploration results, mineral prices, and other relevant market factors.

CSA Global's valuations are based on information provided by Boss, and public domain information. CSA Global has endeavoured, by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data upon which the Report is based. No audit of any financial data has been conducted.

It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

Honeymoon Uranium Project

The Honeymoon Uranium Project is located in South Australia, approximately 80 km northwest from the town of Broken Hill, near the border between South Australia and New South Wales. It consists of a mining lease and five associated exploration licences covering an area of approximately 2,595 km^2, as well as existing infrastructure including an 880,000 lb per annum solvent extraction plant, currently on care and maintenance. It is fully permitted with a 3.3 Mlb U_3O_8 per annum export licence.

Uranium mineralisation within the project area occurs as coatings on reduced pyritic quartz sand and gravels hosted by the Yarramba and Billeroo Palaeovalleys, which are Palaeogene age valleys filled by sequences of interbedded gravel, sand, silt and clay. The uranium deposits are interpreted to occur as palaeovalley sandstone-hosted uranium, with the mineralisation consisting of a series of roll-fronts and tabular bodies elongated along the strike of the palaeovalleys.

Three deposits provide the Mineral Resources of the Honeymoon Uranium Project (Table 1): Honeymoon, and Jason's, Mineral Resources within the Eastern Region; and the Gould's Dam Mineral Resource within the Western Region.

The project was developed and operated (335 t of uranium recovered) by Uranium One with production commencing in 2011. During those operations the project never reached name-plate production rates due to a number of factors, which along with a falling uranium price resulted in the project being placed in care and maintenance in November 2013.

Table 1: Statement of Boss's Mineral Resources by Deposit, reported at 250 ppm U_3O_8

Classification	Million tonnes	eU_3O_8 (ppm)	Contained metal (U_3O_8, Kt)	Contained metal (U_3O_8, Mlb)
Jason's (March 2017)				
Inferred	6.2	790	4.9	10.7
TOTAL	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
TOTAL	22.1	510	11.3	25
Honeymoon* (January 2016)				
Measured	1.7	1720	3	6.5
Indicated	1.5	1270	1.9	4.2
Inferred	12	640	7.6	16.8
TOTAL	15.2	820	12.5	27.5
Project Total (All deposits)				
Measured	1.7	1720	3	6.5
Indicated	5.9	810	4.8	10.5
Inferred	35.9	586	21	46.2
GRAND TOTAL	43.5	660	28.8	63.3
* Quoted resources have been adjusted to exclude previous production of approximately 335t of U_3O_8.				
Note: Figures have been rounded				

Source: Boss Resources Limited Annual Report 2017

Boss acquired the project in 2015, and proved up an increase in the mineral resources, completed an Expansion Study that underpinned a Preliminary Feasibility Study, and have identified a number of further improvements which will be investigated in a Definitive Feasibility Study. Boss has undertaken a Field Leach Trial at the Honeymoon wellfield to test some of these improvements, including optimised leach conditions, improved wellfield design and a solution stacking concept.

Valuation

In forming an opinion as to the Valuation Range and Preferred Value for the Honeymoon Project (Table 2), CSA Global has applied the Income Approach, considering the valuation ranges derived from a Discounted Cash Flow (DCF) model for the Honeymoon resource on a stand-alone basis, supported by the Market approach using the Comparative Transactions method and a Yardstick crosscheck.

We used a DCF to derive a technical value for the Honeymoon resource as a stand-alone operation, as the level of confidence in the Gould's Dam and Jason's deposits does not allow for confident cashflow modelling. We take the view that the asset is likely to trade at a discount to the technical value due to the number of uranium assets currently on the market, and depressed uranium prices. Therefore, our valuation range is more closely aligned to the value range derived from the Comparable Transactions method.

Table 2: CSA Global opinion on Market Value of the Honeymoon Project as at 1 December 2017

Deposit	Low (US$M)	High (US$M)	Preferred (US$M)
Honeymoon	15	40	30
Gould's Dam	5	15	10
Jason's	1	8	4
Total	**21**	**63**	**44**

It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

In forming our opinion, resource risk was not overtly discounted, as our view on the magnitude of the risk is that it would fall within the uncertainties implied by our valuation range. We also note that the disequilibrium risk and the density risk could potentially cancel each other out, with disequilibrium potentially resulting in a small underestimation of grade in portions of the resource where PFN data was not available, and the density used for the Honeymoon and Gould's Dam resources potentially being slightly high. This would result in potentially slightly lower metal content due to disequilibrium risk, and potentially slightly higher metal content due to density risk.

Considerations that have informed CSA Global's view on the valuation range and the preferred value within the range include the following:

- The Honeymoon Project has a positive technical value, as demonstrated by the DCF model
- There are numerous uranium assets available on the market, which is likely to restrict the value of the assets to a market dominated value, and the full value of the asset indicated by the DCF is not likely to be realised in a transaction at this time.
- CSA Global view the asset as potentially more attractive to buyers than many other assets on the market, in terms of comparatively high grades, an advanced project status that has technically de-risked many aspects of the project, and likely to have an operating cost profile that suggests the project is likely to generate returns, using forecast commodity prices that are not overly optimistic.
- Therefore, we believe that the assets would attract prices towards the higher end of market range, but not more than the current market range.

CSA Global has therefore chosen a Preferred value towards the higher end of the transactions range, as we believe there is real value in the project, but current market sentiment is likely to favour potential buyers as there are numerous assets available.

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1 Introduction

1.1 Context, Scope and Terms of Reference

Boss Resources Limited ("Boss" or "the Company") is a Perth-based minerals exploration company listed on the Australian Securities Exchange (ASX) under the symbol BOE. Boss's key assets are related to the Honeymoon Uranium Project in South Australia.

The Company has engaged BDO Corporate Finance (WA) Pty Ltd ("BDO") to prepare an Independent Expert's Report ("IER") for inclusion with a Notice of Meeting and Explanatory Memorandum to assist the shareholders of the Company.

The Notice of Meeting and Explanatory Memorandum , and the BDO IER, will address, the proposed acquisition by Boss Resources of the remaining 20% interest in Boss Energy Pty Ltd ('Boss Energy") which it does not already hold from Wattle Mining Pty Ltd ("Wattle"). Boss Energy owns the Honeymoon Project in South Australia.

CSA Global Pty Ltd (CSA Global) was commissioned by BDO to prepare an independent opinion on the Market Valuation of the Honeymoon Uranium Project ("CSA Global Report" or the "Report"), in accordance with the requirements of the VALMIN Code 2015[1]. BDO will rely on, and the IER will refer to, the CSA Global valuation opinion, and a copy of the CSA Global Report will be appended to the BDO IER.

The IER will provide an opinion to Boss's shareholders, and as such it will be a public document.

CSA Global consent to the use of the CSA Global Report in the form and context in which it will be published.

1.2 Compliance with the VALMIN and JORC Codes

The Report has been prepared in accordance with the VALMIN Code, which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC Code[2] and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to Independent Experts' Reports.

The authors have taken due note of the rules and guidelines issued by such bodies as ASIC and ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

1.3 Principal Sources of Information

The Report has been based upon information available up to and including 1 December 2017. The information was provided to CSA Global by Boss, or has been sourced from the public domain, and includes both published and unpublished technical reports prepared by consultants, and other data relevant to Boss's projects.

The authors have endeavoured, by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data upon which the Report is based.

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[1] *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets*. The VALMIN Code, 2015 Edition. Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

[2] *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

Leon Faulkner, a contributing author of this report, worked at Honeymoon as exploration manager then geology manager from 2009 until it went into care and maintenance in 2013-14. He has seen the whole project from final planning, construction, and commissioning to operation and then care and maintenance. During this time, he gained familiarity with the surrounding exploration projects at the time, including Gould's Dam, Jason's, East Kalkaroo and Brook's Dam.

CSA Global has had access to and discussions with key Boss personnel, and the current resource Competent Person, and CSA Global is satisfied that there is sufficient current information available to allow an informed evaluation.

Tenement information was provided by Boss; details are contained in the relevant section describing the Mineral Asset. CSA Global relies on the independent tenement report prepared by Teneman Consulting dated 29 November 2017, with regards to the validity of Boss's tenure. CSA Global makes no other assessment or assertion as to the legal title of tenements, permits, approvals, etc. and is not qualified to do so.

1.4 Authors of the Report – Qualifications, Experience and Competence

The Report has been prepared by CSA Global, a privately-owned consulting company that has been operating for over 30 years; with its headquarters in Perth, Western Australia.

CSA Global provides multi-disciplinary services to a broad spectrum of clients across the global mining industry. Services are provided across all stages of the mining cycle from project generation, to exploration, resource estimation, project evaluation, development studies, operations assistance, and corporate advice, such as valuations and independent technical documentation.

The information in this report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Trivindren Naidoo, who is a Member of the Australasian Institute of Mining and Metallurgy. Trivindren is not a related party or employee of Boss. Trivindren has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the "Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets". Trivindren consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The valuation of Mineral Resources and Exploration Properties was completed by CSA Global Principal Consultant, Mr Trivindren Naidoo, MSc (Exploration Geology), Grad.Cert (Mineral Economics), FGSSA, MAusIMM, and Pr.Sci.Nat. (Geology). Trivindren is a consulting geologist with over 17 years' experience in the minerals industry, including 12 years as a consultant. He has an extensive background in mineral exploration, and specialises in due diligence reviews, project evaluations and valuations, as well as code-compliant reporting. Trivindren's knowledge is broad-based, and he has wide-ranging experience in the field of mineral exploration and resource development, having managed or consulted on various projects ranging from first-pass grassroots exploration to brownfields exploration and evaluation. Trivindren has the relevant qualifications, experience, competence, and independence to be considered a "Specialist" under the definitions provided in the VALMIN Code and a "Competent Person" as defined in the JORC Code.

The technical assessment of the Mineral Resources was completed by CSA Global Senior Geologist, Ms Nerys Walters, MSc (Mining Geology), FGS. Nerys is an experienced exploration and production geologist. Skilled in 3D geological and mineralisation models, training and mentoring, due diligence reporting, independent expert reporting, international exploration planning, management and resource estimation for gold and other commodities. Nerys has the relevant qualifications, experience, competence and

independence to be considered a "Competent Person" relevant to the style of mineralisation and type of deposit described in the Report, as defined in the JORC Code.

The assessment of the technical inputs in the Honeymoon mining studies was undertaken by CSA Global Associate Consultant Leon Faulkner, BSc (Geology), MAIG and CSA Global Principal Mining Engineer, Wayne Ghavalas, BSc(Eng:Mining)), GDipAppFinInv, MAusIMM.

Leon's 30 years' work experience brings extensive knowledge of mineral exploration, management of conventional and ISR mining operations plus mine development.

Wayne is a mining engineer with over 20 years of mining experience. This mining experience has been gained in operational, technical and consulting roles. Site based experience has been gained in South Africa, Namibia and Australia. Non-mining experience is in mergers and acquisitions, venture capital and capital raisings.

The Peer Reviewer of the technical sections of the report is CSA Global Principal Resource Geologist Maxim Seredkin, PhD, BSc, FAusIMM, MAIG, Expert OERN. Maxim possesses over 18 years' experience in scientific, exploration and production geology, and resource estimation. He has experience in a range of commodities and reporting codes (including JORC and CIM) and is an expert for uranium, in a range of geological settings and deposit types (especially in-situ recovery deposits), and aluminium (bauxites). Prior to joining CSA Global, Maxim was Director of Geology for ARMZ Holding, one of the world's biggest uranium mining companies, for 5 years and prior to that spent 5 years in Guinea with a significant geological contracting company working mostly on the unique world-class bauxite deposits. Maxim has a strong scientific background, with research experience in ore genesis, petrology and the mineralisation of carbonatite, alkaline and ultramafic complexes, in hydrothermal-metasomatic gold and tungsten deposits. He has published twenty papers including the discovery of the mineral: glagolevite.

The reviewer of the Report is CSA Global Manager Corporate, Principal Geologist Graham Jeffress, BSc (Hons) Applied Geology, FAIG, RPGeo (Mineral Exploration), FAusIMM, FSEG. Graham is a geologist with over 27 years' experience in exploration geology and management in Australia, Papua New Guinea and Indonesia. He is Principal Geologist with CSA Global in Perth and manages the Exploration and Evaluation Division. Graham has worked in exploration (ranging from grassroots reconnaissance through to brownfields, near-mine and resource definition), project evaluation and mining in a variety of geological terrains, commodities and mineralisation styles within Australia and internationally. He is competent in multidisciplinary exploration, and proficient at undertaking prospect evaluation and all phases of exploration – sampling, mapping, prospecting and drilling through to resource definition; as well as project management including planning, budgeting, logistics, safety, people management, landowner liaison and project presentation. Additionally, Graham has completed numerous Independent Geologist Reports, Competent Person Reports, and Independent Valuation Reports. Graham was a Federal Councillor of the Australian Institute of Geoscientists for 11 years and joined the Joint Ore Reserves Committee in 2014.

1.5 Prior Association and Independence

The authors of this report, with the exception of Leon Faulkner, have no prior association with Boss in regard to the Mineral Assets.

Leon Faulkner assisted Boss in the early stages of the acquisition of Honeymoon, whilst still employed by Uranium One Inc., and then assisted, as a consultant, with the first resource statement released by Boss in 2015. Leon Faulkner has not been associated with the Boss since then.

Neither CSA Global, nor the authors of this report, have or have had previously, any material interest in Boss or the mineral properties in which Boss has an interest. CSA Global's relationship with Boss is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report. The fee for the preparation of this report is approximately A$34,000.

No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of Boss. No member or employee of CSA Global has, or has had, any shareholding in Boss. There is no formal agreement between CSA Global and Boss to CSA Global conducting further work for Boss.

1.6 Declarations

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. This Report has been compiled based on information available up to and including the date of this Report. The statements and opinions are based on the reference date of 1 December 2017 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

The opinions expressed in this Report have been based on the information supplied to CSA Global by Boss. The opinions in this Report are provided in response to a specific request from BDO to do so. CSA Global has exercised all due care in reviewing the supplied information. Whilst CSA Global has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. CSA Global does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features, as they existed at the time of CSA Global's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which CSA Global had no prior knowledge nor had the opportunity to evaluate

CSA Global's valuations are based on information provided by Boss and BDO, and public domain information. This information has been supplemented by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data.

No audit of any financial data has been conducted. The valuations discussed in this Report have been prepared at a valuation date of 1 December 2017. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

1.6.1 Notice to Third Parties

The Company has engaged BDO to prepare an Independent Expert's Report ("IER") for inclusion with a Notice of Meeting and Explanatory Memorandum to assist the shareholders of the Company. CSA Global was commissioned by BDO to prepare an independent opinion on the Market Valuation of the Honeymoon Uranium Project. BDO will rely on, and the IER will refer to, the CSA Global valuation opinion, and a copy of the CSA Global Report will be appended to the BDO IER.

The IER will provide an opinion to Boss's shareholders, and as such it will be a public document.

CSA Global has prepared this Report having regard to the particular needs and interests of our client, and in accordance with their instructions. This Report is not designed for any other person's particular needs or interests. Third party needs and interests may be distinctly different to the Client or Boss's needs and interests, and the Report may not be sufficient nor fit or appropriate for the purpose of the third party.

CSA Global has created this Report using data and information provided by or on behalf of the Client, Boss, or Boss's agents and contractors. Unless specifically stated otherwise, CSA Global has not independently verified that all data and information is reliable or accurate. CSA Global accepts no liability for the accuracy

or completeness of that data and information, even if that data and information has been incorporated into or relied upon in creating this Report.

1.6.2 Results are Estimates and Subject to Change

The interpretations and conclusions reached in this Report are based on current scientific understanding and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond CSA Global's control and that CSA Global cannot anticipate. These factors include, but are not limited to, site-specific mining and geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalise the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any mining operation.

2 Honeymoon Project

The Honeymoon Project comprises a mining lease and five associated exploration licences covering an area of approximately 2,595 km^2, as well as existing infrastructure including an 880,000 lb per annum solvent extraction plant, currently placed on care and maintenance. It is fully permitted with a 3.3 Mlb U_3O_8 per annum export licence.

The project was developed and briefly operated by Uranium One, with production commencing in 2011. During operations the Project never reached name-plate production rates due to a number of factors, which along a falling uranium price resulted in the Project being placed in care and maintenance in November 2013 (Watkins, 2017).

2.1 Location and Access

The Honeymoon Uranium Project is located in South Australia, approximately 80 km northwest from the town of Broken Hill, near the border between South Australia and New South Wales (Figure 1). Honeymoon is accessible from Broken Hill is via the sealed Barrier Highway, formed gravel Mulyungarie road, then graded and un-graded station tracks.

Honeymoon comprises three contiguous orebodies; Honeymoon, East Kalkaroo and Brooks Dam (collectively referred to as the Honeymoon Domain), as well as two satellite bodies: Jason's Deposit, located 15 km to the north of the Honeymoon plant, and Gould's Dam, which is located approximately 75 km to the northwest (Figure 2).

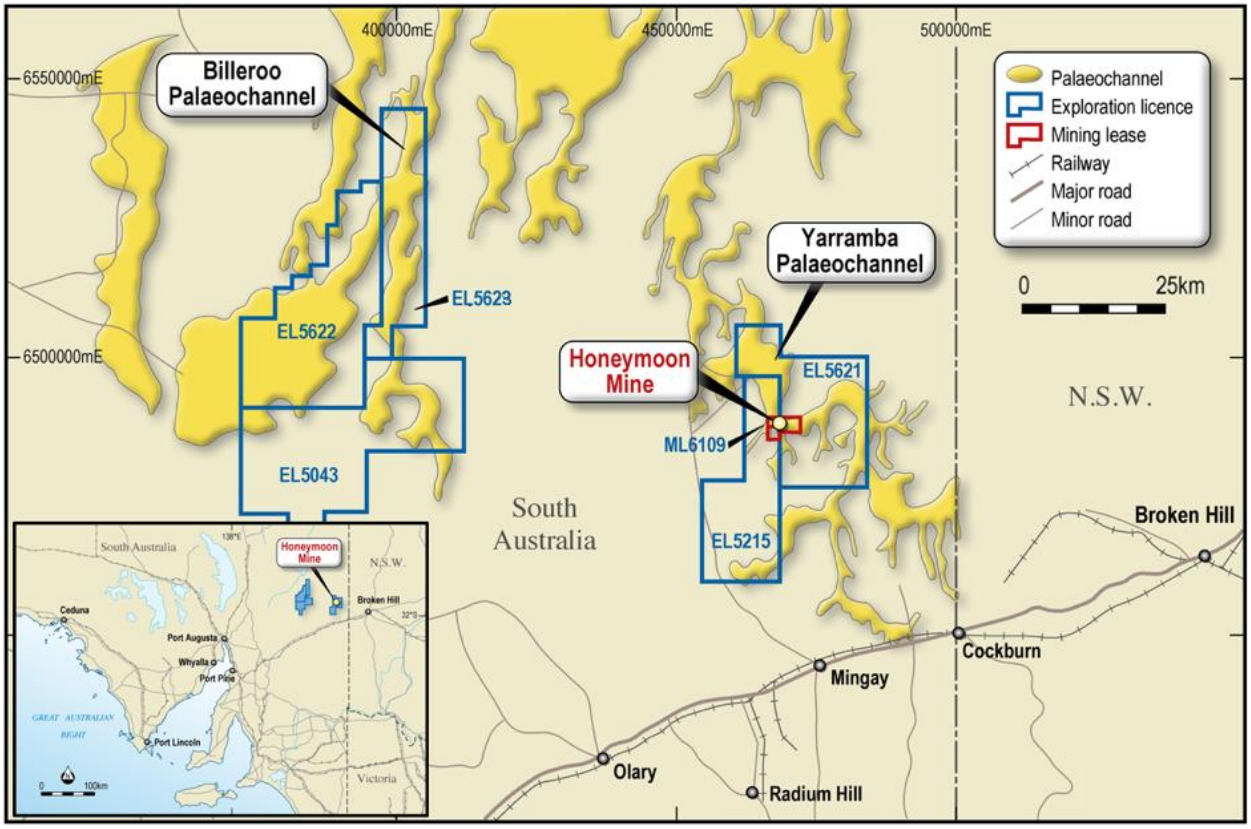


Figure 1: Location of Honeymoon Uranium Project
Source: Boss Resources

There are two main exploration regions, with the Eastern Region hosting the Honeymoon and Jason's resources, as well as existing infrastructure, and the Western Region hosting the Gould's Dam resource.

2.2 Topography and Climate

Honeymoon is located between the Olary Ranges and Lake Frome (Figure 1 inset), and forms part of the south-eastern extremity of the Lake Eyre drainage system. Broad, gently undulating alluvial plains dominate the region, representing sedimentary deposition since the beginning of the Tertiary Period (approximately 65 million years ago).

Climate in the region is semi-arid with hot dry summers and mean annual rainfall of 200 mm. The closest watercourse to Honeymoon is Mingary Creek, located 10 km to the east, which whilst usually dry can run up to 1 km wide after heavy rain. In the hotter months (November to March) mean temperatures exceed 30ºC with daily temperatures often exceeding 40°C. In cooler months mean maximums are near 20°C with minimums approaching zero.

2.3 Mineral Tenure

CSA Global has relied on an independent report on tenure titled *Honeymoon Uranium Project Tenement Report*, dated 29 November 2017 and prepared by Sarah Bleischke of Teneman Consulting, with regards to the validity of Boss's tenure. CSA Global makes no other assessment or assertion as to the legal title of tenements, permits, approvals, etc. and is not qualified to do so.

Details of project tenure are provided in Table 3. All tenements are held and operated in the name of Boss Uranium Pty Ltd.

Table 3: Tenements held and operated by Boss Uranium Pty Ltd

Licence Number	Tenement Name	Area (km^2)	Grant date	Expiry date	Comment
ML6109	Honeymoon Mine	10	8/02/2002	7/02/2023	
#RL83	Gould's Dam	2.5	23/11/2007	22/11/2017	Part surrender
#RL84	Gould's Dam	2.5	23/11/2007	22/11/2017	Part surrender
#RL85	Gould's Dam	2.5	23/11/2007	22/11/2017	Part surrender
EL5215	South Eagle	379	26/09/2012	25/09/2017	Subsequent Licence Application (ELA2017/00138) lodged 29/06/2017
EL5621	Yarramba	452	29/05/2015	28/05/2020	
EL5622	Katchiwilleroo	652	29/05/2015	28/05/2020	
EL5623	Gould's Dam	334	29/05/2015	28/05/2018	Covers RL83-85
EL6020	Ethiudna	778	23/02/2017	22/02/2019	Previously EL5043

- RL83-85 fall within EL5623. Submissions to partially surrender these licences were lodged in November 2016. The submissions are waiting on review, and renewals cannot be lodged as no decision has been formally made as yet.

2.4 Local Infrastructure

Four-wheel drive vehicles easily access the area at most times; two wheel drive vehicles have difficulty during the wet season. An unsealed 1,300m airstrip is located adjacent to the Honeymoon Camp on a low sandy rise.

The land is used for sheep and cattle grazing, which is supported by dams, bores, mills, tanks and numerous tracks, grids and fences. A substantial camp (150 person accommodation) remains at Honeymoon; with power from the national grid (with back-up by diesel genset onsite), and potable water is processed from the Upper Aquifer using an onsite desalination plant.

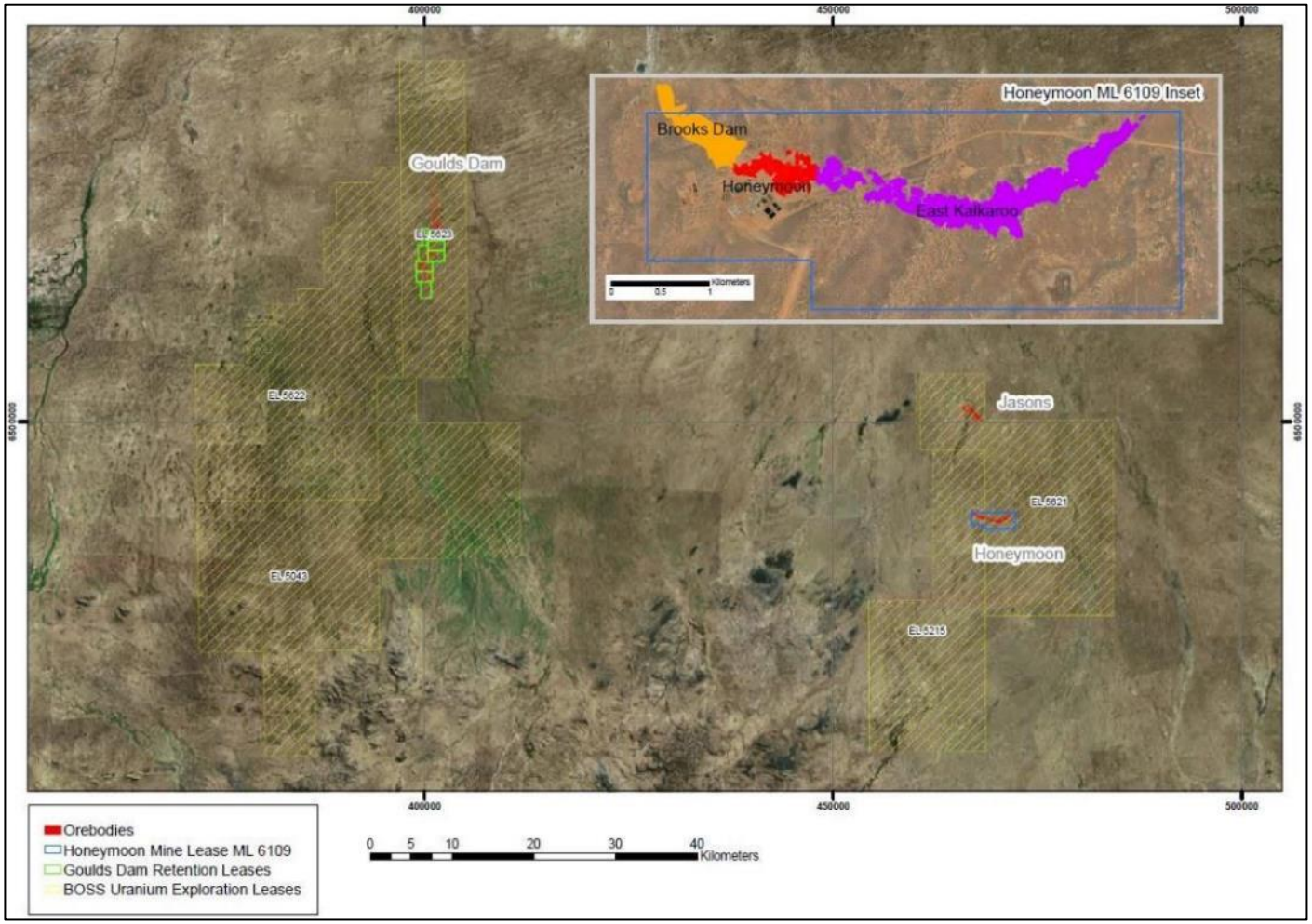


Figure 2: Project tenure and Resources

Source: Jeuken (2017)

3 Geology

3.1 Regional Geology and Stratigraphy

The Honeymoon Uranium Project is located in the southern part of the Callabonna sub-basin in South Australia (Figure 3). The Honeymoon and Jason's deposits are hosted by the Yarramba palaeovalley, which has an interpreted length of more than 50 km, and the Gould's Dam deposit is hosted in the Billeroo palaeovalley, situated to the northwest of the Yarramba palaeovalley.

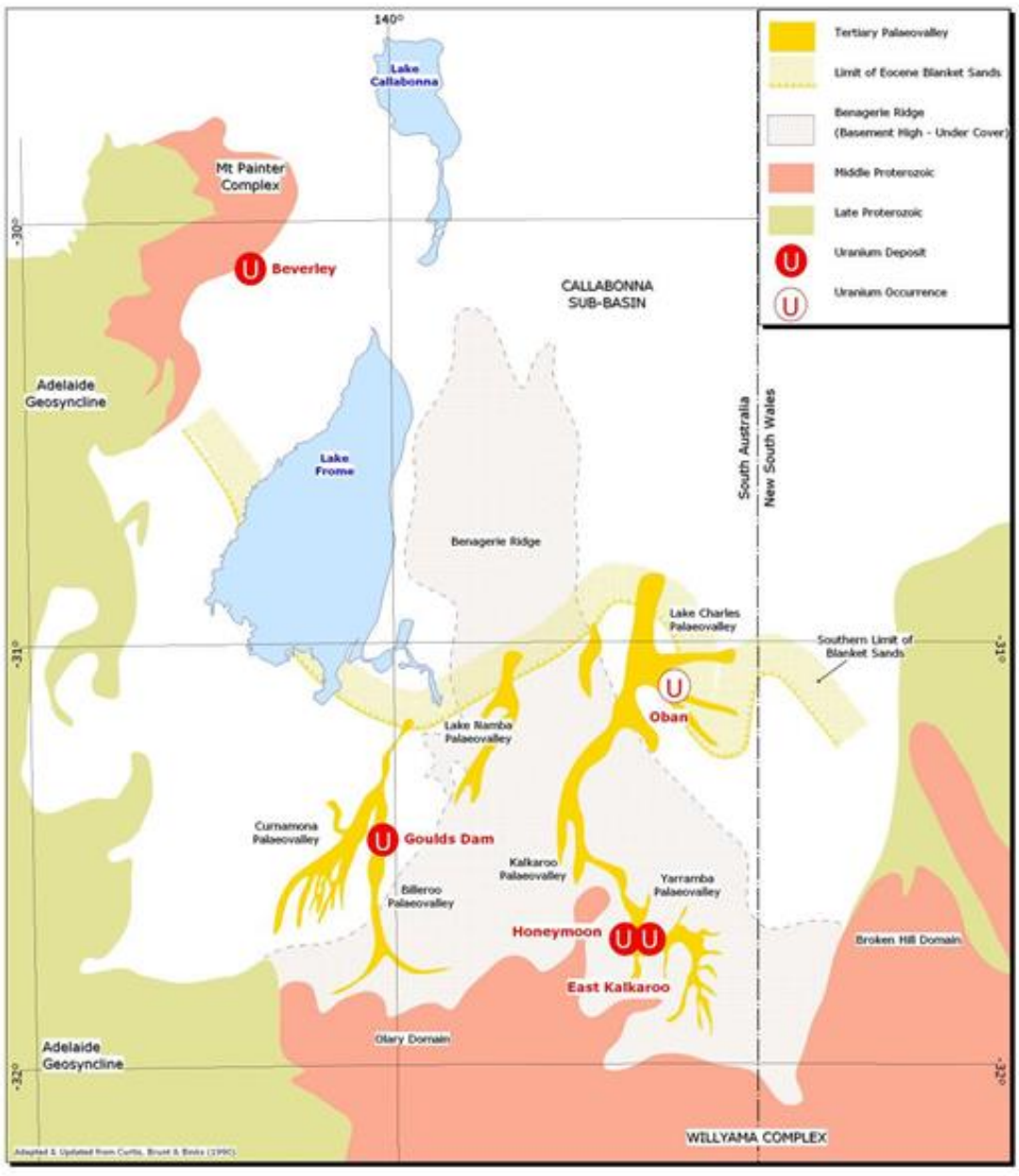


Figure 3: Summary Geology of the Frome Basin
Source: Skidmore (2006)

The palaeovalleys are incised into the Willyama Supergroup, which forms the Palaeoproterozoic basement in the region. The shape and sinuosity of the palaeodrainage system is strongly controlled by the stratigraphy and structure of the underlying basement rocks.

The uranium mineralisation is consistent with the classic basal channel type sandstone-hosted uranium roll-front model, which requires the movement of oxidised, uranium-bearing fluid (Figure 4) through a largely reduced aquifer, with uranium mineralisation occurring at the redox front of the fluid.

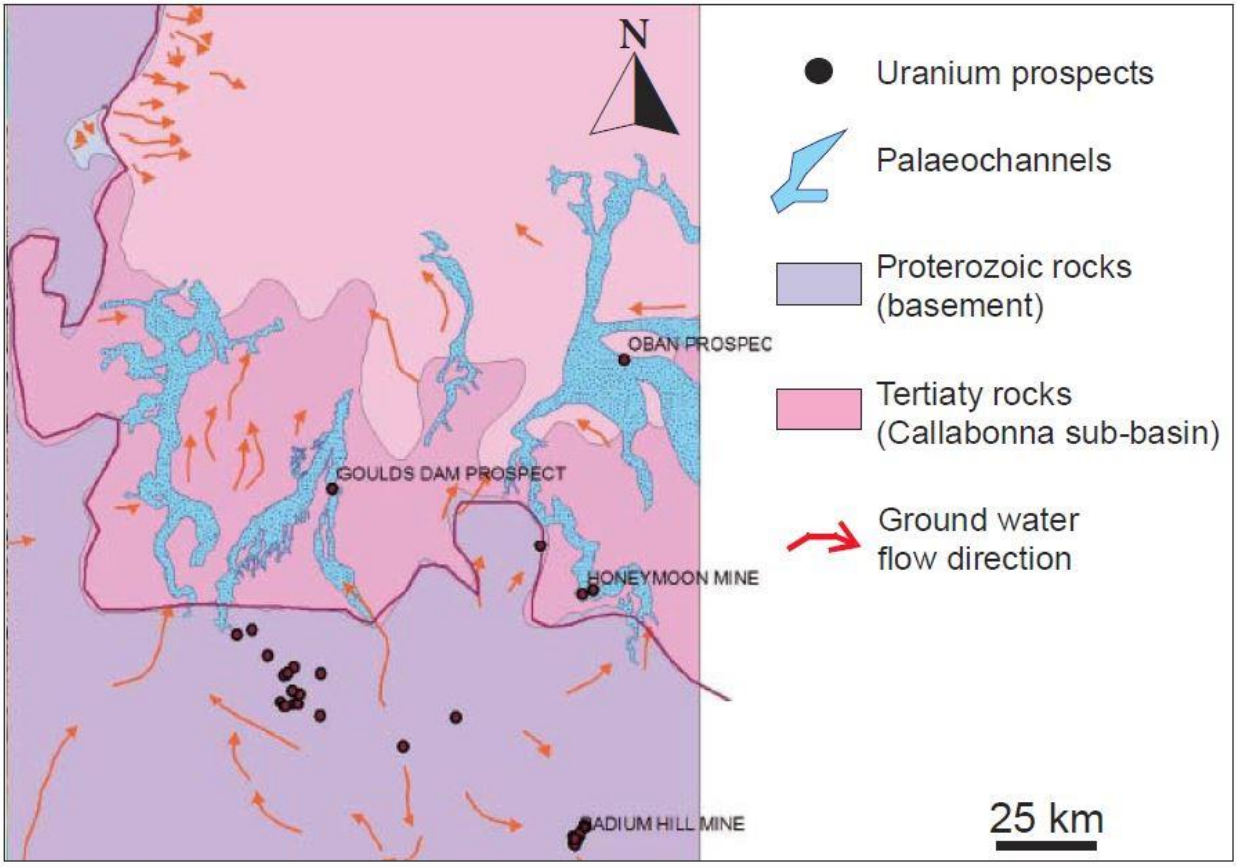


Figure 4: Geology of the southern part of the Callabonna sub-basin
Source: Abzalov (2016)

Uranium mineralisation within the project area occurs as coatings on reduced pyritic quartz sand and gravels hosted by the Yarramba and Billeroo palaeovalleys, which consist of Palaeogene age palaeovalleys filled by a sequence of inter-bedded gravel, sand, silt and clay. The palaeochannels are underlain by the Palaeoproterozoic rocks of the Willyama Supergroup.

The generalised stratigraphy of the Yarramba palaeovalley is depicted in Figure 5.

Eyre Formation sediments sit unconformably on the weathered Willyama basement rocks, filling the palaeovalleys; they are subdivided into the Lower, Middle and Upper members:

- Upper Eyre (EU) represents intercalations of sands and clay lenses, which are usually discontinuous and poorly correlated between drill holes.
- Middle Eyre (EM) is composed of medium- to fine-grained sands intercalated with clay.
- Lower Eyre (EL), also known as Eyre Basal, is split into the underlying Eyre Basal Sand, which is the most productive unit in the Honeymoon domain, and the overlying Eyre Basal Clay.

Unconformably overlying the Eocene Yarramba palaeovalley sediments is a thick (≈75 m thick) succession of lake sediments of the Miocene Namba Formation.

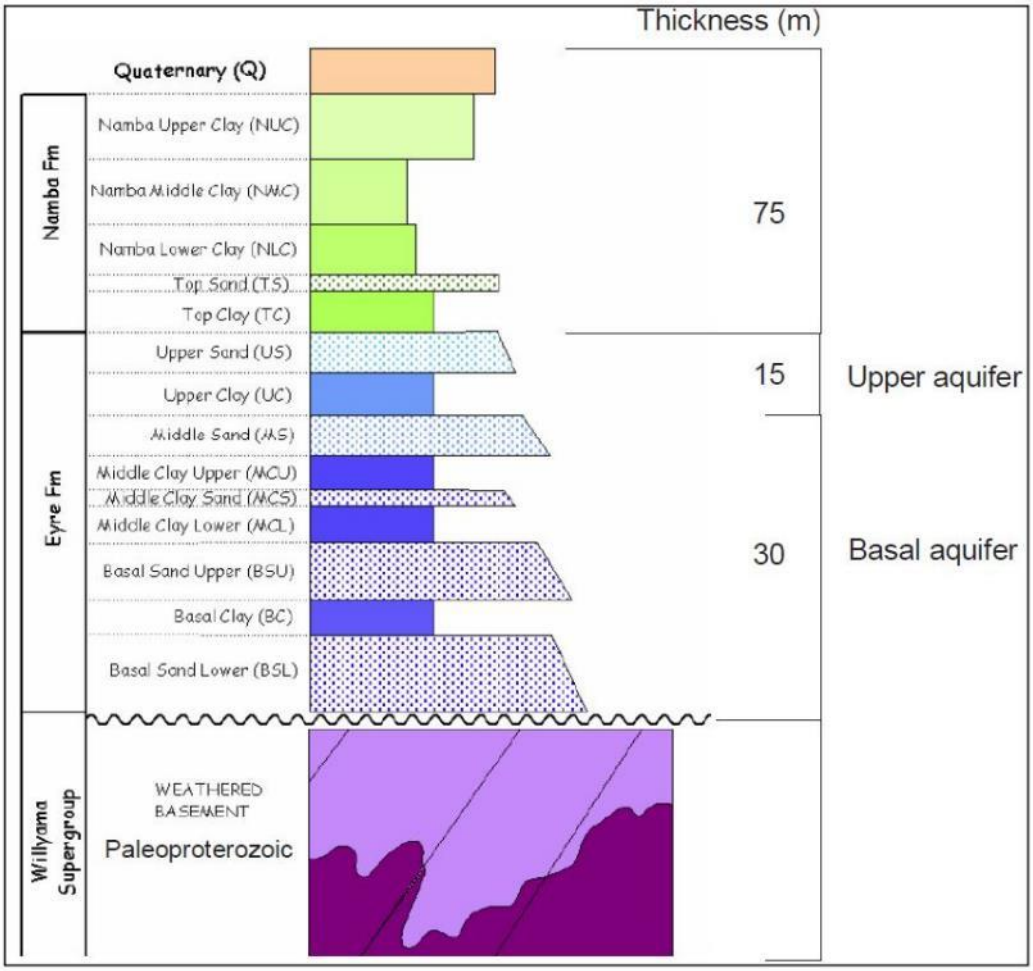


Figure 5: Generalised stratigraphy of the Yarramba palaeovalley
Source: Abzalov (2017)

3.2 Deposit Geology

The uranium deposits are interpreted to occur as palaeochannel-hosted sandstone-type uranium mineralisation (Figure 6), with the mineralisation consisting of a series of roll-fronts and tabular bodies elongated along the strike of the palaeovalley. A geochemical zonation is associated with the roll front, including oxidation of the sands upstream (orange and yellow limonite) and abundance of pyrite/marcasites and organic matter downstream. Mineralisation is associated with discrete accumulations of organic matter and pyrite within the palaoevalley sequence.

Within the palaeovalley, uranium is located mainly in its lowest part (Figure 7 and Figure 8), where it is hosted by the coarse ands of the Eyre Lower Sand unit. Uranium mineralisation is also present in the Middle and Upper members of the Eyre Formation, however grade and thickness of the mineralisation is significantly lower than at the Basal member.

The main uranium-bearing minerals are uraninite and coffinite, which is typical for the sandstone-hosted uranium class of deposits.

The Jason's resource encompasses an area approximately 12 km long and 1.5 km wide. The average depth to the basement is approximately 120 m, including approximately 45 to 55 m of the Yarramba palaeovalley sediments. Palaeovalleys in the Honeymoon deposit area reaches a maximum of 55m thickness, with average depth to basement at the Honeymoon deposit area being approximately 120 m.

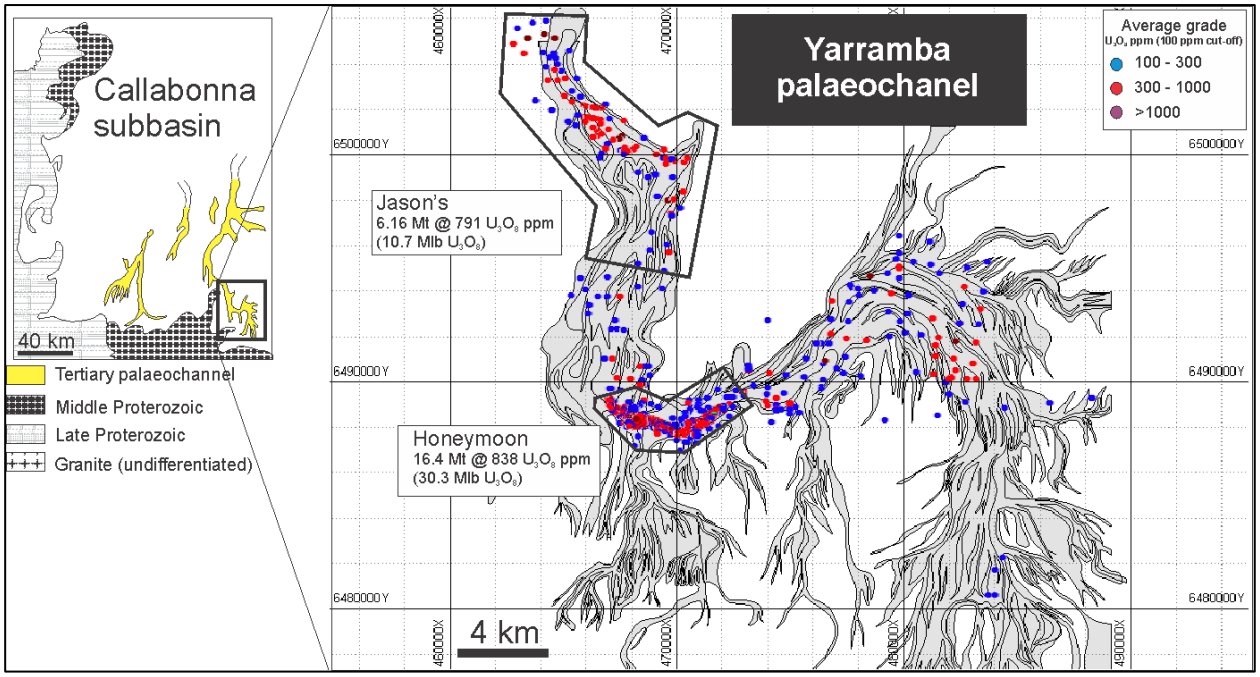


Figure 6: Location of the Jason's Deposit within the Yarramba palaeovalley
Source: Abzalov (2017)

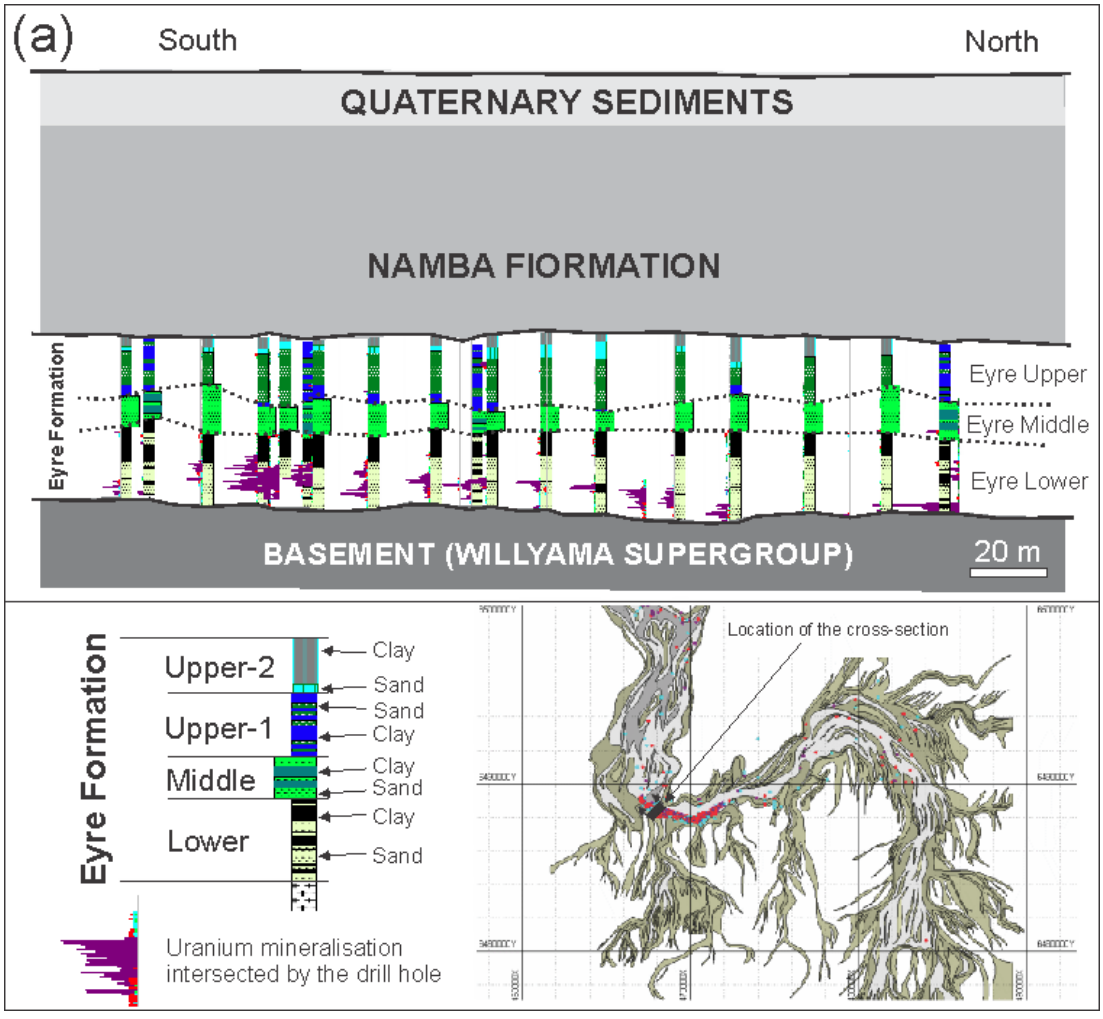


Figure 7: Representative cross-section of the Yarramba palaeovalley
Source: Abzalov (2015)

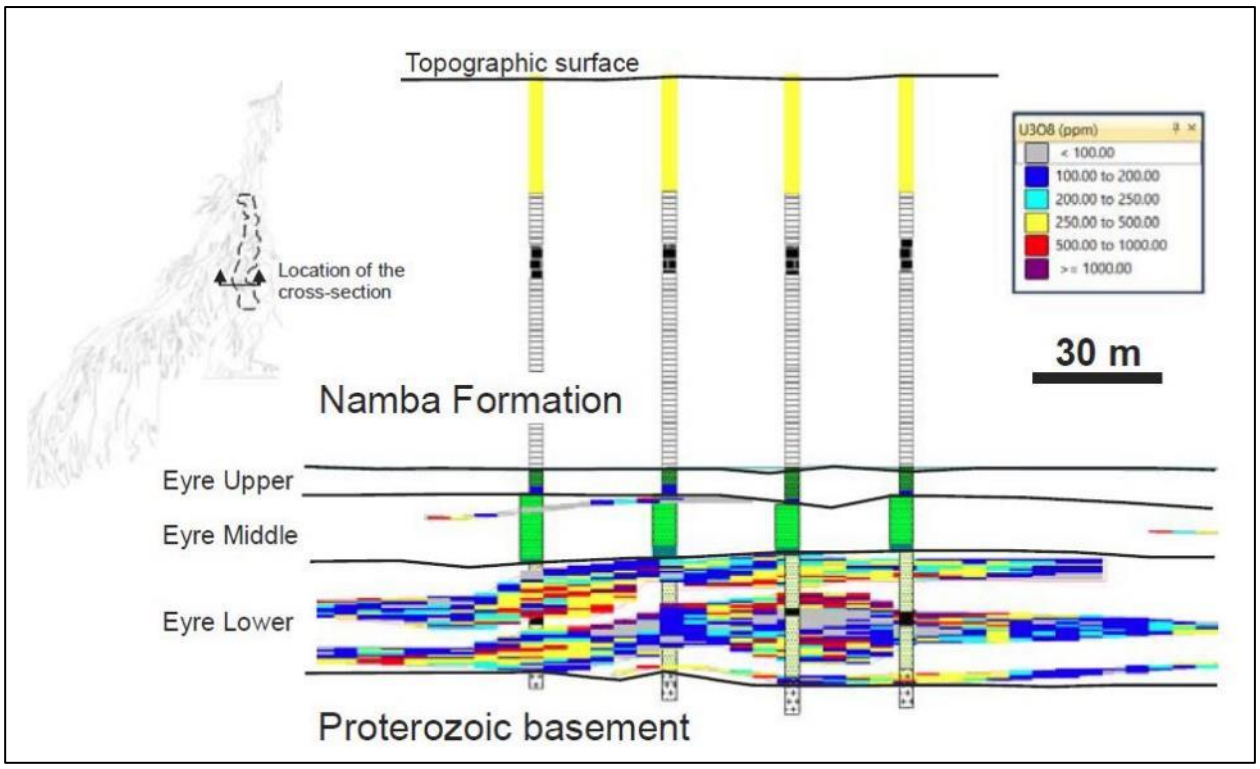


Figure 8: Cross-section of the Gould's Dam deposit (Billeroo Palaeovalley)
Source: Abzalov (2016)

4 Mineral Resources

The Mineral Resources of the Honeymoon Uranium Project are hosted by three main deposits: Honeymoon and Jason's Mineral Resources within the Eastern Region; and Gould's Dam Mineral Resource within the Western Region.

The Mineral Resources for these deposits were reported at a 250 ppm eU_3O_8 cut-off value, as shown in Table 4.

Table 4: Statement of Boss's Mineral Resources by Deposit, reported at 250 ppm U_3O_8

Classification	Million tonnes	eU_3O_8 (ppm)	Contained metal (U_3O_8, Kt)	Contained metal (U_3O_8, Mlb)
Jason's (March 2017)				
Inferred	6.2	790	4.9	10.7
TOTAL	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
TOTAL	22.1	510	11.3	25
Honeymoon* (January 2016)				
Measured	1.7	1720	3	6.5
Indicated	1.5	1270	1.9	4.2
Inferred	12	640	7.6	16.8
TOTAL	15.2	820	12.5	27.5
Project Total (All deposits)				
Measured	1.7	1720	3	6.5
Indicated	5.9	810	4.8	10.5
Inferred	35.9	586	21	46.2
GRAND TOTAL	43.5	660	28.8	63.3
* Quoted resources have been adjusted to exclude previous production of approximately 335t of U_3O_8.				
Note: Figures have been rounded				

Source: Boss Resources Limited Annual Report 2017

4.1 Honeymoon Domain

Fluid pathways within the Yarramba palaeovalley controlled the distribution of the uranium accumulations through transportation of dissolved uranium along the permeable sands located in the palaeovalley.

Uranium precipitation was likely caused by organic matter and/or pyrite acting as a reductant. As a result of the interplay of these two main factors, the uranium mineralisation occurs as narrow bodies elongated along the flow path of the palaeochannels. A further control on the mineralisation distribution beyond the sedimentological facies of the host sands is structure, as suggested by the propagation of mineralisation through successive sand packages.

The Eyre Lower Sand unit hosts most of the uranium mineralisation (thickness and grade), with lesser mineralisation within the Middle and Upper units of the Eyre Formation. The impermeable rocks of Willyama supergroup and Eyre Lower Clay unit forms continuous tabular-type mineralised bodies that generally confines the high-grade uranium mineralisation.

The Honeymoon Domain consists of the Honeymoon deposit, and the Brooks Dam and East Kalkaroo prospects. The mineralisation within these are considered as a single domain due to: the distribution of uranium mineralisation along the entire segment of the palaeovalley without major interruptions of the rolls continuity; the main host of the uranium within the entire domain is the Lower Sand Unit of the Eyre formation; and the host rocks characteristics and the mineralisation style are not changed between the deposit and prospects.

The Resource definition database used included 1,125 drill holes with a total length of 135,973 m which were logged using down-hole gamma-log technique (eU_3O_8), and 564 drill holes with a total length of 69,401 m surveyed using PFN tool (pU_3O_8).

Drill hole spacing on average are as follows:

- Honeymoon: 10-30 x 10-30 m; locally the distances between drill holes are 5 x 5 m.
- East Kalkaroo: variable, 50 m x 80 m apart on around 50 m line spacing.
- Brook's Dam: variable, with most lines 50 m to 60 m apart on 50 m centres.

All holes were drilled vertically, intersecting the near flat-lying mineralised bodies at a right angle.

The geometry of the mineralised bodies was based on delineation of the uranium mineralisation by interpolation of the ore grade interceptions between the closer spaced drill holes.

Digital Terrain Models (DTM) were generated for the main stratigraphic contacts. These were:

- S1 - Upper contact of the palaeochannel, where it is overlain by Namba Formation.
- S2 and S3 - Stratigraphic contacts between Members of the Eyre Formation.
- S4 - Base of the palaeochannel (using drill holes drilled into the Willyama Supergroup).

The base of the palaeovalley and the upper contact of the Eyre Formation were used to constrain the Resource estimation.

The DTM models were constructed through the estimation of the Z coordinates of the surfaces using the co-kriging method. The piercing points of the drill holes intersecting the contacts were co-krigged into a grid of 25 x 25 m. The S1, S2 and S3 surfaces exhibited good spatial correlation and could therefore be modelled together. The S4 surface was modelled separately since it was independent of the other stratigraphic contacts. The estimated surface nodes (25 x 25 m grid) were combined with the drill holes data and used for generation of the DTM surfaces by triangulation of all available nodes.

Two types of uranium data were used for the Mineral Resource estimation of the Honeymoon Domain, namely eU_3O_8 (estimated from downhole wireline gamma radiation logs) and pU_3O_8 (estimated using downhole Prompt Fission Neutron (PFN) analyser outputs).

A dry bulk density of 1.9 t/m^3 was used (Abzalov, 2015).

The U_3O_8 grades (gamma and PFN grades used together) were composited to 0.5 m by stratigraphy, separately for Upper, Middle and Lower Members of the Eyre formation. No samples were truncated during compositing.

The measured strike length of the uranium mineralisation along the palaeovalley exceeds 6,000 m, with an average measured width across strike averaging 250 m. The width across strike widens at the Honeymoon deposit to 500 m. Where the mineralised domain narrows, the continuity of the uranium grade is significantly lower in this direction in comparison with the good continuity along strike.

To consider the geometry of the domain and to prevent excessive smearing of the grade across the strike, the coordinate system of the mineralisation was transformed by applying an unfolding algorithm. The drill hole data as well as the blank block model (10 x 10 x 0.5 m cells) were unfolded by linearly arranging them

along the central line of the domain. Geostatistical studies and variography analysis of the U_3O_8 grades were carried out in the unfolded space.

Due to the irregular distribution of the high-grade mineralisation forming high grade shoots along the palaeovalley, concentrated preferentially in the Honeymoon deposit, multiple indicator kriging (MIK) was selected as the estimation technique. MIK is a useful method for dealing with mixed or highly skewed datasets, resulting in a more accurate reproduction of actual grade in the block model without smearing the high-grade values.

The MIK technique used 13 indicator variograms for the different grade classes.

No constraining of mineralisation by hard boundary wireframes or top cutting of grades were applied due to the use of MIK.

Grade was estimated using MIK into two panel sizes, 20 x 20 x 0.5 m for the Honeymoon deposit area (drill hole spacing of approximately 20 x 20 m) and 60 m x 60 m x 0.5 m for the other parts of the deposit. A small search ellipse (80 m along strike x 60 m across strike x 1 m vertical) was also used to further constrain the MIK model. Following panel grade estimation, these panels were subdivided into smaller blocks (10 x 10 x 0.5 m) of Selectively Minable Units (SMU).

The MIK panels underwent Uniform Conditioning (UC). The UC methodology was applied twice, separately for the close spaced drilling area where panels were 20 x 20 x 0.5 m, and for the remaining part of the domain where panels were 60 x 60 x 0.5 m in size.

Following this, the estimated panel grades were transferred into the SMU's using the Localised Uniform Conditioning (LUC) technique. Blocks were ranked using Ordinary Kriging (OK) and the LUC method was applied separately for the 20 x 20 x 0.5 m and 60 x 60 x 0.5 m panels. The resultant two LUC models were combined into a single block model and back-folded to the real space (Figure 9).

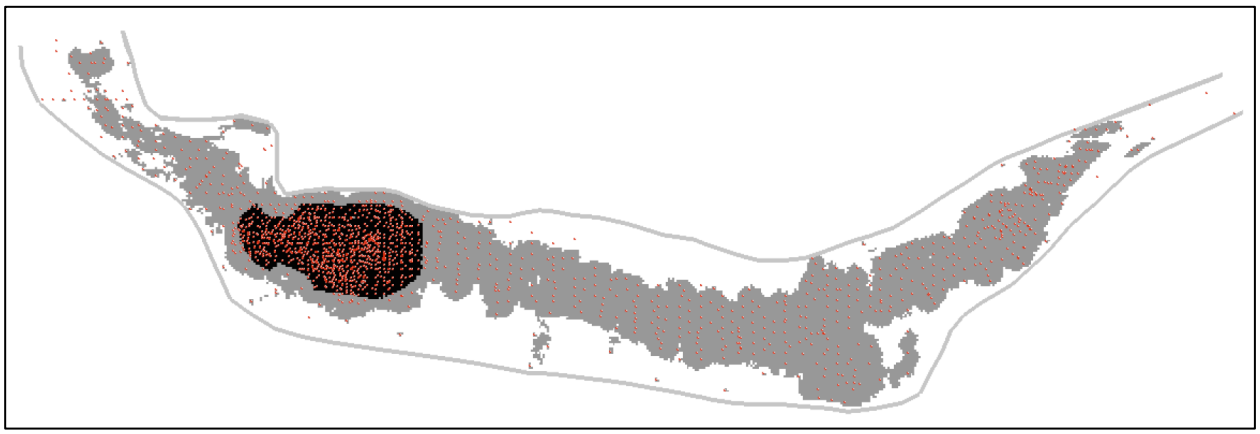


Figure 9: Map of the Honeymoon Domain showing the detailed study area (denoted as black) where 20x20x0.5m panels were used. Shadowed as grey are the parts of the domain where panel size was 60x60x0.5m. Red dots are drill hole collars.

Source: Abzalov (2015)

CSA Global undertook the following validation of the Honeymoon Domain MRE:

- CSA Global could reproduce the reported Mineral Resource numbers for the Honeymoon Domain MRE, at a 250 ppm U_3O_8 cut-off by Mineral Resource Classification.

- CSA Global was not provided with the original input composite file, so the wireframe coding quoted above was used to recreate this file for comparison. Comparisons of block model and composite grades were undertaken globally, as well as for the Measured and Indicated Mineral Resources, separately. Both comparisons returned values within acceptable tolerances (±30% Inferred Mineral Resources, ±10% Measured and Indicated Mineral Resources).
- Swath plots of the global MRE, and the Measured and Indicated Mineral Resources, were created for northings, eastings and elevation. Some smoothing is evident between the input composite grade and the output block grade. However, overall the input grade tenor is well represented in the block grade, with an increase in correlation within the Measured and Indicated Mineral Resources. The block model is well supported by drilling throughout, with drill meters increasing to support the Measured and Indicated Mineral Resources within the MRE.
- The block model and input composites were reviewed in 2D sections to compare local grade distribution. The block grade reflected the input composite grade locally throughout the Honeymoon Domain MRE. Smoothing of grade between widely spaced data points was observed at the deposit extremities, within the Inferred Mineral Resources.

Based on a geostatistical study (Abzalov, 2015), quarterly and annual production with an average error of ±15% (at 0.95 confidence limit), as well as estimated grade uncertainty (estimated using the Sequential Gaussian Simulation (SGS) method) were used to calculate optimal drilling grids for use in the classification of the Honeymoon Domain Mineral Resources. Within this study, two production scenarios, 1 kt U_3O_8 per annum, and 2 kt of U_3O_8 per annum, were considered as a basis for definition of the Resource estimation grids. The resultant optimal drilling grids used for classification were as follows:

- Measured Mineral Resources: 40-20 m x 20 m
- Indicated Mineral Resources: 80-40 m x 40-20 m
- Inferred Mineral Resources: 120 m x 40 m

The application of these drilling grids for Mineral Resource classification were used in conjunction with the assessment of the data reliability as well as the quality of the geological interpretation. Due to some drill holes lacking uranium grades within sections of the Upper and Middle Members of the Eyre formation, these were classified as Inferred Mineral Resources. The Inferred Mineral Resources were mainly estimated using gamma-log data. Only mineralisation from the Lower Eyre Member were classified as Measured and Indicated Mineral Resources. The spatial distribution of the Mineral Resource categories of the Honeymoon Domain is shown in Figure 10.

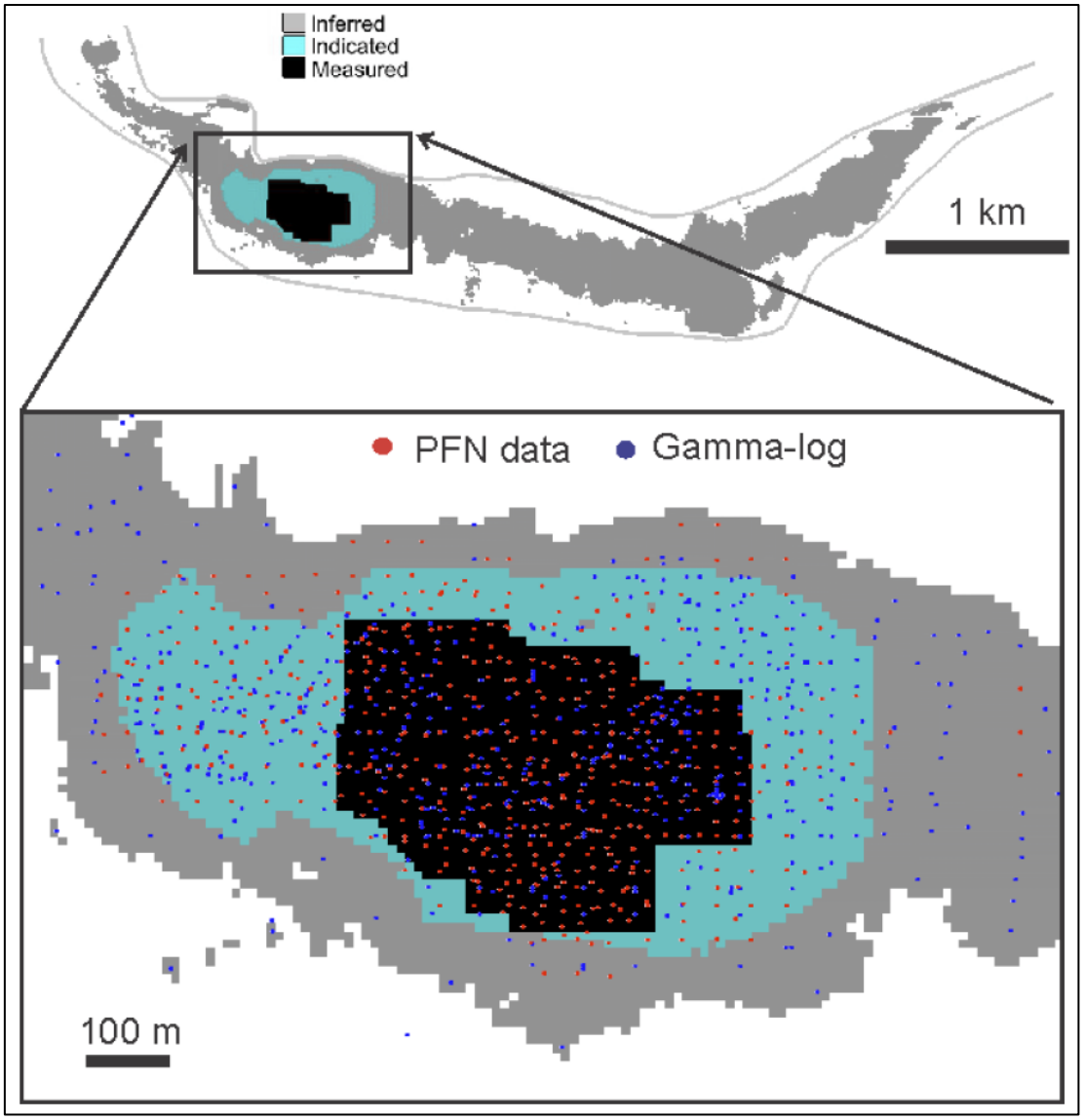


Figure 10: Map showing distribution of the Mineral Resource categories within the Honeymoon Domain (Lower member of the Eyre Formation)

Source: Abzalov (2015)

Previous Mineral Resources Estimates are listed in Table 5.

Table 5: Comparison of Previous Resource Estimates (Abzalov, 2015)

Mineral Resource Estimate	Resource tonnage (Million tonnes)	Grade U_3O_8 (ppm)	Contained metal (U_3O_8, Kt)	Contained metal (U_3O_8, Mlb)
Previous estimate, reported in 2006 (ASX announcement, BOE ASX 150831)	5.28	1,429	7.54	11.64
Current estimate	15.23	821	12.50	27.56

CSA Global makes the following conclusions with regards to the Honeymoon Domain MRE:

- Based on review of the current information available, CSA Global considers the Mineral Resource Estimation and Mineral Resource Classification methodology as used for the Honeymoon Domain Mineral Resources acceptable.
- 3D distribution of PFN vs Gamma data was reviewed. CSA Global was not able to replicate the distribution of PFN and Gamma data quoted by Abzalov (2015), however Boss Resources and Dr. Abzalov have communicated that PFN data was used in preference to Gamma data, where available. CSA Global have not investigated this matter further.
- Gamma data has not been corrected for disequilibrium, which may have resulted in a small underestimation in U_3O_8 grade, where it is the sole foundation of the MRE. CSA Global have not investigated the disequilibrium factor for the Honeymoon Domain data as part of this study.
- A small amount of U_3O_8 (334 tonnes) has been extracted from the Honeymoon Domain deposit, which has been correctly depleted for the quoted Mineral Resources (Table 4). No discussion about the physical location of this material is available. It is CSA Global's opinion that the location of this extracted material should be defined. This is especially important in future mining studies.

4.2 Gould's Dam Deposit

Mineralisation is hosted by the Palaeogene age Billeroo palaeovalley, located in the southern part of the Callabonna sub-basin in South Australia. The Billeroo palaeovalley is underlain by the Palaeoproterozoic rocks of theWillyama Supergroup. It is filled by a sequence of intercalated beds of sand, silt and clay and has an average depth to basement of approximately 125 m.

Ground water pathways within the Billeroo palaeovalley controlled the distribution of the uranium accumulations through transportation of the dissolved uranium along the permeable sands located in the palaeovalley. Uranium precipitation was likely caused by organic matter and/or pyrite acting as reductants. As a result of the interplay of these two main factors, the uranium mineralisation occurs as narrow bodies elongated along the strike of the palaeovalley.

The Eyre Lower Sand unit hosts the majority of the uranium mineralisation (thickness and grade), with lesser mineralisation within the Middle and Upper units of the Eyre formation.

The Resource definition database used included 812 drill holes with a total length of 111,661 m which were surveyed using down-hole gamma-log technique (eU_3O_8), and 125 drill holes with a total length of 16,704 m surveyed using PFN tool (pU_3O_8).

Drill hole spacing on average are 20-40 x 40 m for closer spacing, and 100 x 200 m up to 200 x 500 m for wider spacing.

All holes were drilled vertically, intersecting the flat laying mineralised bodies at a right angle.

The geometry of the mineralised bodies was based on delineation of the uranium mineralisation by interpolation of the ore grade interceptions between the closer spaced drill holes.

Digital Terrain Models (DTM) were generated for the main stratigraphic contacts. These were:

- S1 - Upper contact of the Eyre formation.
- S4 - Base of the palaeochannel (using drill holes drilled into the Willyama Supergroup).

Closed wireframe of the mineralised bodies were constructed at 100 ppm U_3O_8 lower cut-off value, which can include internal waste intervals (0.5 – 1.5 m). Seven domains were defined (7, 77, 211, 700, 771, 772, 773). All data points constrained within corresponding wireframes, including the internal waste samples, were used for uranium grade estimation.

Two types of data were used for the Mineral Resource estimation of the Gould's Dam Deposit, namely eU_3O_8 (estimated from the down-hole gamma-logs) and pU_3O_8 (obtained using down-hole PFN analyser).

A dry bulk density of 1.9 t/m^3 was used (Abzalov, 2016).

The U_3O_8 grades (gamma and PFN grades used together) were composited to 0.5 m by the mineralised bodies. No samples were truncated during compositing.

Top cut was not applied, since the only two outliers present in the resource estimation data are both located in the detailed study area where their influence is limited (Abzalov, 2016).

To consider the geometry of the domain and to prevent excessive smearing of the grade across the strike, the coordinate system of the mineralisation was transformed by applying an unfolding algorithm. The drill hole data as well as the blank block model were unfolded by linearly arranging them along the central line of the domain. Geostatistical studies and variography analysis of the U_3O_8 grades were carried out in the unfolded space.

Grade was estimated into 50 x 50 x 0.5 m panel size, using Ordinary Kriging (OK) (1^{st} pass) and Simple Kriging (SK) (2^{nd} pass) methods. Following panel grade estimation, these panels were subdivided into smaller blocks (5 x 5 x 0.5 m) of Selectively Minable Units (SMU), that underwent Uniform Conditioning (UC). Following this, the estimated panel grades were transferred into the SMU's using the Localised Uniform Conditioning (LUC) technique. Blocks were ranked using OK and the LUC method was applied. The procedure was repeated for all seven domains (7, 77, 211, 700, 771, 772, 773).

Outside the detailed study area, where drill spacing was much broader, the following methodology was followed (Abzalov, 2016):

- The U_3O_8 grade was estimated using LUC method in to the blocks of 10 x 10 x 0.5 m by transforming the grade of the 100 x 100 x 0.5 m panels.
- Wireframes were not used for delineating domains, which were constrained using nearest neighbour (NN) algorithm extrapolating the mineralised intersections.
- Estimation was made by selecting the composites at the 100 ppm U_3O_8 cut-off which were interpolated and extrapolated into the panels of 100 x 100 x 0.5 m.
- Extrapolation of Inferred Mineral Resources was made to the distances approximately 200 - 180 m in the North-South direction and 80 – 60 m in the East-West direction.

CSA Global undertook the following validation of the Gould's Dam MRE;

- CSA Global could reproduce the reported Mineral Resource numbers for the Gould's Dam MRE, at a 250 ppm U_3O_8 cut-off by Mineral Resource Classification.
- Comparisons of block model and composite grades were undertaken globally, as well as for the Indicated Mineral Resources, separately. Both comparisons returned values within acceptable tolerances (±30% Inferred Mineral Resources, ±10% Indicated Mineral Resources).
- Swath plots of the Indicated and Inferred Mineral Resources were created for northings, eastings and elevation. Some smoothing is evident between the input composite grade and the output block grade, however, overall the input grade tenor is well represented in the block grade. The block model is well supported by drilling within its core, supporting most of the Indicated and Inferred Mineral Resources. At the extremities, portions of the Mineral Resources are informed by single drill holes which is not ideal.
- The block model and input composites were reviewed in 2D sections to compare local grade distribution. The block grade reflected the input composite grade locally throughout the Gould's Dam MRE. Smoothing of grade between widely spaced data points was observed at the deposit extremities, within the Inferred Mineral Resources.

The classification criteria were the same as were used for classification of the Honeymoon Domain MRE (Abzalov, 2015, 2016). The resultant optimal drilling grids, as determined from a geostatistical study and used for classification, were as follows:

- Measured Mineral Resources: 40-20 m x 20 m
- Indicated Mineral Resources: 80-40 m x 40-20 m
- Inferred Mineral Resources: 120 m x 40 m

The application of these drilling grids for Mineral Resource classification were used in conjunction with the assessment of the data reliability as well as the quality of the geological interpretation. No Measured Mineral Resources were defined for the Gould's Dam MRE. The Inferred Mineral Resources were mainly estimated using gamma-log data. The spatial distribution of the Mineral Resource categories of the Gould's Dam MRE is shown in Figure 10.

CSA makes the following conclusions about the Gould's Dam MRE:

- Based on review of the current information available, CSA Global considers the Mineral Resource Estimation and Mineral Resource Classification methodology as used for the Gould's Dam Mineral Resources acceptable.
- Gamma data has not been corrected for disequilibrium, which may have resulted in a small underestimation in U_3O_8 grade, where it is the sole foundation of the MRE. CSA Global have not investigated the disequilibrium factor for the Gould's Dam data as part of this study.
- The block model extremities demonstrate a "spotted dog" classification distribution, where material is classified around a single drill hole, unconnected to the main body of the Mineral Resource. CSA Global would consider this material to be of a higher risk, and would not classify it as Inferred Mineral Resources.

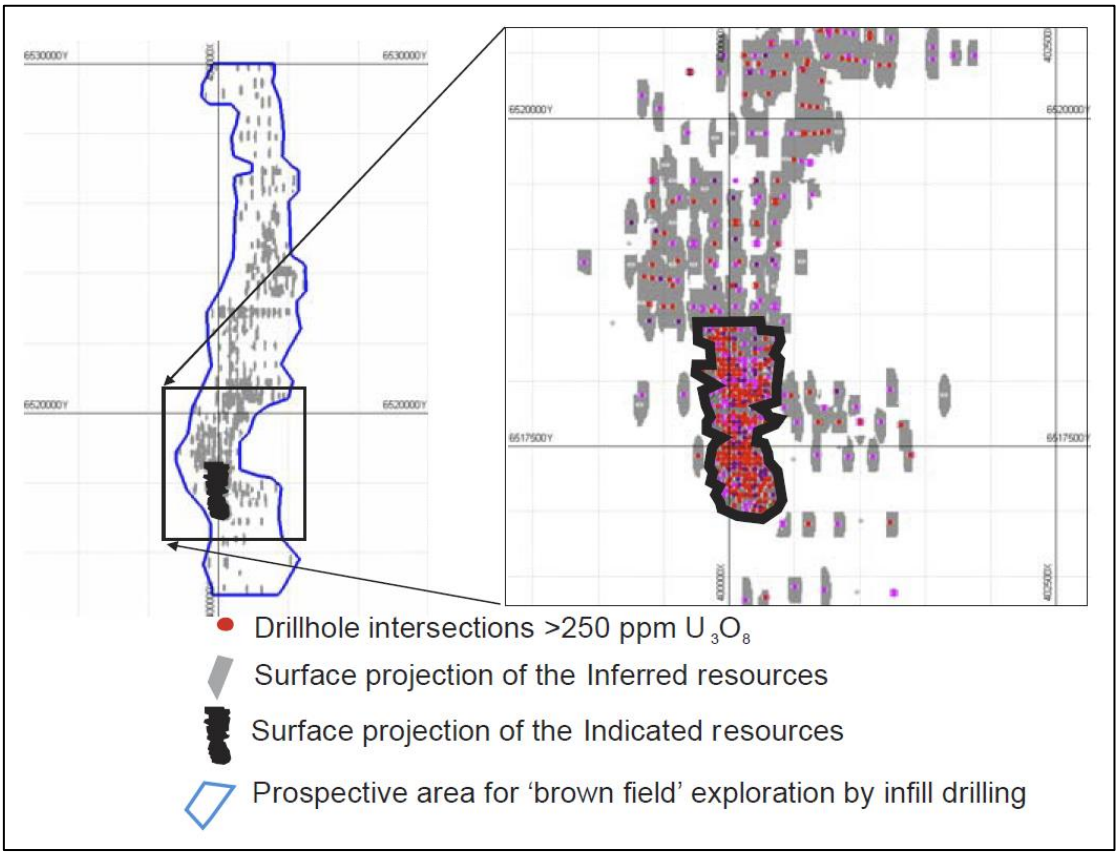


Figure 11: Map showing distribution of the Mineral Resource categories within the Gould's Dam MRE.

Source: Abzalov (2016)

4.3 Jason's Deposit

Mineralisation is hosted by the Palaeogene age Yarramba palaeovalley, located in the southern part of the Callabonna sub-basin in South Australia, as discussed for the Honeymoon Domain.

The Resource definition database used included 199 drill holes with a total length of 22,916.58 m which were surveyed using down-hole gamma-log technique (eU_3O_8), and 75 drill holes with a total length of 8,968.12 m surveyed using PFN tool (pU_3O_8).

Drill hole spacing is approximately 200 x 160 m to 200 x 80 m, and were all drilled vertically, intersecting the flat laying mineralised bodies at a right angle.

Digital Terrain Models (DTM) were generated for the main stratigraphic contacts. These were:

- S1 - Upper contact of the Eyre formation.
- S4 - Base of the palaeochannel (using drill holes drilled into the Willyama Supergroup).

Closed wireframe of the mineralised bodies were constructed at 150 ppm U_3O_8 lower cut-off value. Six layers hosting mineralisation were defined, namely the Lower (layers 1-1, 1-2 and 1-3) and Middle (layers 2-1, 2-2 and 2-3) members of the Eyre Formation. Units 2-3 layer are partially located in the Upper Eyre member.

Two types of data were used for the Mineral Resource estimation of the Jason's Deposit, namely eU_3O_8 (estimated from the down-hole gamma-logs) and pU_3O_8 (obtained using down-hole PFN analyser).

A dry bulk density of 1.75 t/m^3 was used, based on eight density samples (Abzalov and Ingram, 2017).

The U_3O_8 grades (gamma and PFN grades used together) were composited to 0.5 m by the by the stratigraphy, separately for Upper, Middle and Lower Members of the Eyre Formation. No samples were truncated during compositing.

A top cut of 4,000 ppm U_3O_8 was applied for estimating blocks located at the distance of not less than 60 m from the sample (Abzalov and Ingram, 2017). Hard boundaries were not used to constrain the estimation of the mineralisation.

In order to consider the geometry of the domain and to prevent excessive smearing of the grade across the strike, the coordinate system of the mineralisation was transformed by applying an unfolding algorithm. The unfolding was applied for each layer separately. The drill hole data as well as the blank block model were unfolded by linearly arranging them along the central line of the domain. Geostatistical studies and variography analysis of the U_3O_8 grades were carried out in the unfolded space.

Grade was estimated into 50 x 20 x 0.5 m panel size, using the Ordinary Kriging (OK) method over two search passes. No Uniform Conditioning (UC) or Localised Uniform Conditioning (LUC) was undertaken.

CSA Global undertook the following validation of the Jason's MRE:
CSA Global could not reproduce the reported Mineral Resource numbers for the Jason's MRE, at a 250 ppm U_3O_8 cut-off by Mineral Resource Classification (Table 6). The difference in contained metal is within 10%. CSA Global believes that an incorrect block model may have been inadvertently supplied for review.

Table 6: Comparison of Reported Mineral Resource Statement and CSA Global checks for Jason's

Mineral Resource Estimate	Resource tonnage (Million tonnes)	Grade U_3O_8 (ppm)	Contained metal (U_3O_8, Kt)
*Publicly reported	6.16	790	4.9
CSA Global reported	5.7	771	4.4
% Difference	**-7%**	**-2%**	**-10%**

**Source: Abzalov and Ingram (2017)*

- Global comparison of the block grade and the input composite grade was undertaken. The comparisons returned values within 10%, which is considered acceptable.
- No further validation was undertaken.

The Mineral Resources at the Jason's MRE are all classified as Inferred Mineral Resources. The following parameters were used for Mineral Resource classification (Abzalov and Ingram, 2017):

- Block grade not less than 250 ppm U_3O_8
- Not less than two samples are used for estimation at the distance not less than 140 m along the paleochannel and 60 m across.
- Mineralisation, located outside of this area, is classified as Exploration Target.

CSA Global makes the following conclusions with regards to the Jason's MRE:

- Based on review of the current information available, CSA Global considers the Mineral Resource Estimation and Mineral Resource Classification methodology as used for Jason's Mineral Resources acceptable.
- Jason's Deposit is a small MRE, classified as Inferred Mineral Resources. It represents 17% of the total combined Inferred Mineral Resources (Honeymoon Domain, Gould's Dam and Jason's). As such, it has undergone limited review by CSA Global as part of this work. CSA Global was not able to replicate the reported MRE numbers (Abzalov and Ingram, 2017) for Jason's Deposit.
- Gamma data has not been corrected for disequilibrium, which may have resulted in a small underestimation in U_3O_8 grade. CSA Global have not investigated the disequilibrium factor for the Jason's Deposit data as part of this study.

4.4 Summarised outcomes of CSA Global Mineral Resources Review

CSA Global makes the following conclusions with regards to the Mineral Resources:

- In CSA Global's opinion the Indicated and Measured portions of the Mineral resources at Honeymoon and Gould's dam are suitable for inclusion in this valuation, and provide a reasonable basis for use in an Income Approach valuation. Inferred material at Gould's Dam and Jason's present some risk.
    - A portion of the Inferred material at Gould's Dam, at the block model extremities, demonstrates a "spotted dog" classification distribution, where material is classified around a single drill hole, unconnected to the main body of the Mineral Resource. CSA Global would consider this material to be of a moderate risk, and would not classify it as Inferred Mineral Resources.
    - The Jason's deposit, which is Inferred in its entirety, presents a low risk, as CSA Global were not able to verify the reported MRE numbers with those reported from the supplied block model. However, the difference between the officially reported metal and that reported by CSA Global was 10%, well within the expected tolerance of an Inferred classification.
- Gamma data has not been corrected for disequilibrium, which may have resulted in a small underestimation in U_3O_8 grade, where it is the sole foundation of the MREs. CSA Global have not

investigated the disequilibrium factor for the any of the data (Honeymoon domain, Gould's Dam, Jason's) as part of this review, and no summary of the issue was available from Boss.

  - There is a significant amount of gamma data in the Measured and Indicated Mineral Resources of the Honeymoon Domain and Gould's Dam deposits, which when compared to the PFN data, should provide adequate validation of the gamma data overall. There is no reason this validation could not be applied to the data in the Inferred Mineral Resources of these deposits, if they all reside in the same horizon/domain, which CSA Global believe to be the case. This presents a low risk to the Inferred resources, where no PFN data was available.

- No physical density samples have been documented for Honeymoon and Gould's Dam, with the resources reported in 2015 and 2016, respectively. For these deposits, a density of 1.95 t/m^3 is assumed from the Specific Gravity (SG) of sand and the average porosity of the sediments. Whilst this is a sound assumption in CSA Global's opinion, and bearing in mind that the collection of physical samples from unconsolidated material can be difficult, CSA Global would still have expected some physical samples to support a Measured Mineral Resource classification. Some variation in density may be expected and could affect the reported tonnages of the deposits. CSA Global notes that the density used is close to that of non-porous lithologies, with densities of 1.6 to 1.7 t/m^3 being more typical for this style of mineralisation. This presents a risk that the metal content may be overestimated, but by less than 10% compared to the density used for Jason's.
- For the Jason's Deposit, reported in 2017, a dry bulk density of 1.75 t/m^3 was used, based on eight density samples. CSA Global views this as more appropriate.

5 Mining and Processing

5.1 Mining

5.1.1 Stratigraphy & Water table

The stratigraphic unit that is being targeted for *in situ* recovery (ISR) at the Honeymoon project are the sands of the lower Eyre Formation. These comprise relatively coarse-grained, well sorted, highly permeable, sand packages interbedded with occasional silty lenses. In general, flow rates through the packages are very good and well within the parameters required for successful ISR operations. The lower Eyre formation sands sit around 100–120 m deep in the lower aquifer system and are well below the water table which sits around the 30–50 m depth.

5.1.2 Grade/mineralisation

Grades determined by calibrated PFN tools indicate economic mineralisation occurs in stratigraphically continuous lenses of mineralisation, this makes the deposit amenable to ISR mining using a system of injection and production wells placed in patterns over the mineralised areas. The mineralisation species targeted within these sands includes uraninite and coffinite, both species of uranium minerals that leach relatively well with fairly simple lixiviant chemistry.

5.1.3 Extractability

The wellfield plan (Figure 12) shows that the mineralised lenses have horizontal continuity and have been mapped into various mining horizons that are likely to be suitable for mining with ISR using injection and extraction wells. The only caveat is that some of the drill spacing in the other resource areas may be too wide to allow adequate confidence in lithological correlation.

Wellfield design is based on traditional ISR parameters of grade-thickness (GT) and the GT values are in the range of other ISR operations around the world. Well design is standard for ISR operations and similar to the design that has worked at other ISR operations within Australia and overseas and is designed to:

- Be made of inert material to withstand moderate salinity and acidic (pH ≈2) solutions without degradation of well integrity;
- Construction methods and quality checks eliminate movement of fluids through the bore annulus;
- Well construction that ensures precise injection and extraction intervals (screened intervals);
- Accommodate a pump capable of pumping >3 L/s at 80 m total dynamic head (142 mm OD pump); and,
- Capable of being re-screened at higher intervals.

Importantly, the design is compliant with the Minimum Construction Requirements for water bores in Australia, and Australia's *in situ* Best Practice Guide.

5.1.4 Other Deposits

The deposits to be mined around Honeymoon (East Kalkaroo, Brooks Dam, Jason's etc.) sit within the one palaeochannel system (Yarramba palaeovalley). The geology, mineralisation and flow characteristics of these other deposits are likely to be similar to the initial Honeymoon wellfields albeit with slightly lower overall grades.

Mining of the initial wellfields at Honeymoon demonstrated technical success in that uranium was successfully leached at flows and grade parameters that could be economic given a suitable uranium price.

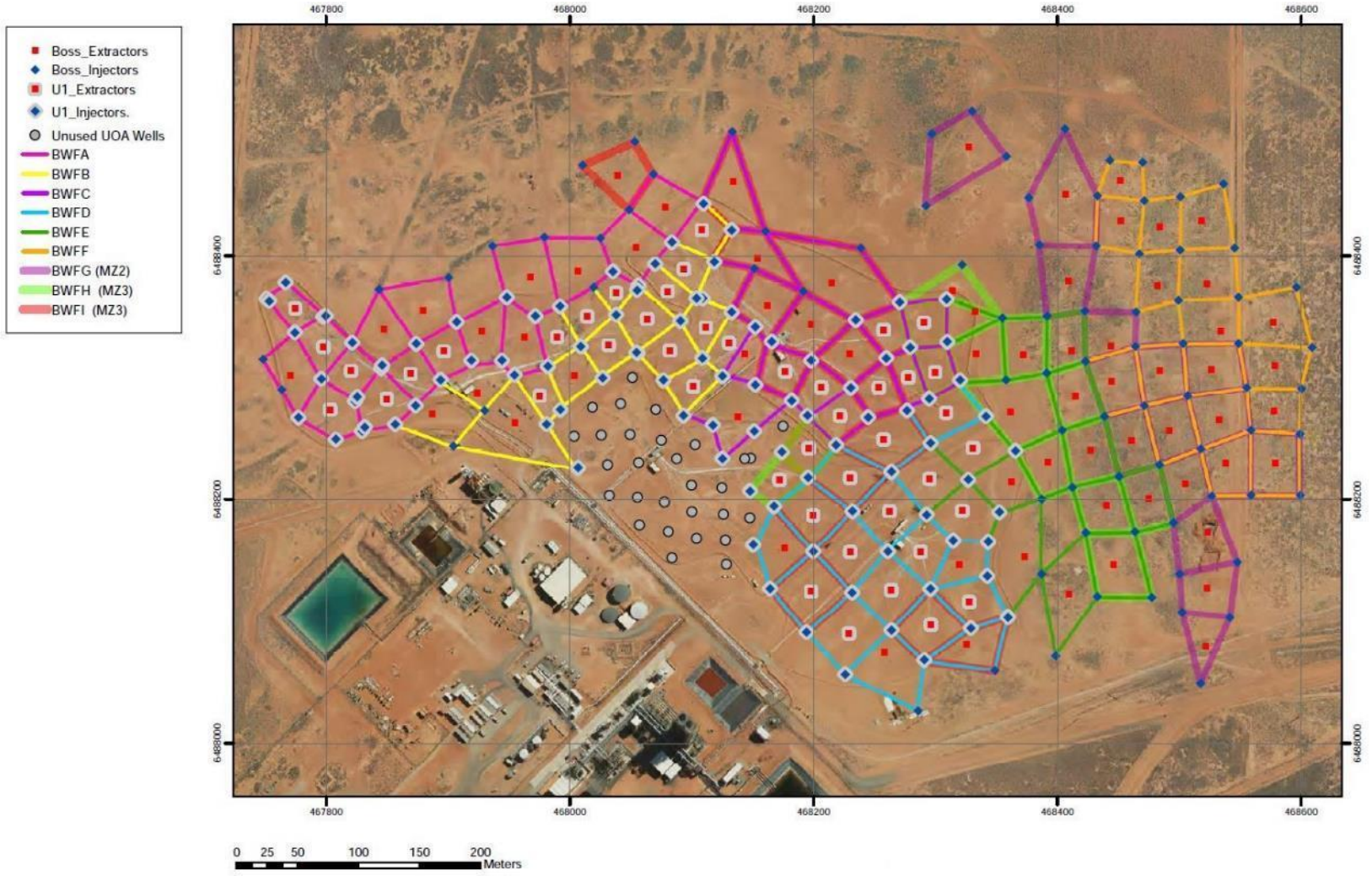


Figure 12: Honeymoon Wellfield Layout
Source: Jeuken (2017)

5.1.5 Old Honeymoon wellfields

While uranium has successfully been extracted from the Honeymoon orebody, significant plugging of pore space by gypsum and organic(?) sludge in the old wellfields is an issue that needs further investigation.

High calcium content water has been sitting in the ground since the plant went into care and maintenance, without circulation, since 2014. If the remaining resources in these wellfields are to be considered in the economic model then the current likely performance of the historical wellfields should be investigated with a detailed programme of pump testing.

5.1.6 Jason's and Gould's Dam

As pointed out in the wellfield report "*Modelling of lithology has not been undertaken for this wellfield planning exercise. Except for the Honeymoon mine site, the drilling density is insufficient to define a lithological model. In some instances, areas equivalent to a wellfield are delineated by only 3 drillholes*" and "*Infill delineation drilling where required, development of a lithological model, and detailed wellfield planning must be undertaken at the detailed design phase of the project for each wellfield*".

Significant cost will be incurred conducting the infill drilling required.

5.2 Processing

The following description of the processing and project description is taken directly from the Pre Feasibility document "*the base case for the Project was selected with the following assumptions:*

- *Operation of the existing solvent extraction (SX) plant, with minor modifications, during the period of construction of an ion exchange (IX) system operating in parallel, utilising nano-filtration and fluid bed precipitation at Honeymoon;*
- *Inclusion of Jameson cell and co-matrix filter for entrained organic removal on SX raffinate and loaded strip liquor respectively and a plate and frame filter for iron precipitate removal;*
- *Ramp up of plant capacity form 2 Mlb/a to 3.2 Mlb/a coinciding with the commencement of operations at Gould's Dam;*
- *Jason's deposit operated with pumping of pregnant leach solution (PLS) and barren leach solution (BLS) as well as wellfield conditioning water, between the Honeymoon processing facility and the wellfields;*
- *Gould's Dam deposit operated with a satellite plant with resin transfer back to the Honeymoon processing facility for elution via truck; and*
- *Assumed PLS grade of 51 ppm U_3O_8 for the basis of design of PLS volume flow.*

5.3 Project Description

The expansion to 3.2 Mlb/a U_3O_8 will be executed in three stages consisting of:

- Stage 1 – Re-commission existing solvent extraction facility with various modifications to improve performance, rectify problems identified during previous operations and make preparation for Stage 2 expansion;
- Stage 2 – Supplement existing solvent extraction facility using a parallel ion exchange, nano-filtration and precipitation circuits along with the expansion yellowcake drying system capacity and a new water treatment plant (WTP) to produce 2 Mlb/a U_3O_8;
- Stage 3 – Expansion to 3.2 Mlb/a by construction of an ion exchange adsorption and resin transfer facility at Gould's Dam, a resin receival facility and additional ion exchange elution at Honeymoon and expanded filtration and drying capacity to produce a combined 3.2 Mlb/a U_3O_8.

In addition to these major stages there are also some minor stages of project execution which take place throughout the life of mine, including:

- Expansion of the number of wellfields in operation with additional well houses and associated equipment;
- Development of the facilities to pump BLS, PLS and wellfield conditioning water to and from the Jason's deposit along with the infrastructure required to develop and operate the Jason's deposit; and
- Pipelines and power supply for the extension of wellfields along the East Kalkaroo deposit."

A detailed review of all of the reasons for this choice is beyond the scope of this document, which is to highlight any significant potential issues that may have been under rated or overlooked previously. A comment can be made on the choice of ion exchange for the processing option at Gould's Dam (at Jason's pumping solutions the 15 km is the option being considered), which follows a similar line adopted by the Beverly ISR operation some 200 km to the north. The installation of satellite plants and the trucking of loaded resin has proved to be commercially successful at a number of their sites in the past.

It can be seen from the PFS document that significant lab work has been undertaken on the ion exchange process and subsequent resin selection and treatment processes. The case of using a lixiviant with a lower pH, higher iron concentration, and higher ORP could potentially lead to troubling side effects including higher operating cost for reagents, remediation, waste disposal and a much more rapidly deteriorated lixiviant geochemistry if not well managed. Leach optimization studies were carried out on "virgin ore" samples in a clean water/lixiviant environment, but field leach trials are critical to allow "real world" assessments of actual conditions *in situ.*

Boss has been undertaking field leach trials at Honeymoon (see ASX release from 19 June 2017). This work is a key technical validation step for the Honeymoon Project, and the trials will:

- Allow optimisation of leaching chemistry, resin selection and uranium recovery;
- Verify ion exchange performance on real leach liquor;
- Confirm pregnant liquor tenors and production rates;
- Generate information for improved design and cost estimates; and
- Provide necessary plant and wellfield technical data for the Definitive Feasibility Study.

At the time of this report the trials were still in progress, but Boss have reported (ASX announcements on 13 September, 4 October, 26 October, 1 and 15 November 2017) a range of positive outcomes from the work thus far including:

- Stable flow patterns established;
- High tenor pregnant leach solutions sustainably achieved; and
- Ion exchange plant delivering successful performance under real world conditions.

Field Recovery Trials will be of significant importance when considering the different geological and geochemical conditions that are likely to exist at both Jason's and Gould Dam settings. Capital to undertake these field recovery trials needs to be included in the forward estimates for stage 3 (or earlier).

Solvent

Entrained organics caused issues for previous operators with organics finding their way into bleed streams, and the wellfields leading to severe degradation of leaching performance. Several options have been put forward in the PFS to address this issue including "*passive settling, activated carbon filters, co-matrix filters and Jameson cell flotation. Jameson cell flotation was selected as a balance between performance, cost and complexity; Technology for removal of entrained organic from the loaded strip*

solution from solvent extraction considering Jameson cell flotation, activated carbon columns and co-matrix filters with co-matrix filters selected on the basis of performance and operating costs; "

Injection pressure

Current BLS pumps lack enough flow to create sufficient pressure in the injection pumps within wellfields. While the PFS suggests "*Modification to the existing BLS pumps to boost the feed pressure to the injection wells to improve* in situ *leach (ISL) performance*" the BLS pumps are only part of the problem. There are numerous pressure robbing points throughout the injection plumbing system that could also do with revision.

Water treatment

High calcium concentrations in the groundwater proved to be an issue from early field leach trials with gypsum precipitation rapidly clogging screens and pore spaces. A water treatment plant was constructed in the first phase of operation but has proved to be inadequate, undersized and unreliable. Modifications suggested in the PFS include:

- Insertion of an internal circular steel liner with baffles in each of the gypsum; and
- softening reactors to modify the existing square concrete tanks to be more efficient;
- at solids suspension with less agitation;
- Replacement of the agitators in the gypsum and softening reactors; and
- Installation of a bunded floor with sump pumps around and underneath the entire WTP to contain any spillage.

These modifications still may not increase the throughput of the plant to the volume required to treat the water in stage 1.

Waste disposal

Whether this should be considered in mining or processing can be debated but deep disposal wells and efficient disposal of waste is paramount to the successful operation of the plant. An allowance for additional deep disposal wells (and the hydrogeological studies that accompany them) should be factored in.

6 Risks

6.1 Resource risks

6.1.1 Disequilibrium

PFN data was used in preference to Gamma data where both were available. Gamma data has not been corrected for disequilibrium, which may have resulted in a small underestimation in U_3O_8 grade, where it is the sole foundation of the MRE.

CSA Global's view that disequilibrium in this case is more likely to result in underestimation of grade rather than overestimation of grade, is based on the fact that the uranium resources under consideration are situated below the water table. In cases where resources are situated above the water table, the opposite may be anticipated.

Therefore there is a risk that grade is slightly underestimated.

6.1.2 Density

There is a risk that the density used for the Honeymoon and Gould's Dam deposits, which was based on a density assumed from the specific gravity of sand and the average porosity of the sediments, may be too high, and may lead to contained metal being slightly overestimated (by less than 10%) for these deposits. The assumed density was used as no physical density samples were documented. A lower density, which CSA Global views as more appropriate, was used for Jason's Deposit, as eight density samples were documented.

Therefore there is a risk that metal content for Honeymoon and Gould's Dam is slightly overestimated.

6.1.3 Classification

The Measured and Indicated portions of the declared Mineral Resources at Honeymoon and Gould's Dam do not have significant additional risks associated with them, other than the general risks associated with these resource classifications.

The Inferred material reported for Gould's Dam and Jason's present some risk for valuation:

- A portion of the Inferred material at Gould's Dam, at the resource model extremities, are classified on the basis of single drill holes, due to the wide drill spacing in these areas. CSA Global considers this material to be of a moderate risk, and would not classify it as Inferred Resources.
- CSA Global see a low risk in the Jason's deposit, where CSA Global were not able to verify the reported MRE numbers with those reported from the supplied block model. This is however seen as a low risk, as the difference between the declared Resource numbers and CSA Global's check reporting from the supplied model was 10%, which is within the uncertainty limits for an Inferred classification.

Therefore CSA Global conclude that the Inferred Resources at the Gould's Dam and Jason's deposits are not suitable for inclusion in cashflow modelling exercises, due to the uncertainty related to these resources. The Measured and Indicated Resources at Honeymoon and Gould's Dam are suitable for inclusion in cashflow modelling exercises.

6.2 Old wellfields

Significant plugging of pore space by gypsum and organic(?) sludge in the old wellfields is an issue that needs further investigation. High calcium content water has been sitting in the ground since the plant went into care and maintenance without circulation since 2014. If the remaining resource in this wellfield

is to be considered in the economic model then the current likely performance of the historical wellfields should be investigated with a detailed program of pump testing.

A reasonable sum of money should be allocated to testing the performance of the old wellfields if they are to be included in the resource statements.

6.3 Water treatment plant

High calcium concentrations in the groundwater proved to be an issue from early field leach trials with gypsum precipitation rapidly clogging screens and pore spaces. A water treatment plant was constructed in the first phase of operation but has proved to be inadequate, undersized and unreliable. Modifications have been suggested but these modifications still may not increase the throughput of the plant to the volume required to treat the water in stage 1.

An allowance should be made in stage 1 for additional water treatment options if the existing plant still does not perform.

6.4 Power Line

The power line is a high-risk item about which not a lot can be done, routine lightning strikes cause power outages at Honeymoon halting production for numerous hours however a solution that is not cost prohibitive is not obvious.

No practical mitigation options.

6.5 BLS pumps

Current BLS pumps lack enough flow to create sufficient pressure in the injection wells within wellfields. While the PFS suggests "Modification to the existing BLS pumps to boost the feed pressure to the injection wells to improve in-situ leach (ISL) performance" the BLS pumps are only part of the problem. There are numerous choke points throughout the injection plumbing system that also require review.

An allowance should be made to review additional factors that affect injection pressure should upgrading BLS pumps still not achieve desired results

6.6 Current state of plant – re commissioning costs

The budget for re commissioning may not be adequate, significant plant and equipment has been sitting idle in a relatively hostile environment of dust and heat. Current cost estimates would seem adequate if all plant is in reasonable shape but if a major piece of infrastructure has degraded to the point of non-use it could significantly affect the re commissioning budget.

A detailed review of key, large cost items of infrastructure should be undertaken to ensure they are fit for use.

6.7 Native Title

Native title is an area that requires serious attention as it has the potential to affect a number of areas. New agreements have been signed fixing royalties, so this area should not be an issue

The issue of clearances and ability to expand current infrastructure (BLS, PLS and wellfields in particular) all hinges on getting site areas cleared. This has a significant cost attached to it especially considering the cost of clearing a 75 km haul road.

At Honeymoon, any additional wellfields will be located off the Crown Lease which means approval from traditional owners for the installation of the wells. Traditional owners have the final say in whether the

wells can be installed and hence the ultimate power of veto, interestingly, at the present stage there is no regulatory process for appealing their decision, if they say "no" that is it, no more wells – end of operation. This poses a significant and often under rated risk to operating ISR mines in this area.

The same will apply at Jason's and Gould's Dam, area selection for infrastructure at Gould's Dam will be a lengthy process as sand hills and ephemeral clay pans are considered no go areas.

A significant sum should allocated to the area of dealing with and management of native title issues including the appointment of a land access manager.

7 Valuation

7.1 Previous Valuations

CSA Global is not aware of, nor have we been made aware of, any previous valuations of the project.

In September 2015, Boss entered into an agreement to acquire 100% of the issued share capital of Uranium One Australia, which owned the Honeymoon Uranium Project. The consideration included a A$200,000 site access fee, an initial cash payment of A$2.442 million, A$3 million under a promissory note repayable within 24 months of completion, and A$4 million under a promissory note issued and repayable within 48 months of completion. Contingent payment also included A$2 million payable in cash and/or shares upon the later of restart of the operations with commercial production or 5 years of completion, and 10% of the net operating cash flow of the Honeymoon Project payable annually up to a maximum of A$3 million.

7.2 Valuation Approach

Valuation of Mineral Assets is not an exact science; and a number of approaches are possible, each with varying positives and negatives. While valuation is a subjective exercise, there are a number of generally accepted procedures for establishing the value of Mineral Assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience and professional judgement.

Refer to Appendix 1 for a discussion of Valuation Approaches and Valuation Methodologies, including a description of the VALMIN classification of Mineral Assets.

In forming an opinion on the Market Value of the Honeymoon Uranium Project, the valuation approach adopted by CSA Global has been to rely primarily on the Income approach (Discounted Cash Flow modelling - DCF) for the Honeymoon Resource, with the Market approach used as a secondary valuation method, and the Yardstick Order of Magnitude check as a cross-check. For the Gould's Dam and Jason's Resources, CSA Global relied primarily on Market-based methods (primarily the Comparative Transaction method), with the Yardstick Order of Magnitude check as a cross-check. This was based on the declared Resources.

CSA Global has considered one or more alternative valuation methods to crosscheck our valuation opinion (Table 7). Alternative methods considered included the income approach (Discounted Cash Flow analysis), and Yardstick factors. The choice of alternative valuation method employed was dictated by the exploration stage of the asset and the availability of information.

Table 7: Valuation basis and methods employed for Paladin's significant Mineral Assets

Mineral Asset	Development stage	Basis of valuation	Valuation methods
Honeymoon Resource	#Pre-Development	Declared Resources	DCF, Comparable Transactions, Yardstick
Gould's Dam Resource	Pre-Development	Declared Resources	Comparable Transactions, Yardstick
Jason's Resource	Pre-Development	Declared Resources	Comparable Transactions, Yardstick

The VALMIN Code defines properties on care and maintenance as Pre-Development properties.

The Valuation Basis employed by CSA Global is Market Value, as defined by the VALMIN Code (2015). The Valuation Date is 1 December 2017. The currency is US dollars (US$) unless otherwise stated.

7.3 Uranium Market and Pricing

Uranium does not trade on an open market like other commodities. Due to its strategic nature, buyers and sellers negotiate contracts privately. These contracts are generally considered long-term contracts. OECD (2016) notes that spot price indicators for immediate or near-term delivery (less than one year) that typically amount to 15% to 25% of all uranium transactions, are provided by industry trade press such as TradeTech and the Ux Consulting Company. Cameco calculates and publishes industry average spot prices as well as long-term industry average prices from the month-end prices published by UX Consulting and TradeTech.

The long-term price history for uranium is indicated in Figure 13, with the price history of the past seven years indicated in Figure 14. The long-term price history is dominated by a uranium price boom commencing early 2003, with prices rising sharply from approximately US$10/lb to a peak of US$136/lb in June 2007, before retreating sharply to approximately US$45/lb by October 2008.

Another smaller boom occurred in 2011, with the uranium price increasing from around US$45/lb in August 2010 to nearly US$73/lb in January 2011, before falling back to US$49/lb by August 2011. This sharp drop in price in early 2011 is generally attributed to the Fukushima accident, with low public confidence in nuclear power and negative market sentiment maintaining depressed prices.

The uranium price history of the past five years is generally characterised by a decrease in the uranium price from US$50.75/lb in June 2012 to US$20.20/lb by July 2017. There has been no real improvement since then, with the spot price in October 2017 being US$20.08/lb. In late 2014 there was a rally from US$28.50/lb to US$39.50/lb over a period of four months, and there was a short rally from a low of US$18/lb in November 2016 to US$24.50/lb in January 2017.

November 2017 saw a slight uptick to US$23.13/lb, driven by announced production suspensions, with Cameco announcing the temporary suspension of its McArthur River mining operation and Key Lake processing facility, beginning in late January 2018. In December 2017, Kazatomprom announced that it will cut its production by 20% over the next three years, also starting January 2018, to better align its production levels with the demand.



Figure 13: Uranium price history (US$/lb U_3O_8) – long term
Source: Cameco (https://www.cameco.com/invest/markets/uranium-price)

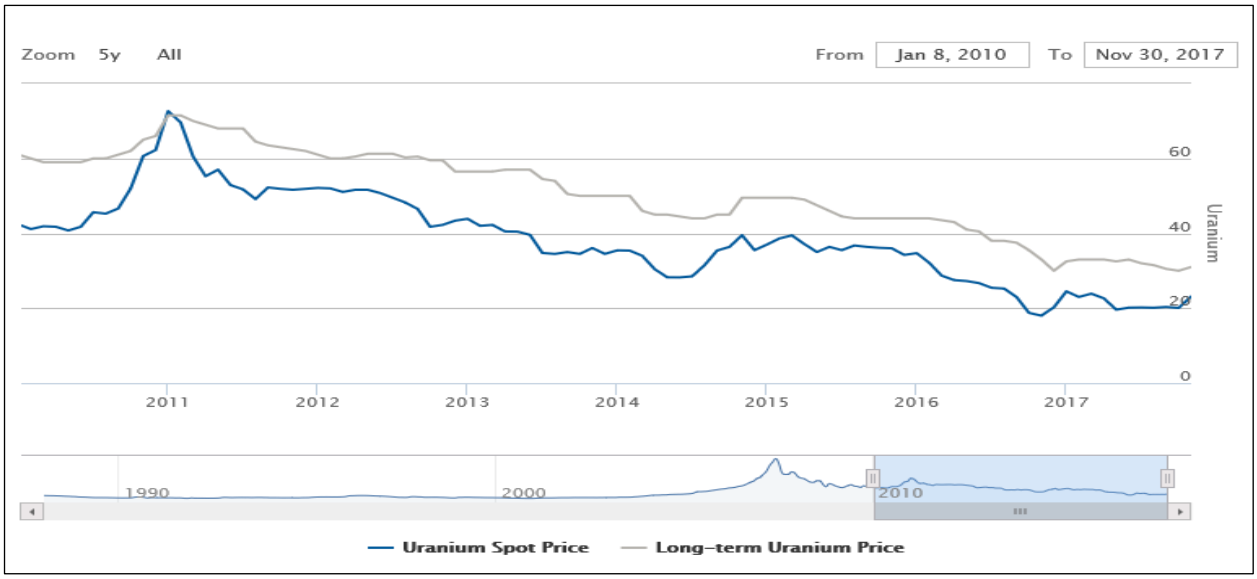


Figure 14: Uranium price history (US$/lb U_3O_8) - past seven years
Source: Cameco (https://www.cameco.com/invest/markets/uranium-price)

OECD (2016) notes production of uranium from 21 different countries in 2012, 2013 and 2014, with Kazakhstan being the world's largest producer (41%), followed by Canada (16%) and Australia (9%). Other significant producers included Niger (7%), Namibia (6%), Russia (5%), Uzbekistan (5%), the US (3%), China (3%), Malawi (1%) and the Ukraine (1%).

Giblin (2017) notes that mined uranium production rose barely 1% in 2016, with strong output growth of 10% in Australia and 5% in Canada almost outweighed by a reduction in production from the US and a levelling of output from in-situ leach (ISL) projects in Kazakhstan. The use of ISL technology has seen production from Kazakhstan increase remarkably in the past decade, with Kazakhstan now being the largest global U_3O_8 producer, producing more than both Canada and Australia combined. Eight of the top twenty U_3O_8 producing operations in the world are in Kazakhstan (Table 8), and collectively produce 28% of global supply.

Despite uranium prices being below US$30/lb since March 2016, which is the longest period of sub-US$30/lb prices since 2005, most of the major uranium producers have been able to maintain production (Giblin, 2017). S&P Global Market Intelligence's Mine Economics data indicates that approximately 10% of output in 2016 was being produced at total cash costs exceeding the 2016 average uranium price.

Giblin (2017) notes that while much uranium trading occurs on long-term contracts, with U_3O_8 prices above the current spot price, buyers are starting to cancel offtake contracts despite resistance from uranium producers. Uranium prices dipped to US$18/lb in the first week of December 2016. This dip in price, if sustained, could threaten operations in the upper quartile of the curve if exposed to spot sale prices or reducing long-term indicative prices.

In the opinion of Giblin (2017), production in 2017 was expected to increase due to the ramp up at Husab, and it is likely that uranium supply will remain in surplus for the foreseeable future unless production is scaled back commensurately, which we are now beginning to see with Cameco and Kazatomprom scaling back production. In the meantime, security of resource supply will continue to be a more important factor than market supply/demand dynamics in this sector.

Table 8: Global top 20 uranium producers, 2016

Rank	Property name	Contained U3O8 (Mlb) 2015	2016	Change 2015-16 (%)
1	McArthur River	19.1	18.0	-5.5
2	Cigar Lake	10.6	17.3	63.1
3	Katco	10.7	10.4	-2.6
4	Olympic Dam	8.3	8.4	1.7
5	Central Mining District	6.2	6.2	0.0
6	Inkai	5.8	6.0	3.4
7	Somair	6.5	5.6	-13.8
8	Karatau	5.4	5.4	1.0
9	South Inkai	5.3	5.2	-2.6
10	Ranger	4.4	5.2	17.2
11	Langer Heinrich	4.9	4.9	0.2
12	Priargunsky	5.1	4.8	-6.4
13	Kharassan-2	3.6	4.8	31.3
14	Mynkuduk	4.8	4.8	-1.0
15	Akbastau	4.3	4.6	7.3
16	Rossing	2.7	4.1	48.6
17	Kharasan	2.9	3.7	26.5
18	Cominak	4.2	3.4	-18.3
19	Beverley	2.1	2.8	37.2
20	Four Mile	2.6	2.6	0.3
	Subtotal (Mlb)	**119.6**	**128.2**	
	Global total (Mlb)	**160.3**	**162.0**	

As of June 10, 2017.
Source: S&P Global Market Intelligence

Source: SNL (www.snl.com)

The Nuclear Energy Agency and the International Atomic Energy summarise their view of uranium supply and demand in OECD (2016) "*Despite recent declines in electricity demand in some developed countries, global demand is expected to continue to grow in the next several decades to meet the needs of a growing population, particularly in developing countries. Since nuclear power plant operation produces competitively priced, baseload electricity that is essentially free of greenhouse gas emissions, and the deployment of nuclear power enhances the security of energy supply, it is projected to remain an important component of energy supply. However, the Fukushima Daiichi accident has eroded public confidence in nuclear power in some countries, and prospects for growth in nuclear generating capacity are thus being reduced and are subject to even greater uncertainty than usual. In addition, the abundance of low-cost natural gas in North America and the risk-averse investment climate have reduced the competitiveness of nuclear power plants in liberalised electricity markets. Government and market policies that recognise the benefits of low carbon electricity production and the security of energy supply provided by nuclear power plants could help alleviate these competitive pressures. Nuclear power nonetheless is projected to grow considerably in regulated electricity markets with increasing electricity demand and a growing need for clean air electricity generation.*

Regardless of the role that nuclear energy ultimately plays in meeting future electricity demand, the uranium resource base is more than adequate to meet projected requirements for the foreseeable future. The challenge in the coming years is likely to be less one of adequacy of resources than adequacy of production capacity development due to poor uranium market conditions".

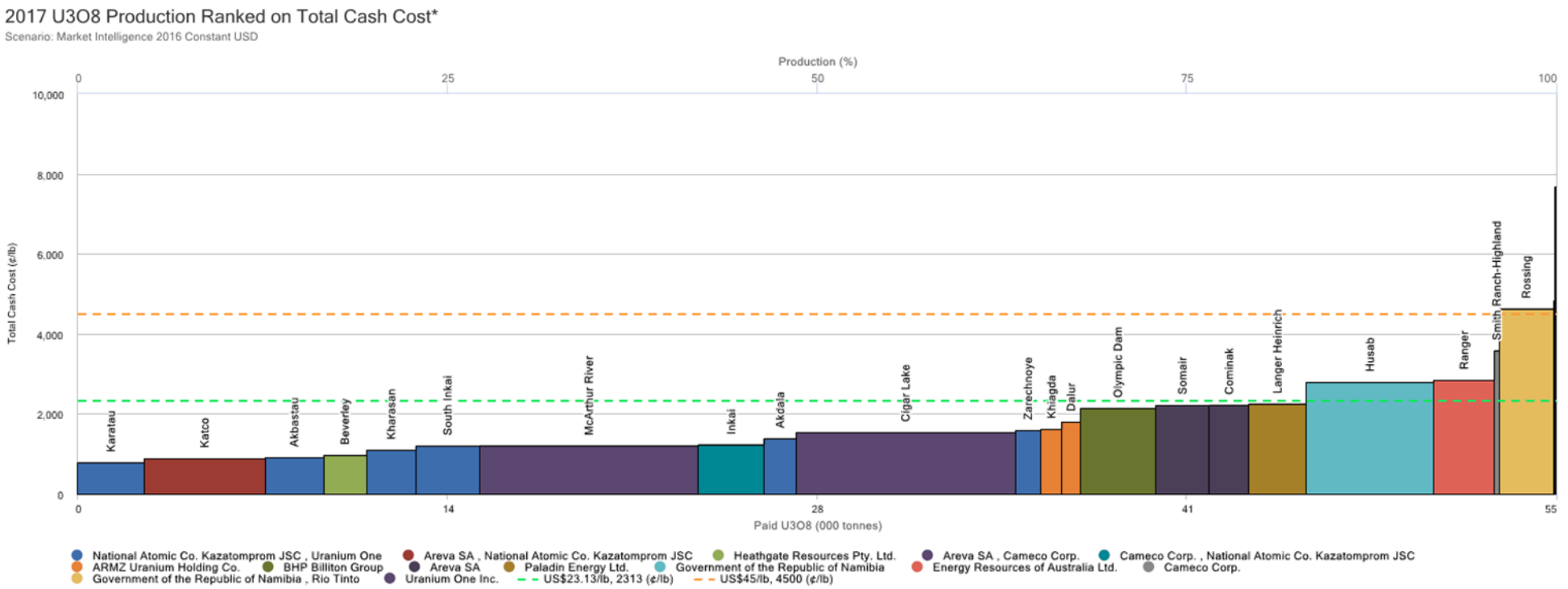


Figure 15: 2017 U_3O_8 production cost curve

Source: SNL (www.snl.com)

7.4 DCF Valuation – Technical Value

The Honeymoon PFS financial model, as provided by Boss and adjusted by CSA Global, formed the basis of the Discounted Cash Flow (DCF) valuation.

CSA Global reviewed the PFS financial model to ensure that the assumptions and other inputs are considered reasonable, no cost or modifying factor are omitted, formulas are correct, and the logic followed in calculating the NPV of the project aligns to the project strategy being modelled.

No concerns were identified during the review of the financial model by CSA Global. The input costs and production rates matched those described in the PFS documentation. The adjustments that CSA Global made to the PFS financial model in determining the preferred DCF Value of the asset, were limited to adjusting the uranium pricing assumptions and removing the capital and operating cost components applicable to parts of the asset that were not considered suitable to be valued using the DCF Valuation method. Justification for these adjustments are discussed in detail elsewhere in this section.

The project strategy modelled consists of recommissioning the existing plant followed by a staged expansion, comprising:

- Stage 1 – Re-commission existing solvent extraction facility with various modifications to improve performance and rectify problems identified during previous operations and make preparation for Stage 2 expansion;
- Stage 2 – Expanded production to 2 Mlb/yr U_3O_8 equivalent using the near-mine wellfields (Honeymoon, East Kalkaroo, Brooks Dam and Jason's). The existing processing plant is to be expanded using parallel ion exchange facility to meet this additional capacity. Jason's deposit operated with pumping of pregnant leach solution and barren leach solution, as well as wellfield conditioning water, between the Honeymoon processing facility and the wellfields.
- Stage 3 – Expansion to 3.2 Mlb/yr by construction of an ion exchange adsorption and resin transfer facility at Gould's Dam, a resin receival facility and additional ion exchange elution at Honeymoon and expanded filtration and drying capacity to produce a combined 3.2 Mlb/yr U_3O_8. Gould's Dam deposit is operated with a satellite plant with resin transfer back to the Honeymoon processing facility for elution via truck.

The key cost inputs into the financial model, for each stage of the project are shown in Table 9.

Table 9: Cost inputs into the financial model

Wellfield Operating Costs	**US$/lb U_3O_8**
Honeymoon, East Kalkaroo & Brooks Dam	0.38
Jason's	2.96
Gould's Dam	0.71
Stage 1 Operating Costs	US$/lb U_3O_8
Labour	20.69
Power	2.04
Reagents & Consumables	4.98
Maintenance	3.93
Laboratory	1.02
General & Admin	6.45
Marketing, Shipping and Royalties	3.06
Stage 2 Operating Costs	US$/lb U_3O_8
Labour	5.54
Power	1.37
Reagents & Consumables	3.77
Maintenance	1.33
Laboratory	0.35
General & Admin	1.62
Marketing, Shipping and Royalties	3.45
Stage 3 Operating Costs	US$/lb U_3O_8
Labour	4.60
Power	2.06
Reagents & Consumables	4.76
Maintenance	1.18
Laboratory	0.35
General & Admin	1.19
Marketing, Shipping and Royalties	5.56
Capital and Other Costs	US$m
Stage 1 Capital Cost	10.20
Stage 2 Capital Cost	57.60
Stage 3 Capital Cost	77.90
Pre-production	3.10
Exploration and HO Allowance / annum	1.30
Average Sustaining Capital (including WF development) / annum	10.30
Rehabilitation Bond	6.80
Other inputs	
Exchange rate AUD:USD	0.75
State Royalties	5% (1.5% for first 5 years)
Native Title	1.5%
Tax Rate	30%

The NPV of any asset is highly sensitive to the selected metal price that is used to generate the revenue in the DCF valuation. Three industry standard pricing scenarios were referenced by CSA Global in determining our preferred uranium price forecast for the project, based on our professional judgement. CSA Global's view on forecast uranium prices were informed by the nominal uranium price views of Trade

Tech for both spot and term prices (TradeTech, 2017), and the consensus prices as published by Consensus Economics at the end of November 2017 (Consensus Economics, 2017). Two CSA Global preferred price decks were used to provide a valuation range (Table 10). The CSA Global price decks differ in terms of the assumption on the split between spot sales and long-term sales contracts that may be achieved for the project, and were determined based on:

- Firstly, averaging the Consensus and Trade Tech Term forecasts to produce a Discounted Term forecast, which was an average of 15% lower than the Trade Tech Term forecast.
- CSA High Price has been calculated based on a ratio of 20% Consensus and 80% Discounted Term price being achieved for total annual sales.
- CSA Low Price has been calculated based on a ratio of 50% Consensus and 50% discounted term price being achieved for all sales.

The variation in these prices are shown in Table 10.

Table 10: Uranium Price (US$/lb)

Year	Discounted Term	CSA High Price	CSA Low Price
2018	33.08	31.83	29.96
2019	38.68	36.99	34.46
2020	43.89	42.49	40.39
2021	47.74	46.35	44.26
2022	49.72	48.04	45.53
2023	50.07	48.32	45.71
2024	51.87	49.76	46.61

In CSA Global's professional opinion, new entrant to the market would not likely receive a term contract at the full forecast price, and would likely have to accept a discount. This could be renegotiated at a later date, once a successful supply track record has been established. This assumption provides the rationale for determining a Discounted Term price forecast (Table 10).

Total production of 34 Mlb of U_3O_8, over the 13 year operating life of the project, has been planned. This material is sourced from all of the project's deposits and in the latter years consists entirely of material that is currently considered classified as Inferred Resources. As discussed in Section 4.4 and summarised in Section 6.1 of this report, CSA Global does not believe that there is sufficient confidence in the Inferred Resources at Jason's or Gould's Dam to support cashflow modelling.

For the valuation purpose, the financial model is restricted to a 8 year operating life as the majority of the uranium produced after this is sourced from Inferred Resources. By definition[3], "*Confidence in the estimate of Inferred Mineral Resources is not sufficient to allow the results of the application of technical and economic parameters to be used for detailed planning*". Best practice excludes the use of resources classified as Inferred from a DCF valuation, but prescribes that alternative valuation techniques be used for these resources.

This 8 year limit on operating life adversely impacts the value of the project (as shown in Table 13), as all the capital expenditure is accounted for in the model and only a small portion of the revenue is included in the resulting cashflows. To overcome this, and to provide the CSA Global preferred DCF valuation range, a Honeymoon only case was modelled with all production and costs associated with Jason's and Gould's Dam removed. Any additional value attributable to the Gould's Dam and Jason's deposits, using an

[3] JORC Code (2014) guidance on Inferred Mineral Resources

alternative valuation, should be added to the DCF valuation range to obtain the preferred total asset value.

Table 11 and Table 12 provide annual summaries of the adjusted financial model for the Honeymoon only case for the CSA Low Price and High Price options respectively. There is a 4-year ramp up in production.

Table 11: Summary of the adjusted financial model for the CSA Low Price, Honeymoon Only Case

Year	Unit	Total	2018	2019	2020	2021	2022	2023	2024	2025	2026
Uranium Payable	klb	11,676	0	324	951	1,653	1,982	1,954	1,981	2,003	828
Total Revenue	US$m	526.6	0.0	11.2	38.4	73.2	90.3	89.3	92.3	93.3	38.6
Total Capital Cost	US$m	128.3	13.7	22.7	42.8	6.1	15.1	13.3	5.6	2.2	6.8
Operating Cost											
Wellfield costs	US$m	7.1	0.1	0.3	0.7	0.5	1.4	1.6	1.4	1.2	0.0
Labour	US$m	75.9	0.0	10.3	10.3	11.1	11.1	11.1	11.1	11.1	0.0
Power	US$m	15.7	0.0	1.0	1.0	2.7	2.7	2.7	2.7	2.7	0.0
Reagents & Consumables	US$m	38.3	0.0	1.9	3.2	4.2	5.2	7.2	8.1	8.4	0.0
Maintenance	US$m	17.2	0.0	2.0	2.0	2.7	2.7	2.7	2.7	2.7	0.0
Laboratory	US$m	4.6	0.0	0.5	0.5	0.7	0.7	0.7	0.7	0.7	0.0
General & Admin	US$m	22.6	0.0	3.2	3.2	3.2	3.2	3.2	3.2	3.2	0.0
Royalties	US$m	21.5	0.0	0.5	1.4	2.4	2.6	2.5	5.9	5.8	0.5
Transport and Marketing	US$m	21.8	0.0	1.0	2.2	3.5	3.7	3.6	3.8	3.7	0.3
Total Operating Cost	US$m	224.7	0.1	20.6	24.5	31.0	33.4	35.3	39.5	39.5	0.8
Pre-Tax Cashflow	US$m	173.5	-13.8	-32.1	-28.9	36.0	41.8	40.7	47.3	51.6	31.0

Table 12: Summary of the adjusted financial model for the CSA High Price, Honeymoon Only Case

Year	Unit	Total	2018	2019	2020	2021	2022	2023	2024	2025	2026
Uranium Payable	klb	11,676	0	324	951	1,653	1,982	1,954	1,981	2,003	828
Total Revenue	US$m	558.1	0.0	12.0	40.4	76.6	95.2	94.4	98.6	99.7	41.2
Total Capital Cost	US$m	128.3	13.7	22.7	42.8	6.1	15.1	13.3	5.6	2.2	6.8
Operating Cost											
Wellfield costs	US$m	7.1	0.1	0.3	0.7	0.5	1.4	1.6	1.4	1.2	0.0
Labour	US$m	75.9	0.0	10.3	10.3	11.1	11.1	11.1	11.1	11.1	0.0
Power	US$m	15.7	0.0	1.0	1.0	2.7	2.7	2.7	2.7	2.7	0.0
Reagents & Consumables	US$m	38.3	0.0	1.9	3.2	4.2	5.2	7.2	8.1	8.4	0.0
Maintenance	US$m	17.2	0.0	2.0	2.0	2.7	2.7	2.7	2.7	2.7	0.0
Laboratory	US$m	4.6	0.0	0.5	0.5	0.7	0.7	0.7	0.7	0.7	0.0
General & Admin	US$m	22.6	0.0	3.2	3.2	3.2	3.2	3.2	3.2	3.2	0.0
Royalties	US$m	22.9	0.0	0.5	1.4	2.5	2.8	2.7	6.3	6.2	0.5
Transport and Marketing	US$m	21.8	0.0	1.0	2.2	3.5	3.7	3.6	3.8	3.7	0.3
Total Operating Cost	US$m	226.1	0.1	20.6	24.5	31.2	33.5	35.5	39.9	39.9	0.8
Pre-Tax Cashflow	US$m	203.7	-13.8	-31.3	-27.0	39.3	46.6	45.6	53.1	57.5	33.6

For comparison purposes, Table 13, shows the resulting after tax NPV at a 10% discount rate for the Honeymoon only case and for the Honeymoon, Jason's and Gould's Dam case using the High and Low CSA price assumptions.

Table 13: Honeymoon Project After tax NPV at 10% (US$m)

	Honeymoon Only	Honeymoon, Jason's and Gould's Dam
CSA High Price	78	57
CSA Low Price	65	40

In CSA Global's opinion, based on the analysis described above and our professional judgement, the preferred DCF value for the asset, based on an after tax NPV at 10%, falls within the US$65m to US$75m range.

The project's sensitivity to the discount rate, based on the Honeymoon only valuation, is shown in Figure 16 using the CSA high price as an input and in Figure 17 for the CSA low price. CSA Global has exercised professional judgement in reporting the NPV's using a 10% discount rate.

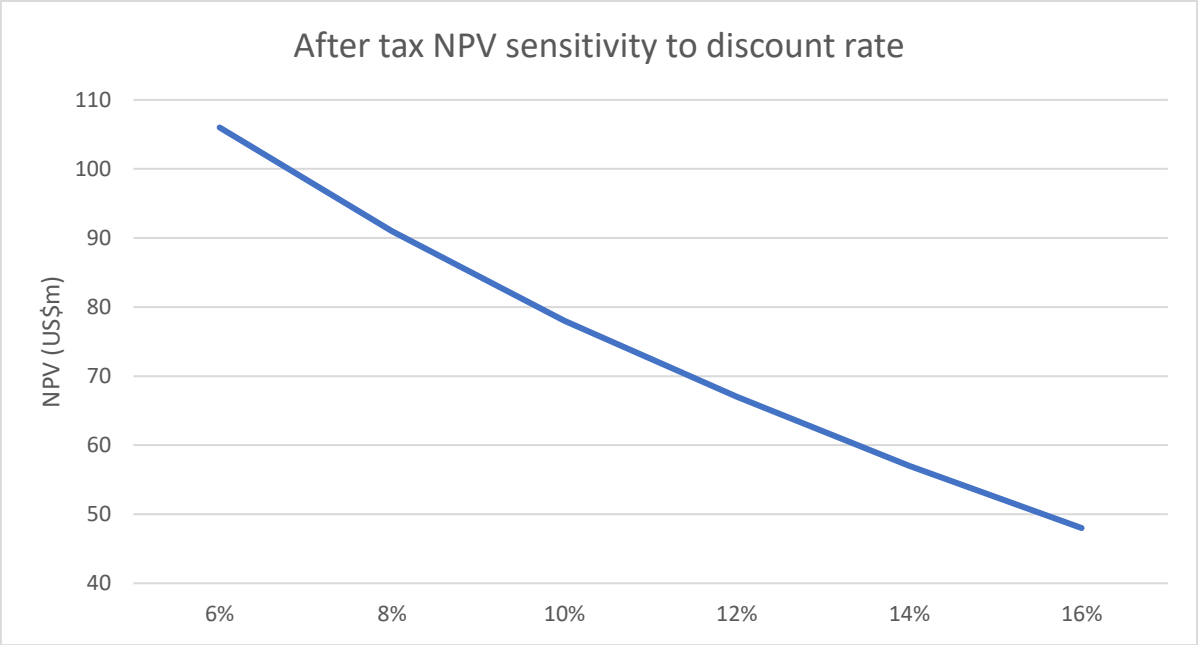


Figure 16: After tax NPV sensitivity to discount rate (US$m) for high input price

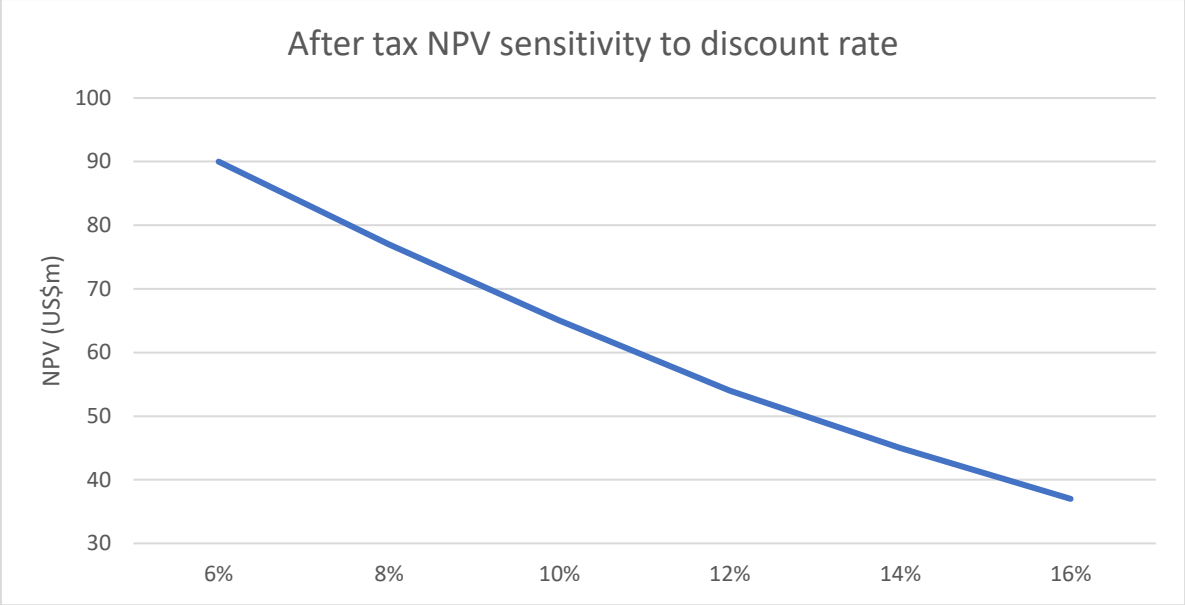


Figure 17: After tax NPV sensitivity to discount rate (US$m) for low input price

7.5 Market Approach to Valuation

7.5.1 Comparative Transactions

CSA Global considered 11 transactions involving sandstone-hosted *in-situ* leach uranium projects that were announced in the last five years (Table 22 in Appendix 2). Five of these transactions involved projects in Australia, with four in the USA, and one each in Turkey and Mongolia. These transactions are summarised and analysed in Appendix 2.

The transactions considered were announced within the last five years, and sufficient information on the transaction and material projects were available in the public domain for the analysis of the transactions in terms of price paid per lb of contained U_3O_8 acquired. On further analysis, the Laramide acquisition of Churchrock and Crownpoint (USA) was excluded, as Laramide considered the resource estimates to be historic and non-compliant. The comparatively low price per lb U_3O_8 paid (lowest of the transactions analysed), despite the relatively high grade (over 1,400 ppm), appears to confirm that Laramide acted on this view.

In analysing the transactions, all amounts were converted to US$ at the relevant exchange rate at the time of the transaction announcement. Share consideration was treated as the equivalent cash value using share prices at the time of the transaction, unless the shares were issued at a particular deemed price.

CSA Global considered various parameters when analysing the transactions, including development stage, resource classification (Figure 18) and grade (Figure 19). Selected analyses are summarised in Table 14.

Table 14: Summary of analysis of Comparative Transactions

Statistic	All transactions		Pre-Development		Grade <1,000ppm U_3O_8		Grade >1,000ppm U_3O_8	
	US$/lb	Normalised	US$/lb	Normalised	US$/lb	Normalised	US$/lb	Normalised
Count	10	10	7	7	6	6	4	4
Minimum	0.11	0.10	0.11	0.10	0.11	0.10	0.50	0.32
Maximum	1.85	1.19	1.85	1.18	1.29	1.17	1.85	1.19
Mean	0.88	0.65	0.83	0.64	0.66	0.56	1.21	0.80
Median	0.71	0.57	0.77	0.61	0.70	0.51	1.24	0.85

Statistic	All transactions		Pre-Development		Grade <1,000ppm U_3O_8		Grade >1,000ppm U_3O_8	
	US$/lb	Normalised	US$/lb	Normalised	US$/lb	Normalised	US$/lb	Normalised
Weighted Average	1.17	0.83	0.79	0.64	0.68	0.58	1.56	1.02

#Excludes Laramide acquisition of Churchrock and Crownpoint

From this analysis, it is evident that the percentage of resources classified at greater confidence than the Inferred level is not a major driver of price differences. Grade appears to be a major driver of price differences, and this carries over to development stage, in that the projects with higher grades appear more likely to be developed.

On the basis of the above analysis and our professional judgement, CSA Global has selected different valuation factors as suitable for ISL uranium resources with grades below 1,000 ppm and those with grades above 1,000 ppm (Table 15).

Table 15: CSA Global Valuation factors derived from the analysis of Comparative Transactions

Grade	Low factor (US$/lb)	High factor (US$/lb)	Preferred factor (US$/lb)
<1000ppm	0.10	0.80	0.50
>1000ppm	0.30	1.20	0.90

For resources with average grades below 1,000 ppm, the low valuation factor of US$0.10/lb is based on the minimum transaction price analysed, which represents a July 2016 transaction involving the Yanrey project in Australia. This value is similar to the value derived from the transaction involving the Centennial project in the USA in July 2013.

The preferred valuation factor of US$0.50/lb is informed by (and rounded from) the median value for these six transactions. The high valuation factor of US$0.80/lb is based on the valuer's professional judgement, informed by the difference between the measures of centrality (US$0.51/lb to US$0.58/lb) and the maximum transaction price (US$1.17/lb). CSA Global notes that the transaction with a value most similar to the chosen high factor of US$0.80/lb is the most recent transaction (May 2017), involving the Reno Creek project in the USA (US$0.91/lb).

For resources with average grades above 1,000 ppm, the low valuation factor of US$0.30/lb is informed by (and rounded from) the minimum transaction price analysed (US$0.32/lb), which represents the Boss acquisition of Honeymoon in September 2015. The high valuation factor of US$1.20/lb is informed by (and rounded from) the maximum transaction price (US$1.19/lb), which represents a transaction involving the Four Mile project in Australia in July 2015. The preferred valuation factor of US$0.90/lb is based on our professional judgement, informed by the median (US$0.85/lb) and the weighted average (US$1.02/lb), with greater emphasis placed on the median due to the effects of the large Four Mile resource (Figure 17 and Figure 18).

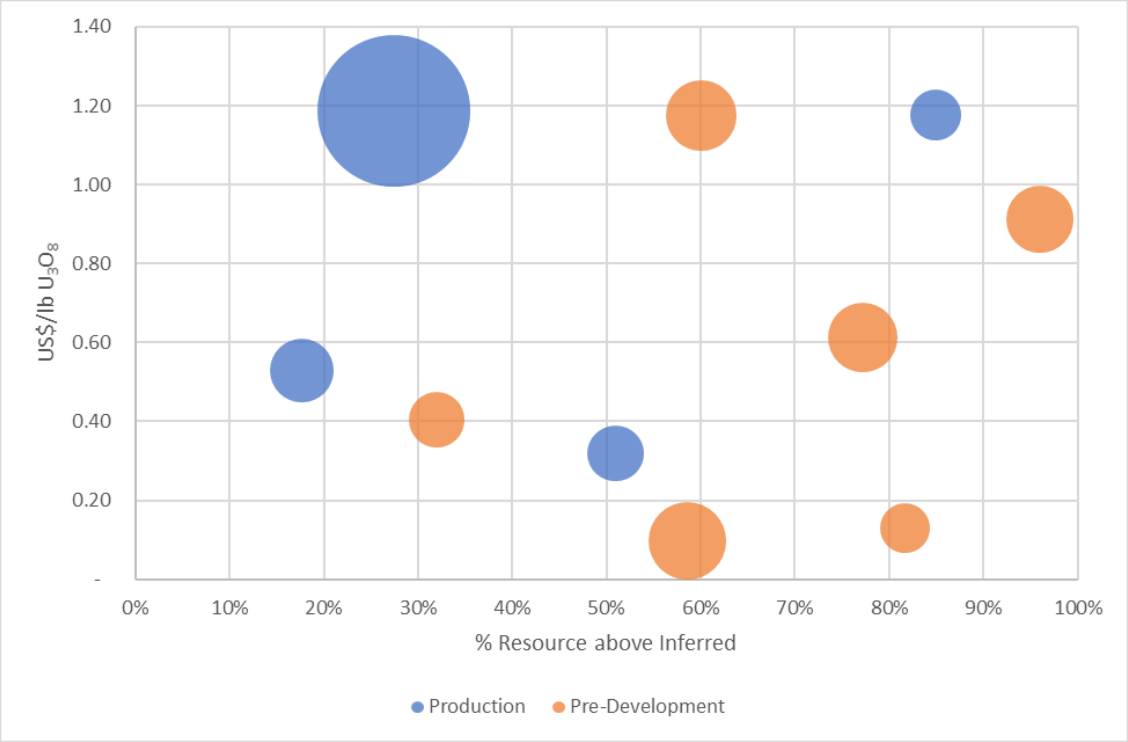


Figure 18: Comparative transactions, considering proportion of Resource classified above Inferred

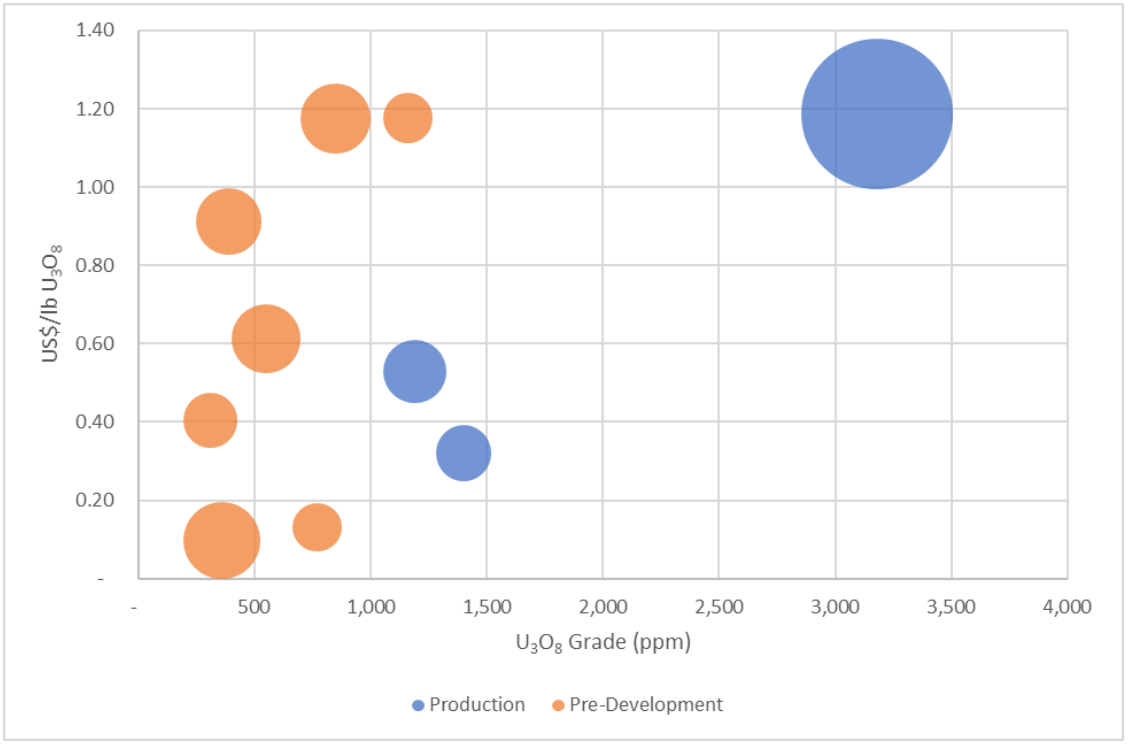


Figure 19: Comparative transactions, considering grade

Apart from the September 2015 transaction involving Honeymoon itself, CSA Global consider the transactions involving Four Mile (July 2015) and Alta Mesa (March 2016) to be particularly relevant, as they involve projects in a similar stage to Honeymoon, as well as being comparatively high-grade projects.

Four Mile was producing in the ramp up phase of production at the time of the transaction, and the transaction itself was strategic in nature, in that Quasar was consolidating its ownership of Four Mile. For

these reasons, in CSA Global's professional judgement, the current market value for Honeymoon would be lower than the transaction price achieved for Four Mile (US$1.19/lb). Therefore, a high valuation factor of US$1.20/lb is considered reasonable for the Measured and Indicated resources at Honeymoon.

Alta Mesa was a previously operating ISL operation that was in standby, ready to resume production as market conditions warranted, at the time of the transaction. Consideration for the sale was share-based with no cash component, and included a sliding royalty based on the price of uranium at the time of production. The value of the royalty was not included in the analysis of the transaction, and in CSA Global's professional judgement, the current market value for Honeymoon would likely be higher than the transaction price attributed to the Alta Mesa transaction (US$0.53/lb). This supports the choice of a preferred valuation factor of US$0.90/lb.

CSA Global notes that the grade of the Measured and Indicated Resources for the Honeymoon resources is higher than the Inferred Resources for this deposit, or for the resources defined at Gould's Dam and Jason's (Table 4).

Therefore CSA Global has used the high-grade valuation factors indicated in Table 15 in valuing the Measured and Indicated Resources at Honeymoon, and the low grade valuation factors indicated in Table 15 in valuing the Inferred resources at Honeymoon, as well as all resources at Gould's Dam and Jason's.

A summary of the valuation completed using these factors is provided in Table 16.

Table 16: Comparative Transactions Valuation

Resource	Classification	Contained U_3O_8 (Mlb)	Grade U_3O_8 (ppm)	Low (US$M)	High (US$M)	Preferred (US$M)
Honeymoon	Measured + Indicated	10.7	1531	3.2	12.8	9.6
	Inferred	16.8	640	1.7	13.4	8.4
	Total	*27.5*	*510*	*4.9*	*26.3*	*18.0*
Gould's Dam	Indicated + Inferred	25.0	510	2.5	20.0	12.5
Jason's	Inferred	10.7	790	1.1	8.6	5.4
Total		***63.2***	***660***	***8.5***	***54.8***	***35.9***

The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

Yardstick Order of Magnitude Check

CSA Global used the Yardstick method as an order of magnitude check on the Boss Resources valuation completed using comparable transactions. The Yardstick order of magnitude check is simplistic (e.g. it is very generalised and does not address project specific value drivers but takes an "industry-wide" view). It provides a non-corroborative valuation check on the primary comparative transactions valuation method, allowing CSA Global to assess the reasonableness of the derived comparative transactions valuation and whether there are any potential issues with their preferred primary valuation method.

For the Yardstick Order of Magnitude Check, CSA Global used the following commodity spot price, which is the average uranium price for November 2017: US$23.13/lb U_3O_8.

In addition, CSA Global utilised the following commonly used yardstick factors:

- Inferred Mineral Resources: 0.5% to 1% of spot price
- Indicated Mineral Resources: 1% to 2% of spot price
- Measured Mineral Resources: 2% to 5% of spot price

The average uranium price for November 2017 was used as a basic spot price for the Yardstick Order of Magnitude Check so that the results could be compared to the comparative Transactions, which were normalised to this uranium price.

A summary of the comparative Order of Magnitude Check, which are based on Yardstick Factors, is presented in Table 17.

Table 17: Yardstick crosscheck

Resource	Classification	Contained U_3O_8 (Mlbs)	Low (US$M)	High (US$M)	Preferred (US$M)
Honeymoon	Measured	6.5	3.0	7.5	5.3
	Indicated	4.2	1.0	1.9	1.5
	Inferred	16.8	1.9	3.9	2.9
	Total	*27.5*	*5.9*	*13.3*	*9.6*
Gould's Dam	Indicated	6.3	1.5	2.9	2.2
	Inferred	18.7	2.2	4.3	3.2
	Total	*25.0*	*3.6*	*7.2*	*5.4*
Jason's	Inferred	10.7	1.2	2.5	1.9
Total		***63.2***	***10.8***	***23.1***	***16.9***

The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

CSA Global notes that the Yardstick Order of Magnitude check ranges for each of the deposits falls within the valuation ranges derived from the Comparative Transactions valuation, and views this as broadly supportive of the Comparative Transactions valuation.

7.6 Valuation opinion

The basis of the valuation opinion prepared by CSA Global is Market Value, which is defined by VALMIN (2015) as "*the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion*".

In forming an opinion as to the Valuation Range and Preferred Value for the Honeymoon Project (Table 18), CSA Global exercised professional judgement and considered the valuation ranges and preferred values derived from a Discounted Cash Flow (DCF) model for the Honeymoon resource on a stand-alone basis, the Comparative Transactions method and the Yardstick Order of Magnitude crosscheck (Figure 20). Valuation summaries for the Honeymoon Resource, the Gould's Dam Resource and the Jason's Resource are provided in Figure 21, Figure 22 and Figure 23, respectively.

We used a DCF model to derive a technical value for the Honeymoon resource as a stand-alone operation, as the level of confidence in the Gould's Dam and Jason's deposits does not allow for confident cashflow modelling. Based on our professional judgement, we take the view that the asset is likely to trade at a discount to the technical value due to the number of uranium assets currently on the market. Therefore, our valuation range is more closely aligned to the value range derived from the Comparable Transactions method.

It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

Table 18: CSA Global opinion on Market Value of the Honeymoon Project as at 1 December 2017

Deposit	Low (US$M)	High (US$M)	Preferred (US$M)

Honeymoon	15	40	30
Gould's Dam	5	15	10
Jason's	1	8	4
Total	***21***	***63***	***44***

In forming our opinion, resource risk was not overtly discounted, as based on our professional judgement our view on the magnitude of the risk is that it would fall within the uncertainties implied by our valuation range. We also note that the disequilibrium risk and the density risk discussed in Section 6.1 of this report could potentially cancel each other out.

Considerations that have informed CSA Global's professional judgement on the valuation range and the preferred value within the range include the following:

- The Honeymoon Project has a positive technical value, as demonstrated by the DCF model.
- There are numerous uranium assets available on the market, which in our professional judgement is likely to restrict the value of the assets to a market dominated value, and the full value of the asset indicated by the DCF is not likely to be realised in a transaction at this time.
- CSA Global view the asset as potentially more attractive to buyers than many other assets on the market, in terms of having a comparatively high grade, being fairly advanced and technically derisked, and likely to have an operating cost profile that suggests the project is likely to generate returns, using forecast commodity prices that are not extremely optimistic.
- Therefore, we believe that the assets would attract prices towards the higher end of the market range, but in our professional judgement would not attract prices greater than the current market range.

CSA Global has therefore used our professional judgement in choosing a Preferred value towards the higher end of the Transactions range for the Honeymoon Resource and the Honeymoon Project as a whole (Figure 20 and Figure 21), as we believe there is real value, but current market sentiment is likely to favour potential buyers as there are numerous uranium assets available.

For both the Goulds Dam and the Jasons Resources, CSA Global has exercised professional judgement in choosing a Preferred value towards the midpoint of the range (Figure 22 and Figure 23), as these resources by themselves are likely to be less attractive to potential buyers, being of lower grade and at an earlier stage of development than the Honeymoon Resource.

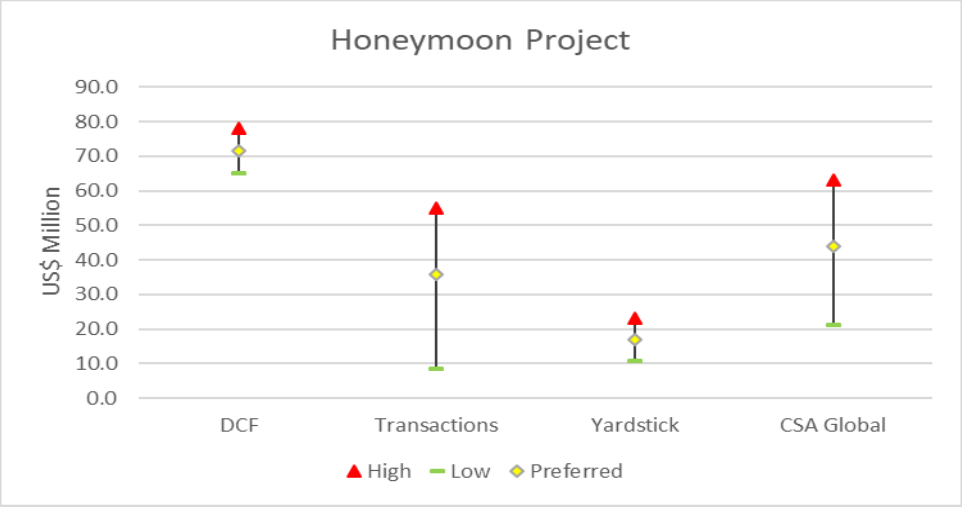


Figure 20: Valuation summary of Honeymoon Project

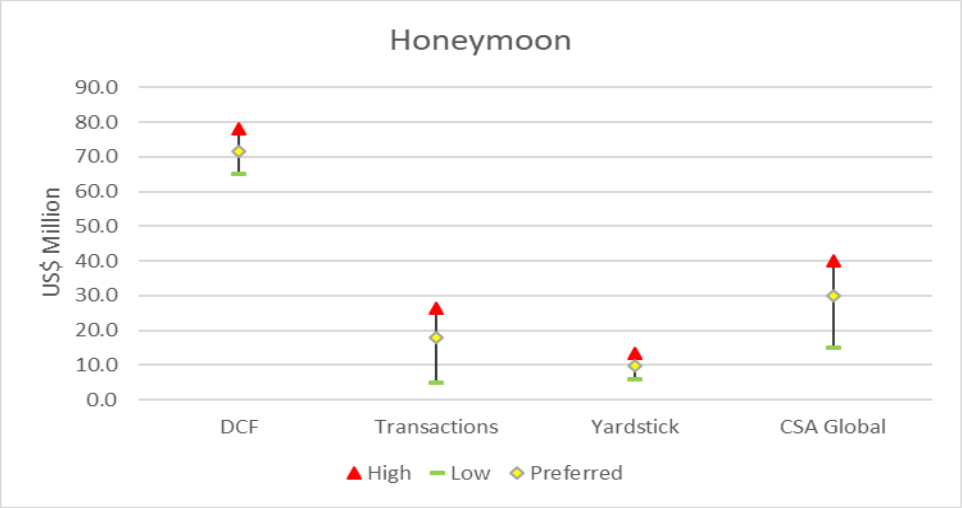


Figure 21: Valuation summary for Honeymoon Resource

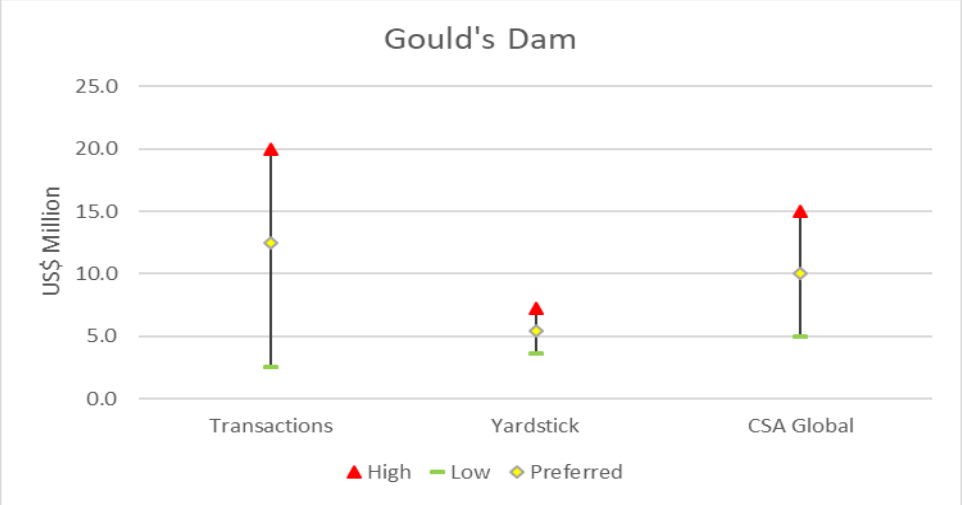


Figure 22: Valuation summary for Gould's Dam Resource

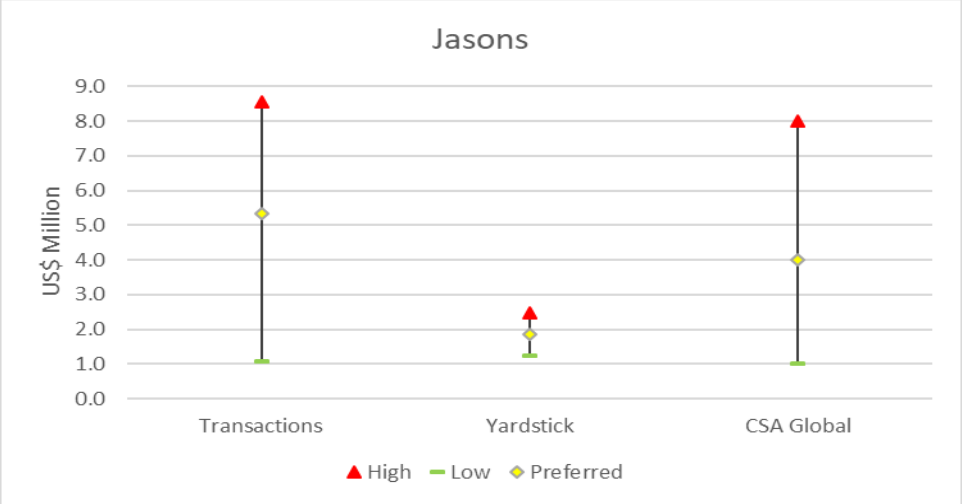


Figure 23: Valuation summary for Jason's Resource

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9 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Wikipedia www.wikipedia.org

The following entries are taken from the VALMIN Code

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Australasian means Australia, New Zealand, Papua New Guinea and their off-shore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

Corporations Act means the Australian *Corporations Act 2001* (Cth).

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Prefeasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

Information Memoranda means documents used in financing of projects detailing the project and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Member means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

Mine Design means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power and other technical requirements spanning commissioning, operation and closure so that mine planning can be undertaken.

Mine Planning includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation and closure.

Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

Mineralisation means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis or composition.

Mineral Project means any exploration, development or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

Mineral Resources is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Mining means all activities related to extraction of Minerals by any method (eg quarries, open cast, open cut, solution mining, dredging etc).

Mining Industry means the business of exploring for, extracting, processing and marketing Minerals.

Modifying Factors is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Ore Reserves is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Panel (capitalised P) is a term used to describe a unit of volume (or area) within a resource model that comprises a multiple of *selective mining units* (SMUs).

Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resource and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers. Refer to http://www.spe.org for further information.

Preliminary Feasibility Study (Prefeasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:

(a) admits members primarily on the basis of their academic qualifications and professional experience;

(b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and

(c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

Public Presentation means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade or build good will.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Royalty or Royalty Interest means the amount of benefit accruing to the royalty owner from the royalty share of production.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

Selective Mining Unit (SMU) is a defined volume within a Mineral Resource estimate block model that is the smallest volume which is likely to be individually defined (selected) as ore / waste at the time of mining.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Vendor Consideration Opinion means a Public Report involving a Valuation and expressing an opinion on the fairness of the consideration paid or benefit given to a vendor, promoter or provider of seed capital.

Code Principles means the fundamental principles of the VALMIN Code, which are Competence, Materiality and Transparency.

Commissioning Entity is the organisation, company or person that commissions a Public Report.

Competence or being **Competent** requires that the Public Report is based on work that is the responsibility of suitably qualified and experienced persons who are subject to an enforceable professional Code of Ethics. Also see Clause 3.2 for guidance on Competence.

Effective Date means the date upon which the Technical Assessment or Valuation is considered to take effect. This may be different from the Valuation Date or the date upon which an event (such as preparation, transaction or site visit) actually occurred or is recorded.

Independence or being **Independent** requires that there is no present or contingent interest in the Assets, nor is there any association with the Commissioning Entity or related parties that is likely to lead to bias. Also see Clause 0 for guidance on Independence.

Independent Expert Report means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

Materiality or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the

development, extraction and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

(a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified;

(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category;

(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken;

(d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Prefeasibility Study;

(e) **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

Practitioner is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts. Also see Clause 2 for guidance on Practitioners.

Production Target means a projection or forecast of the amount of Minerals to be extracted from particular Tenure for a period that extends past the current year and the forthcoming year.

Public Report means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

Reasonableness implies that an assessment which is impartial, rational, realistic and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a

similar Technical Assessment or Valuation. Also see Clause 4.1 for guidance on Reasonableness and Reasonableness Test.

Reasonable Grounds Requirement has the meaning referred to in sections of the Corporations Act and sections of the Australian Securities and Investments Commission Act 2001 that require statements about future matters to be based on reasonable grounds (as of the date of making the statement) or else they will be taken to be misleading.

Reasonableness Test is defined in clause 4.1(b).

Recognised Professional Organisation means any professional organisation listed on the VALMIN website as a Recognised Professional Organisation (refer to www.valmin.org/competent.asp)

Representative Specialists are persons who are the nominated representative(s) of a legally constituted body, and who supervise the preparation of a Public Report and accept responsibility for it on behalf of that body. Representative Specialists are Specialists.

Securities has the meaning as defined in the Corporations Act.

Securities Expert are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

Specialist are persons whose profession, reputation or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Specialist Report is defined in Clause 5.5.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

Value means the Market Value of a Mineral Asset. See definition of Market Value.

Appendix 1: Valuation Approaches

Valuation of Mineral Assets is not an exact science; and a number of approaches are possible, each with varying positives and negatives. While valuation is a subjective exercise, there are a number of generally accepted procedures for establishing the value of Mineral Assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience.

Background

Mineral Assets are defined in the VALMIN Code as all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.

Business valuers typically define market value as "The price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious buyer, and a knowledgeable, willing but not anxious seller acting at arm's length." The accounting criterion for a market valuation is that it is an assessment of "fair value", which is defined in the accounting standards as "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction." The VALMIN Code defines the value of a Mineral Asset as its Market Value, which is "the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value usually consists of two components, the underlying or Technical Value, and a premium or discount relating to market, strategic or other considerations. The VALMIN Code recommends that a preferred or most-likely value be selected as the most likely figure within a range after taking into account those factors which might impact on Value.

The concept of Market Value hinges upon the notion of an asset changing hands in an arm's length transaction. Market Value must therefore take into account, inter alia, market considerations, which can only be determined by reference to "comparable transactions". Generally, truly comparable transactions for Mineral Assets are difficult to identify due to the infrequency of transactions involving producing assets and/or Mineral Resources, the great diversity of mineral exploration properties, the stage to which their evaluation has progressed, perceptions of prospectivity, tenement types, the commodity involved and so on.

For exploration tenements, the notion of value is very often based on considerations unrelated to the amount of cash which might change hands in the event of an outright sale, and in fact, for the majority of tenements being valued, there is unlikely to be any "cash equivalent of some other consideration". Whilst acknowledging these limitations, CSA Global has identified what it considers to be comparable transactions that have been used in assessing the values to be attributed to the Mineral Assets.

Valuation Methods for Exploration Projects

The choice of valuation methodology applied to Mineral Assets, including exploration licences, will depend on the amount of data available and the reliability of that data.

The VALMIN Code classifies Mineral Assets into categories that represent a spectrum from areas in which mineralisation may or may not have been found through to Operating Mines which have well-defined Ore Reserves, as listed below:

- **"Early-stage Exploration Projects"** – tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **"Advanced Exploration Projects"** – tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **"Pre-Development Projects"** – tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely) but where a decision to proceed with development has not been made.
- **"Development Projects"** – tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Prefeasibility Study.
- **"Production Projects"** – tenure holdings – particularly mines, wellfields and processing plants - that have been commissioned and are in production.

Each of these different categories will require different valuation methodologies, but regardless of the technique employed, consideration must be given to the perceived "market valuation".

The Market Value of Exploration Properties and Undeveloped Mineral Resources can be determined by four general approaches: Cost; Market; Geoscience Factor or Income.

Cost

Appraised Value or Exploration Expenditure Method considers the costs and results of historical exploration.

The Appraised Value Method utilises a Multiple of Exploration Expenditure (MEE), which involves the allocation of a premium or discount to past expenditure through the use of the Prospectivity Enhancement Multiplier (PEM). This involves a factor which is directly related to the success (or failure) of the exploration completed to date, during the life of the current tenements.

Guidelines for the selection of a PEM factor have been proposed by several authors in the field of mineral asset valuation (Onley, 1994). Table 19 lists the PEM factors and criteria used in this Report.

Table 19: Prospectivity Enhancement Multiplier (PEM) factors

PEM range	Criteria
0.2-0.5	Exploration (past and present) has downgraded the tenement prospectivity, no mineralisation identified
0.5-1.0	Exploration potential has been maintained (rather than enhanced) by past and present activity from regional mapping
1.0-1.3	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity
1.3-1.5	Exploration has considerably increased the prospectivity (geological mapping, geochemical or geophysical activities)
1.5-2.0	Scout drilling (RAB, air-core, RCP) has identified interesting intersections of mineralisation
2.0-2.5	Detailed drilling has defined targets with potential economic interest
2.5-3.0	A Mineral Resource has been estimated at Inferred JORC category, no concept or scoping study has been completed
3.0-4.0	Indicated Mineral Resources have been estimated that are likely to form the basis of a Prefeasibility Study
4.0-5.0	Indicated and Measured Resources have been estimated and economic parameters are available for assessment

Market

Market Approach Method or Comparable Transactions looks at prior transactions for the property and recent arm's length transactions for comparable properties.

The Comparable Transaction method provides a useful guide where a mineral asset that is comparable in location and commodity has in the recent past been the subject of an "arm's length" transaction, for either cash or shares. For the market approach resources are not generally subdivided into their constituent JORC Code categories. The total endowment or consolidated *in situ* resources are what drives the derivation of value. Each transaction implicitly captures the specific permutation of resource categories in a project. There are too many project specific factors at play to allow any more than a consideration of price paid versus total resource base. Therefore, considering individual project resource permutations is neither practicable nor useful for this valuation approach. To that end CSA Global's discussion of the market approach is predicated on the consolidated resource base, to allow application of the method.

In an exploration joint venture or farm-in, an equity interest in a tenement or group of tenements is usually earned in exchange for spending on exploration, rather than a simple cash payment to the tenement holder. The joint venture or farm-in terms, of themselves, do not represent the Value of the tenements concerned. To determine a Value, the expenditure commitments should be discounted for time and the probability that the commitment will be met. Whilst some practitioners invoke complex assessments of the likelihood that commitments will be met, these are difficult to justify at the outset of a joint venture, and it seems more reasonable to assume a 50:50 chance that a joint venture agreement will run its term. Therefore, in analysing joint venture terms, a 50% discount may be applied to future committed exploration, which is then "grossed up" according to the interest to be earned to derive an estimate of the Value of the tenements at the time that the agreement was entered into.

Where a progressively increasing interest is to be earned in stages, it is likely that a commitment to the second or subsequent stages of expenditure will be so heavily contingent upon the results achieved during the earlier phases of exploration that assigning a probability to the subsequent stages proceeding will in most cases be meaningless. A commitment to a minimum level of expenditure before an incoming party can withdraw must reflect that party's perception of minimum value and should not be discounted. Similarly, any up-front cash payments should not be discounted.

The terms of a sale or joint venture agreement should reflect the agreed value of the tenements at the time, irrespective of transactions or historical exploration expenditure prior to that date. Hence the current Value of a tenement or tenements will be the Value implied from the terms of the most recent transaction involving it/them, plus any change in Value as a result of subsequent exploration. Where the tenements comprise applications over previously open ground, little to no exploration work has been completed and they are not subject to any dealings, it is thought reasonable to assume that they have minimal, if any Value, except perhaps, the cost to apply for, and therefore secure a prior right to the ground, unless of course there is competition for the ground and it was keenly sought after. Such tenements are unlikely to have any Value until some exploration has been completed, or a deal has been struck to sell or joint venture them, implying that a market for them exists.

High quality Mineral Assets are likely to trade at a premium over the general market. On the other hand, exploration tenements that have no defined attributes apart from interesting geology or a "good address" may well trade at a discount to the general market. Market Values for exploration tenements may also be impacted by the size of the land holding, with a large, consolidated holding in an area with good exploration potential attracting a premium due to its appeal to large companies.

Geoscience Factors

Geoscience Factor Method seeks to rank and weight geological aspects, including proximity to mines, deposits and the significance of the camp and the commodity sought.

The Geoscience Factor (or Kilburn) method, as described by Kilburn (1990), provides an approach for the technical valuation of the exploration potential of mineral properties, on which there are no defined resources.

Valuation is based upon a calculation in which the geological prospectivity, commodity markets, and mineral property markets are assessed independently. The Geoscientific Factors method is essentially a technique to define a Value based upon geological prospectivity. The method appraises a variety of mineral property characteristics:

- Location with respect to any off-property mineral occurrence of value, or favourable geological, geochemical or geophysical anomalies
- Location and nature of any mineralisation, geochemical, geological or geophysical anomaly within the property and the tenor of any mineralisation known to exist on the property being valued
- Number and relative position of anomalies on the property being valued
- Geological models appropriate to the property being valued.

The Geoscientific Factor method systematically assesses and grades these four key technical attributes of a tenement to arrive at a series of multiplier factors (Table 21).

The Basic Acquisition Cost (BAC) is an important input to the Geoscientific Factors Method and it is calculated by summing the application fees, annual rent, work required to facilitate granting (e.g. native title, environmental etc.) and statutory expenditure for a period of 12 months. Each factor is then multiplied serially by the BAC to establish the overall technical value of each mineral property. A fifth factor, the market factor, is then multiplied by the technical value to arrive at the fair market value.

The standard references on the method (Kilburn 1990, Goulevitch and Eupene 1994) do not provide much detail on how the market factor should be ascertained. CSA Global takes the approach of using the implied value range from our selected Comparable Transactions to inform the selection of a GFM market factor. Our presumption is that the comparables are capturing the market sentiment, so any other valution method should not be significantly different (order of magnitude).

This is achieved by finding the market factor that produces an average GFM preferred value per unit area for whole project (i.e. total preferred GFM value divided by the total area) that falls within the range of of the comparables implied values per unit area. It is CSA Global's view that this adequately accounts for global market factors on an empirical basis. For example if the implied value range is $100/km2 to $2000/km2, then the market factor should give an average GFM preferred value per unit area that falls within that range.

CSA Global generally would select a market factor (rounded to an appropriate number of significant digits) that gives a value closer to the upper end of the range (though this is the valuer's judgement call). This is because the GFM is a tool that addresses the exploration potential of a project and is best suited to informing the upper end of valuation ranges for a project.

Yardstick

The Rule-of-Thumb (Yardstick) Method is relevant to exploration properties where some data on tonnage and grade exist may be valued by methods that employ the concept of an arbitrarily ascribed current *in situ* net value to any Ore Reserves (or Mineral Resources) outlined within the tenement (Lawrence 2001, 2012).

Rules-of-Thumb (Yardstick) Methods are commonly used where a Mineral Resource remains is in the Inferred category and available technical/economic information is limited. This approach ascribes a heavily discounted *in situ* value to the Resources, based upon a subjective estimate of the future profit or net value (say per tonne of ore) to derive a rule-of-thumb.

This Yardstick multiplier factor applied to the Resources delineated (depending upon category) varies depending on the commodity. Typically, a range from 0.4% to 3% is used for base metals and PGM, whereas for gold and diamonds a range of 2% to 4.5% is used. The method estimates the *in situ* gross metal content value of the mineralisation delineated (using the spot metal price and appropriate metal equivalents for polymetallic mineralisation as at the valuation date).

The chosen percentage is based upon the valuer's risk assessment of the assigned JORC Code's Mineral Resource category, the commodity's likely extraction and treatment costs, availability/proximity of transport and other infrastructure (particularly a suitable processing facility), physiography and maturity of the mineral field, as well as the depth of the potential mining operation.

Income

The Income Approach is relevant to exploration properties on which undeveloped Mineral Resources have been identified by drilling. Value can be derived with a reasonable degree of confidence by forecasting the cash flows that would accrue from mining the deposit, discounting to the present day and determining a net present value (NPV).

The Income Approach is not appropriate for properties without Mineral Resources.

Valuation Approaches by Asset Stage

Regardless of the technical application of various valuation methods and guidelines, the valuer should strive to adequately reflect the carefully considered risks and potentials of the various projects in the valuation ranges and the preferred values, with the overriding objective of determining the "fair market value".

Table 20 below shows the valuation approaches that are generally considered appropriate to apply to each type of mineral property.

Table 20: Valuation approaches for different types of mineral properties (VALMIN, 2015)

Valuation approach	Exploration properties	Mineral Resource properties	Development properties	Production properties
Income	No	In some cases	Yes	Yes
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases	No	No

Table 21: Geoscientific Factor Ranking

Rating	Address/Off-property factor	On-property factor	Anomaly factor	Geological factor
0.5	Very little chance of mineralisation; Concept unsuitable to the environment	Very little chance of mineralisation; Concept unsuitable to the environment	Extensive previous exploration with poor results	Generally unfavourable lithology; No alteration of interest
1	Exploration model support; Indications of prospectivity; Concept validated	Exploration model support; Indications of Prospectivity; Concept validated	Extensive previous exploration with encouraging results; Regional targets	Deep cover; Generally favourable lithology/alteration (70%)
1.5	Recon (RAB/AC) drilling with some scattered favourable results; Minor workings	Exploratory sampling with encouragement	Several early stage targets outlined from geochemistry and geophysics	Shallow cover; Generally favourable lithology/alteration 50-60%
2	Several old workings; Significant RCP drilling leading to advanced project	Several old workings; Recon drilling or RCP drilling with encouraging intersections	Several well-defined targets supported by recon drilling data	Exposed favourable; Lithology/alteration
2.5	Abundant workings; Grid drilling with encouraging results on adjacent sections	Abundant workings; Core drilling after RCP with encouragement	Several well-defined targets with encouraging drilling results	Strongly favourable lithology, alteration
3	Mineral Resource areas defined	Advanced Res Def. drilling (early stages)	Several significant sub-economic targets; No indication of 'size'	Generally favourable lithology with structures along strike of a major mine; Very prospective geology
3.5	Abundant Workings/mines with significant historical production; Adjacent to known mineralisation at PFS stage	Abundant workings/mines with significant historical production; Mineral Resource areas defined	Several significant sub-economic targets; Potential for significant 'size'; Early stage drilling	
4	Along strike or adjacent to Resources at DFS stage	Adjacent to known mineralisation at PFS stage	Marginally economic targets of significant 'size' advanced drilling	
4.5	Adjacent to development stage project	Along strike or adjacent to Resources at DFS stage	Marginal economic targets of significant 'size' with well drilled Inferred Resources	
5	Along strike from operating major mine(s)	Adjacent to development stage project	Several significant ore grade co-relatable intersections	

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Appendix 2: Comparable Transactions

Table 22: Comparative Transactions involving sandstone-hosted ISL uranium projects

Transaction	Project	Country	Date announced	U3O8 Price	Buyer	Seller	Equity	Synopsis	Comment
UEC acquisition of Reno Creek	Reno Creek	USA	May-17	19.60	Uranium Energy Corp	Pacific Road Resources Funds	100%	In May 2017, UEC announced an agreement with Pacific Road Resources Funds to acquire all of the issued and outstanding shares of Reno Creek Holdings Inc. which holds a 100% interest in the Reno Creek in-situ recovery project. UEC would issue 14 million shares and 11 million warrants, as well as a 0.5% net profits interest royalty capped at US$2.5M for PRRF's 97.27% interest. UEC would also acquire the remaining 2.73% interest held by Bayswater Uranium Corporation for pro-rated consideration identical to that issued to PRRF. In July 2017, the agreement was amended such taht total consideration for the 100% interest would be 14.98 million shares, 11.31 million warrants and US$909,930 in cash, in addition to the 0.5% NPI royalty capped at U$2.5 million.	
MGT proposed acquisition of Manyingee	Manyingee	Australia	Jul-16	25.45	MGT Resources Ltd	Paladin Energy Limited	30%	MGT agreed to acquire an initial 30% interest in Manyingee for US$10M cash, and to form a joint venture over the project with Paladin. MGT would then have the option to acquire an additional 45% of the Manyingee JV from Paladin for US$20M cash, exercisable for 12 months following Manyingee JV's preparation of a plan to conduct a field leach trial for uranium extraction by in-situ recovery method	Deal terminated before it could be finalised, as it could not be financed.
Cape Lambert acquisition of Cauldron interest	Yanrey	Australia	Jul-16	25.45	Cape Lambert Resources Limited	Undisclosed seller	3%	In July 2016, Cape Lambert paid A$142,475 in cash to acquire an additional 3.3% interest in Cauldron from an undisclosed seller, in an off-market acquisition, with the shares subject to a 6 month escrow period. This took Cape Lambert's interest in Cauldron to 18.21%.	Assumes all value attributable to Resource, with negligible value to exploration projects
Boss acquisition of Honeymoon	Honeymoon	Australia	Sep-15	36.38	Boss Resources Limited	Uranium One Inc	100%	In September 2015, Boss entered into an agreement to acquire 100% of the issued share capital of Uranium One Australia which owns the Honeymoon Uranium Project. The consideration included a $200,000 site access fee, an initial cash payment of $2.442M, $3M under a promissory note repayable within 24 months of completion, and $4M under a promissory note issued and repayable within 48 months of completion. Contingent payment also included $2M payable in cash and/or shares upon the later of restart of the operations with commercial production or 5 years of completion, and 10% of the net operating cash flow of the Honeymoon Project payable annually up to a maximum of $3M.	
Quasar consolidation of Four Mile	Four Mile	Australia	Jul-15	35.50	Quasar Resources Pty Ltd	Alliance Resources Limited	25%	In July 2015, Alliance announced that it had accepted Quasar's revised purchase offer of A$73.975M for the remaining 25% stake in the Four Mile Uranium Project.	Strategic consolidation of project ownership
Paladin acquisition of Carley Bore	Carley Bore	Australia	Jun-15	36.38	Paladin Energy Limited	Energia Minerals Limited	100%	In June 2015, Paladin paid A$1.6 million in cash and issued 40 million shares to acquire a 100% interest in the Carley Bore project from Energia.	
Azarga acquisition of Centennial	Centennial	USA	Jul-13	34.75	Azarga Resources Ltd	Powertech Uranium Corp	60%	In July 2013, Azarga Resources entered into a property purchase transaction wth Powertech whereby Azarga could purchase an initial 60% interest in the Centennial project by making staged payments of $1.5 million over two years.	
Laramide acquisition of Churchrock and Crownpoint	Churchrock, Crownpoint	USA	Apr-16	27.50	Laramide Resources Limited	Uranium Resources, Inc.	100%	In April 2016, Laramide agreed to acquire the Churchrock and Crownpoint properties from Uranium Resources for C$5.25M in cash and a promissory note for US$7.25M, with a three-year term, secured by a deed of trust or mortgage over the assets. On closing in January 2017, the consideration had been amended to US$2.5M in cash, 2.2M share units, a promissory note for US$5M payable in three years, and a net smelter royalty valued at US$4.5M.	Excluded. Resource was considered historic and Non-compliant by acquirer.
Energy Fuels acquisition of Alta Mesa	Alta Mesa	USA	Mar-16	28.70	Energy Fuels Holdings Corp.	Investor Group	100%	In March 2016, Energy Fuels agreed to acquire Alta Mesa from an investor group for 4.5M shares and a sliding royalty based on the price of uranium at the time of production.	Previously operating mine that was in standby, ready to resume production, as market conditions warrant.

Uranium Industry acquisition of Gurvan Saihan	Gurvan Saihan	Mongolia	Jul-15	35.50	Denison Mines Corp.	Uranium Industry a.s.	85%	In July 201, Uranium Industry acquired an 85% interest in Gurvan Saihan from Denison for US$20M.	
Uranium Resources acquisition of Anatolia Energy	Temrezli	Turkey	Jun-15	36.38	Uranium Resources, Inc.	Anatolia Energy Limited	100%	In June 2015, Uranium Resources and Anatolia announced a merger, whereby Uranium Resources would issue 0.06579 shares for every 1 Anatolia share.	

Data sourced from S&P Market Intelligence and relevant company releases

Table 23: Analysis of transactions involving sandstone-hosted ISL uranium projects

Transaction	Project	Country	Date announced	U_3O_8 Price	Asset Description	Stage	Tons (Mt)	Grade (ppm)	Contained (Mlb)	% above Inferred	Implied $/lb	Normalised $/lb	Comment
UEC acquisition of Reno Creek	Reno Creek	USA	May-17	19.60	The Reno-Creek in-situ recovery project is a fully permitted project located in the Powder River Basin, Wyoming, with a Measured and Indicated resource of 21.98 Mlbs U_3O_8 and an Inferred resource of 0.93 Mlbs U_3O_8.. Wyoming is described as a uranium mining-friendly state, and the project had a positive PFS completed in 2014.	Pre-Development	26.5	390	22.9	96%	0.77	0.91	
MGT proposed acquisition of Manyingee	Manyingee	Australia	Jul-16	25.45	The property comprises three mining leases covering 1,307 hectares. The deposit contains 15.6Mlbs Indicated Mineral Resources and 4.7Mlbs Inferred Mineral Resources at a 450ppm U_3O_8 cutoff.	Pre-Development	13.8	850	25.8	60%	1.29	1.17	Deal terminated before it could be finalised, as it could not be financed.
Cape Lambert acquisition of Cauldron interest	Yanrey	Australia	Jul-16	25.45	Cauldron held a portfolio of early stage uranium exploration projects, as well as the Yanrey-Bennet Well uranium deposit in Australia, which had a Indicated and Inferred Resource of 30.9 Mlbs of U_3O_8.	Pre-Development	38.9	360	30.9	59%	0.11	0.10	Assumes all value attributable to Resource, with negligible value to exploration projects
Boss acquisition of Honeymoon	Honeymoon	Australia	Sep-15	36.38	The Honeymoon Uranium Project consists of 1 granted Mining Lease, 5 granted Exploration Licences, 8 Retention Leases and 2 Miscellaneous Purpose Licences. The Honeymoon mining infrastructure is located on ML6109 and hosts a high grade ISL Mineral Resource (1.44Mt @ 0.21% U_3O_8), having produced some 335t of U_3O_8 from 2011 to 2012. Total resources for the project, hosted in the Honeymoon, Brooks Dam and East Kalkaroo deposits, is 5.29 Mt @ 0.14% U_3O_8 for 16.57 Mlbs U_3O_8.	Production	5.3	1400	16.6	51%	0.50	0.32	
Quasar consolidation of Four Mile	Four Mile	Australia	Jul-15	35.50	Four Mile was an operating in-situ leach uranium mine in the ramp-up phase of production.	Production	17.2	3180	120.4	27%	1.82	1.19	Strategic consolidation of project ownership
Paladin acquisition of Carley Bore	Carley Bore	Australia	Jun-15	36.38	The Carley Bore deposit contains an Indicated Resource of 5.0 Mlbs U_3O_8 grading 420ppm and an Inferred Resource of 10.6 Mlbs U_3O_8 grading 280ppm.	Pre-Development	22.8	310	15.6	32%	0.64	0.40	
Azarga acquisition of Centennial	Centennial	USA	Jul-13	34.75	The Centennial Project in Colorado, USA, had Indicated resources totalling 12.7 Mlbs U_3O_8 grading 770ppm.	Pre-Development	7.5	770	12.7	82%	0.20	0.13	
Laramide acquisition of Churchrock and Crownpoint	Churchrock, Crownpoint	USA	Apr-16	27.50	The Churchrock Project had a non-current Measured and Indicated Resource of 11.8Mt at 0.12% U_3O_8 for 29.9 Mlbs, and the Crownpoint Project had a non-current Inferred resource base of 14.8Mt at 0.16% U_3O_8 for 53.0 Mlbs.	Pre-Development	26.6	1,411	82.8	0%	0.10	0.08	Excluded. Resource was considered historic and Non-compliant by acquirer
Energy Fuels acquisition of Alta Mesa	Alta Mesa	USA	Mar-16	28.70	The Alta Mesa project comprised a uranium ISR operation that was in standby, ready to resume production. It had a resource of 20.4 Mlbs U_3O_8.	Production	7.8	1190	20.4	18%	0.66	0.53	Previously operating mine that was in standby, ready to resume production, as market conditions warrant.
Uranium Industry acquisition of Gurvan Saihan	Gurvan Saihan	Mongolia	Jul-15	35.50	The Gurhan Saivan project in Mongolia had a resource base of 20.8 Mt at a grade of 0.06% U_3O_8 for 25.0 Mlbs U_3O_8	Pre-Development	20.8	550	25.0	77%	0.94	0.61	
Uranium Resources acquisition of Anatolia Energy	Temrezli	Turkey	Jun-15	36.38	The Temrezli deposit in Turkey had a resource base of 13.3 Mlbs at a grade of 0.12% U_3O_8, with 85% of the resource classified above the Inferred category.	Pre-Development	5.2	1160	13.3	85%	1.85	1.18	

Data sourced from S&P Market Intelligence and relevant company releases



Australia • Canada • Indonesia • Russia
Singapore • South Africa • United Kingdom

csaglobal.com

Boss Resources Limited

ACN 116 834 336

PROXY FORM

The Company Secretary
Oonagh Malone

By delivery:	***By post:***	***By facsimile:***
Suite 23, 513 Hay St Subiaco, WA 6008	PO Box 1311 Subiaco, WA 6904	+61 8 9388 8824

Name of Shareholder:	
Address of Shareholder:	
Number of Shares entitled to vote:	

Please mark ☒ to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Step 1 - Appoint a Proxy to Vote on Your Behalf

The Chairman of the Meeting (mark box) ☐ **OR** if you are **NOT** appointing the Chairman as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Meeting of the Company to be held at 10.00am (WST) on Wednesday, 28 February 2018, at the offices of the Company at Suite 23, 513 Hay Street, Subiaco, Western Australia and at any adjournment or postponement of that Meeting.

Important – If the Chairman is your proxy or is appointed as your proxy by default

The Chairman intends to vote all available proxies in favour of Resolution 1. If the Chairman is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolution 1, you will be expressly authorising the Chairman to vote in accordance with the Chairman's voting intentions on Resolution 1.

Step 2 - Instructions as to Voting on Resolution

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	**Against**	**Abstain**
Resolution 1	Approval of the Acquisition of Wattle Mining Pty Ltd	☐	☐	☐

The Chairman intends to vote all available proxies in favour of the Resolution. In exceptional circumstances, the Chairman may change his voting intent on the Resolution, in which case an ASX announcement will be made.

SAMPLE ONLY

Authorised signature/s

This section ***must*** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary
Contact Name	Contact Daytime Telephone	Date

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding:	where the holding is in more than one name all of the holders must sign.
Power of Attorney:	if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.
Companies:	a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received at the Perth office of the Company (Suite 23, 513 Hay Street, Subiaco WA 6008 or 08 9388 8824 if faxed from within Australia or +618 9388 8824 if faxed from outside Australia or by email at admin@bossresources.com.au) not less than 48 hours prior to the time of commencement of the Meeting (WST).

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