

Financial Report 2014

ABN 38 116 834 336

BOSS RESOURCES LIMITED

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Corporate Directory

DIRECTORS	Mr Evan Cranston	Non-Executive Chairman
	Dr Marat Abzalov	Executive Director - Geology
	Mr Peter Williams	Technical Director
	Mr Thomas Gladwin-Grove	Non-Executive Director
COMPANY SECRETARY	Ms Oonagh Malone	
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SOLICITORS TO THE COMPANY	Bellanhouse Legal Suite 1, 6 Richardson Street West Perth WA 6005	
AUDITORS	RSM Bird Cameron Partners 8 St Georges Terrace Perth WA 6000	
STOCK EXCHANGE	Australian Securities Exchange Level 40, Central Park 152-158 St Georges Tce Perth WA 6000 ASX Code: BOE	
SHARE REGISTRY	Security Transfer Registrars 770 Canning Highway Applecross WA 6153 Ph: +61 8 9315 2333	

Directors' Report

Your Directors present their report on the Group for the year ended 30 June 2014.

Directors

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

Mr Evan Cranston	Non-Executive Chairman
Dr Marat Abzalov	Executive Director – Geology (appointed 2 April 2014)
Mr Peter Williams	Technical Director (appointed 20 August 2013)
Mr Thomas Gladwin-Grove	Non-Executive Director
Ms Oonagh Malone	Non-Executive Director (appointed 24 July 2013; resigned 20 August 2013)
Mr Leigh Ryan	Managing Director (resigned 24 July 2013)

INFORMATION ON CURRENT DIRECTORS

Mr Evan Cranston (BComm, LLB) Non-Executive Chairman
Appointed 2 May 2012

Mr Cranston is a corporate lawyer specialising in corporate and mining law. He holds a Bachelor of Commerce and Bachelor of Laws from the University of Western Australia and was admitted as a barrister and solicitor of the Supreme Court of Western Australia.

Mr Cranston has broad experience in the areas of capital raisings, initial public offerings, tenement acquisition agreements, mineral rights agreements, joint ventures, mergers and acquisitions, corporate governance, the ASX listing rules and the Corporations Act.

Mr Cranston is currently an executive director of ASX listed Attila Resources and non-executive director of ASX listed companies, Carbine Resources Limited and Cradle Resources Limited. Mr Cranston was an executive director of Ampella Mining Limited to 2 April 2012.

Mr Cranston holds a relevant interest of nil shares and 15,000,000 unlisted options in the Company.

Dr Marat Abzalov Executive Director - Geology
Appointed 2 April 2014

Dr Abzalov has managed and consulted to a wide range of mining projects including government run projects, technical reviews and detailed studies from scoping to bankable feasibility. He has a solid expertise in all aspects of ore body knowledge with an emphasis on geostatistical resource estimation, samples quality assurance / control and geological / mathematical 3D modelling. His exploration experience includes management and technical support to exploration activities in both brownfields and greenfields projects. In brownfields exploration, using advance 3D visualisation of geological data and applying new 3D modelling and visualisation methodologies, Dr Abzalov built a predictive exploration model of the Olympic Dam deposit which led to the discovery of significant new resources in 2003. He also built a predictive exploration model of Cliff's Ni-S brownfields project in Western Australia which led

Directors' Report continued

to the discovery of a high grade zone turning the deposit to an economically viable mining project. In greenfields exploration, he has managed the search programs for deep or covered deposits using innovative targeting tools, including specialised geochemical datasets and applying quality 3D geological interpretation and visualisation. His geological analysis and exploration targeting has led to the generation of highly prospective exploration projects in Far East Russia, the Stans and Eastern Europe.

Other than Boss Resources Limited, over the past three years Dr Abzalov has not held any directorships with ASX listed companies.

Dr Abzalov holds no relevant interest in shares of the Company.

Mr Peter Williams Technical Director
Appointed 20 August 2013

Mr Williams was formerly Chief Geophysicist and Manager of Geoscience Technology for WMC Resources. He was one of the founding members of Independence Group Limited and developed high powered 3 component 3D TEM applications that lead to the discovery of over 75,000t of nickel at the Victor Long Nickel Mine in Kambalda. Mr Williams also has extensive experience in West Africa where he was the vendor of Gryphon Minerals' Banfora Gold Project, was involved in the project generation of Papillion's Mali projects and was a founding director of Ampella Mining Ltd. He was a co-founder of the International Resource Sector Intelligence company, Intierra and was a co-founder of the first dedicated hard rock mineral seismic company in the world, HiSeis.

Other than Boss Resources Limited, over the past three years Mr Williams has not held any directorships with ASX listed companies.

Mr Williams holds a relevant interest in 24,172,647 shares of the Company. Mr Williams is a director of Newgenco Pty Ltd, a company with which Boss Resources has entered into two joint venture agreements and a technical services agreement.

Mr Thomas Gladwin-Grove Non-Executive Director
Appointed 8 October 2009

Mr Grove has experience as a private equity adviser and has been involved in raising finance for a number of companies. He has been a director of I-Trade, a web based worldwide commodity trading platform, since 2006.

Other than Boss Resources Limited, over the past three years Mr Grove has not held any directorships with ASX listed companies.

Mr Grove holds a relevant interest in 3,352,500 shares and 3,000,000 unlisted options of the Company.

Ms Oonagh Malone Company Secretary
Appointed 30 November 2012

Ms Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. She has over 5 years' experience in administrative support roles for listed exploration companies and is a member of the Governance Institute of Australia. She is currently company secretary to ASX-listed companies Attila Resources Ltd and Carbine Resources Ltd.

Ms Malone holds a relevant interest in 700,000 shares of the Company.

Directors' Report continued

Meetings of Directors

During the financial year, three meetings of Directors (including committees of Directors) were held and two circular resolutions signed. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Dr Marat Abzalov	-	-
Mr Evan Cranston	3	3
Mr Thomas Gladwin-Grove	3	3
Ms Oonagh Malone	1	1
Mr Leigh Ryan	-	-
Mr Peter Williams	2	2

Dividends Paid or Recommended

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

Principal Activities

The principal activities of the Group during the financial year were the exploration of its nickel / copper projects in Finland and Sweden and its gold interests in Burkina Faso. The Company continues to pursue the maximisation of its investments and the seeking of complementary projects to the ultimate benefit of its shareholders as evidenced by its change in strategy with the acquisition of the Liakka and Skogtrask Nickel-Copper Projects in Finland and Sweden respectively and the joint venturing of its Burkina Faso interests with Gryphon Minerals Ltd.

There were no significant changes in the nature of the Group's principal activities during the financial year other than the relinquishment of its oil shale project at Latrobe, Tasmania.

Review of Operations

Scandinavian Projects

- New exploration strategy with initial focus on underexplored resource rich European mineralised belts utilising modern direct detection geophysical technologies.
- Right to acquire up to 100% of 2 exciting nickel and copper projects in the highly prospective Fennoscandian shield with known disseminated mineralisation and completely open at depth – Liakka in northern Finland and Skogtrask in Sweden.
- Skogtrask Project
  - 11 strong bedrock conductors identified by TEM surveys demonstrating highly prospective project with excellent exploration targets.
  - 2 hole drill program completed in July 2014 intersecting disseminated and stringer sulphide mineralisation.
  - Mineralisation in one hole averaging 20.3m @ 0.3% Ni, 0.2% Cu and 0.02% Co, with nickel grades up to 1.96% (via XRF spot measurements).

Directors' Report continued

- Follow up drill programs to be undertaken.

- Liakka Project:
  - Completion of ground magnetics and TEM and further historical data found.
  - Two 600-700m long conductors have been identified with potential to extend known shallow disseminated sulphide mineralization at depth.
  - Conductor indicates potential extension to mineralisation to the north of the historical drilling which included:
    - 27.3m @ 0.7% Cu, 0.3% Ni, 177 ppm Co, from 47.2 m down hole depth Incl. 10.3m @ 1% Cu, 0.5% Ni, 219 ppm Co
    - 6m @ 0.8% Cu, 0.5% Ni, 225 ppm Co, 0.4 ppm Au from 23.8 m down hole depth
    - 11.3m @ 0.8% Cu, 0.2% Ni, 130 ppm Co, 0.22 ppm Au from 33.9 m down hole depth
  - A sub-parallel conductive zone of similar dimension is also mapped to the immediate east.
  - Only one historic hole drilled which intersected a thin intercept of a similar style of mineralisation:
    - 1.7 m @ 0.3% Cu, 0.2% Ni, 160 ppm Co, 0.1 ppm Au from 55.6m
  - A drill program is currently being planned and ground access approval sought.

Burkina Faso Gold Projects

During the year, the Company entered into a joint venture with ASX-listed explorer, Gryphon Minerals Ltd, with respect to the Gourma, Golden Hill and Tenkodogo Projects. During the period of technical due diligence, Gryphon conducted detailed drainage sediment sampling programs, soil and laterite sampling over all Projects. Gryphon has committed to meet the 2 years of minimum expenditure to earn a 51% interest in each Project.

Latrobe Oil Shale Project

The Latrobe Oil Shale Project was relinquished by the Company during the year.

Operating Results

The loss of the Group for the year ended 30 June 2014 after providing for income tax amounted to $2,125,287 (2013: loss of $13,449,688).

Financial Position

The net assets of the Group are $7,388,632 as at 30 June 2014 (2013: $8,033,815).

Significant Changes in State of Affairs

- On 24 July 2013, Leigh Ryan resigned from his position as Managing Director of Boss Resources Limited. To ensure compliance with Australian legal requirements, Oonagh Malone was appointed as interim Non-Executive Director.

- On 20 August 2013, the Company announced that it had entered into two joint venture agreements with Newgenco Pty Ltd over the Liakka and Skogtrask Copper-Nickel Projects located in Finland and

Directors' Report continued

Sweden respectively. Under each agreement, the Company committed to a minimum exploration spend of $80,000 in the first year and to free carry the vendors to completion of bankable feasibility studies for each project to secure an 80% interest. The Company also agreed to reimbursement of $20,000 in expenses and to issue 7.5 million shares at a deemed price of $0.008 per share to the vendors.

- On 20 August 2013, Peter Williams was appointed to the position of Technical Director of the Company and Oonagh Malone resigned from the position of Non-Executive Director.

- On 29 August 2013, the Company issued 7.5 million shares to the vendors of the Liakka and Skogtrask Copper-Nickel Projects at a deemed issue price of $0.008 each pursuant to two joint venture agreements.

- On 16 September 2013, the Company lodged a prospectus with ASIC to raise approximately $1 million before costs by way of a 1 for 4 non-renounceable rights issue at $0.01 per share up to 99,468,295 shares.

- On 22 October 2013, the Company issued 57,570,882 shares at $0.01 per share pursuant to a 1 for non-renounceable rights issue.

- On 30 December 2013, the Company issued 41,897,413 shortfall shares at $0.01 per share pursuant to a 1 for 4 non-renounceable rights issue and a further 32,250,000 shares at $0.01 per share to sophisticated investors.

- On 5 March 2014, the Company signed a binding heads of agreement (subject to legal due diligence) with Gryphon Minerals Ltd to establish a joint venture over the Company's gold assets in Burkina Faso. Under the terms of the agreement, Gryphon Minerals Ltd can earn up to 80% of the assets by sole funding exploration up to the completion of a definitive feasibility study and decision to mine. Gryphon shall meet two years minimum expenditure commitments on the permits to earn 51% on the joint venture with delivery of definitive feasibility study increasing the interest to 70%. Gryphon Minerals Ltd has the right to acquire an additional 10% in the JV for $2.5 million. Upon completion of a definitive feasibility study but prior to a decision to mine, the Company may elect to convert the remainder of their interest to a 1.5% net smelter royalty, otherwise the Company shall be free carried to a decision to mine and will then be required to contribute on a pro rata basis.

- On 19 March 2014, the Company issued 17,750,000 shares at $0.01 per share to sophisticated investors.

- On 2 April 2014, Dr Marat Abzalov was appointed to the position of Executive Director – Geology of the Company.

- During the year, 50,100,001 unlisted options lapsed or expired without being exercised.

After Balance Date Events

- On 4 July 2014, the Company executed definitive earn-in agreements and an equipment sales agreement with Gryphon Minerals Ltd with respect to the Company's Burkina Faso gold assets on the terms contemplated in the binding heads of agreement signed on 5 March 2014.

Other than disclosed above, between the end of the financial year and the date of this report there are no items, transactions or events of a material or unusual nature likely, in the opinion of the directors, to affect

Directors' Report continued

significantly, the results of those operations, or the state of affairs of the Group in future financial years that require disclosure.

Future Developments, Prospects and Business Strategies

Further developments and business strategies are dependent upon the success of exploration work in Burkina Faso, Finland and Sweden and the Group's ability to identify and acquire suitable complementary resource projects.

Environmental Issues

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

Options

At the date of this report there were 28,500,000 unlisted options on issue as follows:

- 9,500,000 options expiring 10 August 2015 exercisable at 11 cents each;
- 9,500,000 options expiring 10 August 2015 exercisable at 13 cents each; and
- 9,500,000 options expiring 10 August 2015 exercisable at 15 cents each.

During the year, no options were exercised. During the year, 50,100,001 unlisted options lapsed or expired without being exercised.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of these proceedings.

The Group was not a party to any such proceedings during the year.

Indemnifying Officers or Auditor

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

Non-audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 20 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Directors' Report continued

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

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2014, as required under section 307C of the Corporations Act 2001, has been received and is included within the financial report.

REMUNERATION REPORT - AUDITED

Remuneration policy

In determining competitive remuneration rates, the Board seeks independent advice on local and international trends among comparative companies and industry generally.

Independent advice may be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

Performance-based remuneration

The Board recognises that Boss Resources Limited operates in a global environment. To prosper in this environment it we must attract, motivate and retain key executive staff.

The principles supporting the remuneration policy are that:

- reward reflects the competitive global market in which the Company operates;
- rewards to executives are linked to creating value for shareholders;
- remuneration arrangements are equitable and facilitate the development of senior management across the Company; and
- where appropriate, senior managers receive a component of their remuneration in equity to align their interests with those of the shareholders.

Market Comparisons

Consistent with attracting and retaining talented executives, the Board endorses the use of incentive and bonus payments. The Board continues to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the Company's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the committee to reward key employees when they deliver consistently high performance.

Directors' Report continued

Board Remuneration

The Board determines actual payments to Directors and reviews their remuneration annually based on independent external advice with regard to market practice, relativities, and the duties and accountabilities of directors. A review of Directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits.

Directors' Fees

Executive

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders.

The Board ensures that executive reward satisfies the following key criteria for good reward corporate governance practices:

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

The Company has structured an executive framework that is market competitive and complementary to the reward strategy for the organisation.

The Board's policy for determining the nature and amount of remuneration for Board members and executives of the Company is as follows:

- The remuneration policy, setting the terms and conditions for executive directors and executives, was developed and approved by the Board. All executives receive a fee, part of which may be taken as superannuation, and from time to time, options. Options issued to Directors are subject to approval by Shareholders. The Board reviews executive packages regularly by reference to the Company's performance, executives' performance and comparable information from industry sectors and other listed companies in similar industries. The Board may in its discretion establish a performance based bonus system to provide reward in addition to the base salary level to the executives on such terms as the Board may determine.
- Salaried executive directors and specified executives are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation.
- All remuneration paid to directors and specified executives is valued at the cost to the Company and expensed. Options are valued using either the ASX trading price (for listed options issued) or the Black-Scholes methodology (for unlisted options issued).

Directors' Report continued

Service Agreements

A summary of the current service agreements entered into with Executive Directors is set out below:

Executive Director	Term of Agreement	Base salary per annum including any superannuation* (Non-performance based)	Termination Conditions	Proportion of elements of remuneration related to performance
Dr Marat Abzalov	No specified term	$120,000	1 month notice period	-
Mr Peter Williams	No specified term	$135,000	3 month notice period	-

* Base salary quoted is the position as at 30 June 2014; salaries are reviewed annually.

Non-Executive Remuneration

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

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

All Directors are entitled to have their indemnity insurance paid by the Company.

Bonus or Profit Participation Plan

Performance incentives may be offered to executive directors and senior management of the Company through the operation of a bonus or profit participation plan at the ultimate discretion of the Board.

Details of remuneration for year ended 30 June 2014

	Salary, Fees and Commissions $	Super-annuation Contribution $	Non-cash Benefits $	Share-based payments $	Total $	Performance related %
Key Management Person						
Dr Marat Abzalov [1]	27,460	2,540	-	-	30,000	-
Mr Evan Cranston	30,000	-	-	-	30,000	-
Mr Thomas Gladwin-Grove	30,000	-	-	-	30,000	-
Ms Oonagh Malone [2]	24,000	-	-	-	24,000	-
Mr Leigh Ryan [3]	11,663	1,551	-	-	13,214	-
Mr Peter Williams [4]	116,855	-	-	-	116,855	-
	239,978	4,091	-	-	244,069	-

[1] appointed as Executive Director on 2 April 2014
[2] appointed as Non-Executive Director on 24 July 2013 and resigned 20 August 2013, Company Secretary for full year.
[3] resigned as Managing Director on 24 July 2013
[4] appointed as Executive Director on 20 August 2013

Directors' Report continued

Details of remuneration for year ended 30 June 2013

	Salary, Fees and Commissions $	Super-annuation Contribution $	Non-cash Benefits $	Share-based payments $	Total $	Performance related %
Key Management Person						
Mr Evan Cranston	155,334	-	-	363,650	518,984	70%
Mr Robert Grover [1]	20,000	-	-	72,730	92,730	78%
Mr Thomas Gladwin-Grove	30,000	-	-	72,730	102,730	71%
Mr Leigh Ryan	260,000	23,400	-	181,825	465,225	39%
	465,334	23,400	-	690,935	1,179,669	59%

[1] resigned as Non-Executive Chairman on 30 November 2012

Options issued as part of remuneration for the year ended 30 June 2014

Compensation Options

There were no (2013: 28,500,000) compensation options issued to Directors during the year. No Director options were exercised or lapsed during the year.

Number of options	Grant date	Vesting date	Expiry date	Exercise price	Value per option at grant date	Amount paid / payable by recipient
				$	$	$
9,500,000	30-Jul-12	30-Jul-12	10-Aug-15	0.11	0.02631	0.00
9,500,000	30-Jul-12	30-Jul-12	10-Aug-15	0.13	0.02413	0.00
9,500,000	30-Jul-12	30-Jul-12	10-Aug-15	0.15	0.02229	0.00

Details of options over ordinary shares in the Company provided as remuneration to Directors in 2013 are set out below. When exercised, each option is convertible into one ordinary share of Boss Resources Limited.

2013	Numbers of options granted during the year	Value of options at grant date* $	Numbers of options vested during the year	% vested during the year
Directors				
Robert Grover	3,000,000	72,730	3,000,000	100%
Thomas Gladwin-Grove	3,000,000	72,730	3,000,000	100%
Leigh Ryan	7,500,000	181,825	7,500,000	100%
Evan Cranston	15,000,000	363,650	15,000,000	100%
Total	**28,500,000**	**690,935**	**28,500,000**	**100.00%**

* The value at grant date calculated in accordance with AASB 2 Share-based Payment of options granted during the year as part of remuneration.

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes

Directors' Report continued

into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. Refer to note 21 of financial statements.

Additional disclosures relating to key management personnel

Shareholding

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

2014 Ordinary Shares	Balance at the start of the year or at appointment	Received as part of remuneration	Options Exercised	Net changes other	Balance at the end of the year or at resignation
Dr Marat Abzalov	-	-	-	-	-
Mr Evan Cranston	-	-	-	-	-
Mr Thomas Gladwin-Grove	2,500,000	-	-	852,500	3,352,500
Ms Oonagh Malone	-	-	-	-	1,000,000
Mr Leigh Ryan	3,500,000	-	-	-	3,500,000
Mr Peter Williams	19,338,117	-	-	4,834,530	24,172,647
	25,338,117	-	-	6,687,030	32,025,147

Option holding

The number options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2014 Options over ordinary shares	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Dr Marat Abzalov	-	-	-	-	-
Mr Evan Cranston	15,000,000	-	-	-	15,000,000
Mr Thomas Gladwin-Grove	3,000,000	-	-	-	3,000,000
Ms Oonagh Malone	-	-	-	-	-
Mr Leigh Ryan	7,500,000	-	-	-	7,500,000
Mr Peter Williams	-	-	-	-	-
	25,500,000	-	-	-	25,500,000

Other transactions with key management personnel and their related parties

Kingslane Pty Ltd and associated entities (Kingslane) and Konkera Corporate are associated with Evan Cranston.

Entities controlled by Kingslane received $36,000 during the year for office rent.

Konkera Corporate received $101,000 during the year for the provision of administration, bookkeeping and accounting services. Company secretarial fees of $12,000 for Oonagh Malone were also payable to Konkera Corporate. The current year fees of $12,000 are also included in the remuneration report for

Directors' Report continued

Oonagh Malone. At 30 June 2014, the Group had no creditor balance payable to Konkera Corporate or Kingslane.

Peter Williams is a director of Newgenco Pty Ltd (Newgenco). Newgenco is the vendor of the Liakka and Skogtrask Copper-Nickel Projects. Newgenco received:

- $20,000 in cash plus 7,500,000 ordinary shares at an agreed value of $0.008 per share for $60,000 as part of the earn in agreements over the Liakka and Skogtrask Copper-Nickel Projects; and
- $875 for other mining consulting services for the year.

All transactions with related parties have been entered into on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Shares Issued on Exercise of Compensation Options

No options have been exercised during or since the year end.

[END OF AUDITED REMUNERATION REPORT]

Signed in accordance with a resolution of the Board of Directors.



Evan Cranston
Non-Executive Chairman
DATED at PERTH this 25th day of September 2014

Competent Person Statements

The information in this report that relates to the ground magnetic survey and TEM on the Liakka Prospect is based on and fairly represents information compiled by Mr Peter Williams, Technical Director of Boss Resources Limited, who is a member of the Australian Institute of Geoscientists. Mr Williams has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code"). Mr Williams consents to the inclusion in the report of the matters based on information in the form and context in which it appears. This information was originally reported to ASX on 20 January 2014 and the Company is not aware of any new information or data that materially effects this information.

The information on this report that relates to historic drill results at the Liakka Prospect was first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. This information was originally reported to ASX on 20 August 2013 and the Company is not aware of any new information or data that materially effects this information.

The information in this report that relates to ground geophysics, TEM results, XRF results and drill results for the Skogtrask Project is based on and fairly represents information compiled by Mr Peter Williams, Technical Director of Boss Resources Limited, who is a member of the Australian Institute of Geoscientists, and Dr Marat Abzalov, Executive Director – Geology of Boss Resources Limited, who is a Fellow of The Australasian Institute of Mining and Metallurgy (FAusIMM). Mr Williams and Dr Abzalov have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and the activity they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Williams and Dr Abzalov consent to the inclusion in the report of the matters based on information in the form and context in which it appears. This information was originally reported to ASX on 31 March 2014, 16 April 2014, 29 April 2014, 8 May 2014, 29 July 2014 and 28 August 2014 and the Company is not aware of any new information or data that materially effects this information.

RSM Bird Cameron Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Boss Resources Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

DAVID WALL
Partner

Perth, WA
Dated: 25 September 2014

Liability limited by a scheme approved under Professional Standards Legislation

Major Offices in:
Perth, Sydney, Melbourne, Adelaide and Canberra
ABN 36 965 185 036

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Certified System Quality ISO 9001

Statement of Comprehensive Income

For the Year Ended 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Revenue	2	89,789	96,346
Impairment of exploration and evaluation	9	(1,023,083)	(10,505,500)
Employees and consultants		(507,212)	(1,692,124)
Accounting and legal		(92,966)	(69,684)
Travel and accommodation		(6,672)	(72,973)
Financing charges		(5,051)	(4,132)
Regulatory fees		(23,224)	(15,943)
Occupancy and communications		(51,697)	(146,154)
Exploration and evaluation expenditure	9	(371,159)	(735,077)
Other expenses		(134,012)	(304,447)
Loss before income tax expense		(2,125,287)	(13,449,688)
Income tax expense	3	-	-
Loss after income tax expense		(2,125,287)	(13,449,688)
Other Comprehensive income:			
Items that may be reclassified subsequently to operating result:			
Net gain/ (loss) on fair value of available-for-sale financial assets		17,559	(50,218)
Exchange differences on translating foreign controlled entities		(16,411)	(502,766)
Total other comprehensive gain/ (loss) for the year, net of tax		1,148	(552,984)
Total comprehensive (loss) for the year		(2,124,139)	(14,002,672)
Loss per share			
Basic and diluted (loss) per share (cents per share)	14	(0.44)	(3.50)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
CURRENT ASSETS			
Cash and cash equivalents	4	1,974,958	1,681,524
Trade and other receivables	5	38,439	27,401
Other assets	6	18,658	1,492
Non-current assets classified as held for sale	7	202,063	-
Total Current Assets		2,234,118	1,710,417
NON-CURRENT ASSETS			
Plant and equipment	7	37,513	270,936
Other financial assets	8	170,846	163,913
Exploration and evaluation expenditure	9	5,080,000	6,009,356
Total Non-Current Assets		5,288,359	6,444,205
TOTAL ASSETS		7,522,477	8,154,622
CURRENT LIABILITIES			
Trade and other payables	10	133,845	115,695
Provisions	11	-	5,112
TOTAL CURRENT LIABILITIES		133,845	120,807
TOTAL LIABILITIES		133,845	120,807
NET ASSETS		7,388,632	8,033,815
EQUITY			
Issued capital	12	43,302,956	41,792,589
Reserves	12	6,308,923	6,339,186
Accumulated losses		(42,223,247)	(40,097,960)
TOTAL EQUITY		7,388,632	8,033,815

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2014

Consolidated	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Financial Assets Reserve	Total
	$	$	$	$	$	$
Balance at 1 July 2013	41,792,589	(40,097,960)	(409,751)	6,776,409	(27,472)	8,033,815
Loss for the year	-	(2,125,287)	-		-	(2,125,287)
Other comprehensive gain/ (loss) for the year	-	-	(16,411)	-	17,559	1,148
Total comprehensive (loss) for the year	-	(2,125,287)	(16,411)	-	17,559	(2,124,139)
Shares issued during the year	1,554,683	-	-	-	-	1,554,683
Capital raising costs	(44,316)	-	-	-	-	(44,316)
Share based payments	-	-	-	(31,411)	-	(31,411)
Balance at 30 June 2014	43,302,956	(42,223,247)	(426,162)	6,744,998	(9,913)	7,388,632
Balance at 1 July 2012	39,525,493	(26,648,272)	93,015	5,995,714	22,746	18,988,696
Loss for the year	-	(13,449,688)	-	-	-	(13,449,688)
Other comprehensive loss for the year	-	-	(502,766)	-	(50,218)	(552,984)
Total comprehensive (loss) for the year	-	(13,449,688)	(502,766)	-	(50,218)	(14,002,672)
Shares issued during the year	2,313,451	-	-	-	-	2,313,451
Capital raising costs	(46,355)	-	-	-	-	(46,355)
Share based payments	-	-	-	780,695	-	780,695
Balance at 30 June 2013	41,792,589	(40,097,960)	(409,751)	6,776,409	(27,472)	8,033,815

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
		Inflows/(Outflows)	
Cash Flows from Operating Activities			
Payments to suppliers and employees		(441,950)	(731,044)
Expenditure on mining interests		(734,274)	(2,480,837)
Finance costs		(129)	(4,132)
Interest received		66,183	73,386
Other receipts		22,048	22,960
Net cash (used in) operating activities	13	(1,088,122)	(3,119,667)
Cash Flows from Investing Activities			
Purchase of plant and equipment		(38,408)	(146,890)
Proceeds on disposal of plant and equipment		85,000	-
Capitalised exploration expenditure		(113,727)	(15,368)
Other – security deposits		(1,591)	-
Net cash (used in) investing activities		(68,726)	(162,258)
Cash Flows from Financing Activities			
Proceeds from issue of share capital (net)		1,450,367	2,017,096
Net cash provided by financing activities		1,450,367	2,017,096
Net increase/(decrease) in cash and cash equivalents		293,519	(1,264,829)
Cash and cash equivalents at the beginning of the financial year		1,681,524	2,946,353
Exchange differences on cash and cash equivalents		(85)	-
Cash and cash equivalents at the end of the financial year	4	1,974,958	1,681,524

The accompanying notes form part of these financial statements

Notes to the Financial Statements
For the Year Ended 30 June 2014

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

The separate financial statements of the parent entity, Boss Resources Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*. Supplementary information about the parent entity is disclosed in note 23.

The financial statements were authorised for issue on 25 September 2014 by the Directors of the Company.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

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

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

New and Amended Accounting Policies adopted by the Group

The Group has adopted the following new and revised Australian Accounting Standards from 1 July 2013 together with consequential amendments to other Standards:

- AASB 10: *Consolidated Financial Statements;*
- AASB 127: *Separate Financial Statements* (August 2011);
- AASB 11: *Joint Arrangements;*
- AASB 128: *Investments in Associates and Joint Ventures* (August 2011);
- AASB 12: *Disclosure of Interests in Other Entities;*
- AASB 2011–7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*;
- AASB 2012–10: *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*; and
- AASB 13: *Fair Value Measurement*

These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Group for the first time in the current year ending 30 June 2014. The Group has applied these Accounting Standards retrospectively in accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors and the specific transition requirements in AASB 10 and AASB 11. The effects of initial application of these Standards in the current reporting period are as follows:

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

Consolidated financial statements

AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. Revised AASB 127 facilitates the application of AASB 10 and prescribes requirements for separate financial statements of the parent entity. On adoption of AASB 10, any assets, liabilities and non-controlling interests related to investments in businesses that are now assessed as being controlled by the Group, and were therefore not previously consolidated, are measured as if the investee had been consolidated (and therefore applied acquisition accounting in accordance with AASB 3: Business Combinations) from the date when the Group obtained control of that investee on the basis of the requirements in AASB 10.

Upon the initial application of AASB 10, retrospective restatement of financial statement amounts of the year that immediately precedes the date of initial application (ie 2012–2013) is necessary. When control is considered to have been obtained earlier than the beginning of the immediately preceding year (ie pre-1 July 2012), any difference between the amount of assets, liabilities and non-controlling interests recognised and the previous carrying amount of the investment in that investee is recognised as an adjustment to equity as at 1 July 2012.

Although the first-time application of AASB 10 (together with the associated Standards) caused certain changes to the Group's accounting policy for consolidation and determining control, it did not result in any changes to the amounts reported in the Group's financial statements as the "controlled" status of the existing subsidiaries did not change, nor did it result in any new subsidiaries being included in the Group as a consequence of the revised definition. However, the revised wording of accounting policy for consolidation is set out in Note 1(a).

Joint arrangements

AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Revised AASB 128 facilitates the application of AASB 11 and incorporates guidance relating to the equity method of accounting. Joint ventures will generally be required to be accounted for using the equity method under AASB 11. The proportionate consolidation method is no longer permitted. This has not resulted in any changes to the amounts reported in the Group's financial statements.

Disclosure of interest in other entities:

AASB 12 is the Standard that addresses disclosure requirements of AASB 10, AASB 11, AASB 127 and AASB 128. New disclosures that are material to this financial report and associated with the Group's interests in subsidiaries and joint arrangements as prescribed by AASB 12 have been set out in Note 15. Further, as required by AASB 12, details of the significant judgments made in determining the controlled entity status of subsidiaries are disclosed in Note 1(a).

Fair value measurements and disclosures

The Group has adopted AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 from 1 July 2013 together with consequential amendments to other Standards. These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Group for the first time in the current year end 30 June 2014. AASB 13 sets out a comprehensive framework for measuring the fair value of assets and liabilities and prescribes enhanced disclosures regarding all assets and liabilities measured at fair value. Although these Standards do not significantly impact the fair value amounts reported in the Group's financial statements, the directors have determined that additional accounting policies providing a general description of fair value measurement and each level of the fair value hierarchy, as set out in Note 1(r), should be incorporated in these financial statements.

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

Other

Other new and amending Standards that became applicable to the Group for the first time during this reporting period are as follows:

- AASB 2012–2: *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities and AASB 2012–5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle.*

  These Standards make changes to presentation and disclosure requirements, but did not affect the Group's accounting policies or the amounts reported in the financial statements.

- AASB 119: *Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011).*

  These Standards did not affect the Group's accounting policies or the amounts reported in the financial statements, mainly because the Group does not have defined benefit plan assets or obligations.

New accounting standards issued but not yet effective

At the date of this financial report the following accounting standards, which may impact the consolidated entity in the period of initial application, have been issued but are not yet effective:

Reference	Title	Summary	Application date (financial years beginning)
AASB 9	*Financial Instruments*	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 July 2017
AASB 2012–3	*Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*	Provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the Group's financial statements.	1 July 2014
AASB 2013–3	*Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*	This Standard amends the disclosure requirements in AASB 136: Impairment of Assets pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the Group's financial statements	1 July 2014

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

The Group has decided against early adoption of these standards and interpretations. Furthermore, these changes in standards and interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Accounting policies

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

a) Principles of consolidation

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

A list of controlled entities is contained in Note 15.

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

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

b) Operating Segments

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

c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

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

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

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

Deferred tax assets and liabilities are always classified as non-current.

d) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are expensed to the statement of profit or loss and other comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

e) Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;

(ii) any non-controlling interest; and

(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

f) Cash and Cash Equivalents

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

g) Foreign Currency Translation

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

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

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

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

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

h) Income Tax

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

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

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

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

i) Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

j) Plant and Equipment

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

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

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

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	12.5-66.67%

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

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

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

k) Exploration and Development Expenditure

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

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

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

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

l) Leases

Lease payments for operating leases where substantially all the risks and benefits remain with the lessor are changes as expenses in the periods in which they are incurred.

m) Trade and Other Payables

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

n) Trade and Other Receivables

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

o) Revenue

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

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

All revenue is stated net of goods and services tax (GST).

p) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

q) Impairment of Assets

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

r) Financial Instruments

At present, the Group does not undertake any hedging or deal in derivative instruments.

Recognition

The Group recognises financial assets and financial liabilities on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Classification and Subsequent Measurement

Financial instruments are subsequently valued at fair value amortised cost using the effective interest method, or cost.

Amortised Cost

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The Effective Interest Method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share - based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	**Level 2**	**Level 3**
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

The Group has no assets or liabilities measured at fair value because, while assets acquired and liabilities assumed in business combinations have been measured at their acquisition date fair values, in accordance with paragraph 18 of AASB 3, these initial measurements have formed the costs of the assets acquired and liabilities assumed for the purpose of other accounting standards.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

s) Share-Based Payment Transactions

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

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

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

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

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

t) Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred except borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale. In this case the borrowing costs are capitalised as part of the cost of such a qualifying asset.

The amount of borrowing costs relating to funds borrowed generally and used for the acquisition of qualifying assets has been determined by applying a capitalisation rate to the expenditures on those assets. The capitalisation rate comprises the weighted average of borrowing costs incurred during the period.

u) Comparative figures

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

v) Provisions

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

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

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

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

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

w) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

Liabilities for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

x) Issued capital

Ordinary shares are classified as equity.

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

y) Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

z) Critical Accounting Estimates and Assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

Capitalised Exploration and Evaluation Expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Share based payment transactions

The Group measures the cost of equity-settled transactions with reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined from market value of the Company's shares at grant date using an option valuation methodology.

	Consolidated	
	2014	**2013**
	$	**$**
NOTE 2: REVENUE		
Interest revenue	73,638	76,302
Other income	16,151	20,044
	89,789	**96,346**
NOTE 3: INCOME TAX EXPENSE		
a. Income tax expense		
Current tax	-	-
Deferred tax	-	-
Under/(over) provision in respect of prior years	-	-
	-	**-**
b. Numerical reconciliation of income tax benefit to prima facie tax payable		
Loss from continuing operations before income tax expense	(2,125,287)	(13,449,688)
Tax at the Australian tax rate of 30% (2013: 30%)	(637,586)	(4,034,906)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Tax effect on different tax rate of oversea subsidiaries	17,530	68,877
Share based payments	(9,423)	234,209
Impairment of assets	306,925	3,151,650
Other non-deductible expenses	(25,666)	(70,099)
Income tax benefit not recognised	348,220	650,269
Income tax expense	**-**	**-**

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 3: INCOME TAX EXPENSE (continued)

c. Unrecognised deferred tax assets – tax losses

	Consolidated	
	2014	**2013**
	$	**$**
Unused tax losses for which no deferred tax asset has been recognised	13,397,726	11,963,631
Potential tax benefit at the Australian tax rate of 30% (2013: 30%) and Burkina Faso rate of 25% (2013: 25%)	**3,779,232**	**3,366,533**

The Group has Australian related tax losses for which no deferred tax asset is recognised of $8,596,001 and Burkina Faso related tax losses of $4,801,725 for which no deferred tax asset has been recognised.

d. Unrecognised temporary differences

Unrecognised deferred tax asset at 30 June relates to the following:		
Accumulated impairment of assets	8,621,311	8,543,852
Capital raising costs recognised directly in equity	45,325	46,633
Other unrecognised temporary differences	4,200	8,283
	8,670,836	**8,598,768**

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

(1) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the temporary differences to be realised;

(2) the Group continues to comply with the conditions for deductibility imposed by tax legislation; and

(3) no changes in tax legislation adversely affect the entity in realising the benefit from the deductions for the temporary differences.

No franking credits are available.

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank	774,958	165,768
Term deposit	1,200,000	1,515,756
	1,974,958	1,681,524

NOTE 5: TRADE AND OTHER RECEIVABLES

Trade receivables	38,439	27,401
	38,439	27,401

Receivables are non-interest bearing and generally repayable within 30 days.

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 6: OTHER ASSETS

	Consolidated 2014 $	Consolidated 2013 $
Prepaid expenses	18,658	1,492
	18,658	1,492

NOTE 7: PLANT AND EQUIPMENT AND ASSETS HELD FOR SALE

Cost	40,531	488,105
Accumulated depreciation	(3,018)	(217,169)
	37,513	270,936
Movements in Carrying Amounts:		
Carrying amount at beginning of the year	270,936	252,180
Additions	38,408	146,890
Disposals	(8,849)	-
Depreciation expense	(68,291)	(128,134)
Foreign exchange movement	7,372	-
Assets reclassified as held for sale	(202,063)	-
Carrying amount at end of the year	37,513	270,936

Subsequent to year end, the Group finalised a sale to Gryphon Minerals Ltd of all plant and equipment held in Burkina Faso for $260,000. As this transaction became highly probable during the year ended 30 June 2014, this plant and equipment has been reclassified as assets held for sale.

The carrying amount of the assets held for sale of $202,063 consists of cost of $454,729 less accumulated depreciation to the date of reclassification of $252,666. As the sale was only finalised subsequent to year end, the $60,000 deposit received during the year has been classified within the balance of trade and other payables as unearned income with the gain on disposal of $57,937 to be recognised in the year ended 30 June 2015.

As there is no expected loss on sale, the value of the assets held for sale have been measured at their carrying amount at the date of reclassification.

NOTE 8: OTHER FINANCIAL ASSETS

Security bonds	63,740	74,366
Available for sale financial assets	107,106	89,547
	170,846	163,913
Listed investments, at fair value		
- Shares in listed corporations	107,106	89,547
Movement:		
Opening fair value	89,547	139,978
Revaluation increment / (decrement)	17,559	(50,431)
Closing fair value	107,106	89,547

Available for sale financial assets comprise investment in the ordinary issued capital of an ASX listed entity. There are no fixed returns or fixed maturity dates attached to this investment.

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 8: OTHER FINANCIAL ASSETS (continued)

Security bonds are term deposits held as security and deposits held by service providers. The term deposits are held by Australian banks with at least 'A' credit rankings. The security deposits are held by utility suppliers in Burkina Faso.

NOTE 9: EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2014	2013
	$	$
Balance at the beginning of the year	6,009,356	16,499,488
Exploration expenditure incurred	464,886	750,445
Impairment of exploration and evaluation	(1,023,083)	(10,505,500)
Exploration expenditure expensed	(371,159)	(735,077)
Balance at the end of the year	5,080,000	6,009,356

The expenditure above relates principally to the exploration and evaluation phase. The ultimate recoupment of this expenditure is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest, at amounts at least equal to book value.

NOTE 10: TRADE AND OTHER PAYABLES

Trade payables	49,730	88,017
Accrued expenditure	14,000	22,500
Unearned income	60,000	-
GST payable	10,115	5,178
	133,845	115,695

All payables are on industry standard payment terms.

NOTE 11: PROVISIONS

Employee entitlements	-	5,112

NOTE 12: ISSUED CAPITAL

Issued Capital - fully paid ordinary shares	43,302,956	41,792,589

a) Ordinary Shares

2014

Ordinary Shares	**Number**	**$**
Balance at 1 July 2013	390,373,182	41,792,589
Share issue – 29 August 2013 at $0.008 per share	7,500,000	60,000
Share issue - 22 October 2013 at $0.01 per share	57,570,882	575,709
Share issue - 30 December 2013 at $0.01 per share	74,147,413	741,474
Share issue – 19 March 2014 at $0.01 per share	17,750,000	177,500
Share issue costs	-	(44,316)
Balance at 30 June 2014	547,341,477	43,302,956

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 12: ISSUED CAPITAL (continued)

2013 **Ordinary Shares**	**Number**	**$**
Balance at 1 July 2012	351,815,657	39,525,493
Share issue - 27 July 2012 at $0.06 per share	4,166,667	250,000
Share issue - 2 August 2012 at $0.06 per share	24,390,855	1,463,451
Share issue - 19 October at $0.06 per share	10,000,003	600,000
Share issue costs	-	(46,355)
Balance at 30 June 2013	390,373,182	41,792,589

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

	Consolidated	
	2014	**2013**
	$	**$**
Option reserve	6,744,998	6,776,409
Foreign currency translation reserve	(426,162)	(409,751)
Financial assets reserve	(9,913)	(27,472)
	6,308,923	6,339,186

b) Unlisted Options	**Number**	**$**
2014		
Balance at 1 July 2013	78,600,001	6,776,409
Expiry of options during the year	(50,100,001)	(42,002)
Amount expensed over vesting periods for options granted in prior year	-	10,591
Balance at 30 June 2014	28,500,000	6,744,998
2013		
Balance at 1 July 2012	98,900,001	5,995,713
Expiry of options on 31 July 2012	(55,000,000)	-
Director options granted 30 July 2012	28,500,000	690,935
Employee options granted 30 July 2012 (amortised over the vesting periods)	4,000,000	42,002
Employee options granted 25 October 2012 (amortised over the vesting period)	2,200,000	2,143
Amount expensed over vesting periods for options granted in prior year	-	45,616
Balance at 30 June 2013	78,600,001	6,776,409

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

c) Financial Assets reserve

The fair value reserve represents the revaluation of available for sale financial assets.

d) Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of its foreign controlled subsidiaries.

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 12: ISSUED CAPITAL (continued)

e) Capital Risk Management

When managing capital, management's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Company.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The Company does not have a defined share buy-back plan.

No dividends were paid or declared in the years ending 2013 and 2014.

There is no current intention to incur debt funding on behalf of the Company as on-going exploration expenditure will be funded via cash reserves, equity or joint ventures with other companies.

The Group is not subject to any externally imposed capital requirements.

NOTE 13: CASHFLOW INFORMATION

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

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

	Consolidated	
	2014	**2013**
	$	**$**
Cash at bank and on hand	1,974,958	1,681,524
Reconciliation of loss after related income tax to net cash used in operating activities:		
Operating loss	(2,125,287)	(13,449,688)
Adjustments for:		
Depreciation	68,291	128,134
Impairment of exploration and evaluation	1,023,083	10,505,500
Exchange differences	(7,633)	(502,766)
Share based payments	(31,410)	780,695
Net changes in working capital:		
Other financial assets	-	(27,153)
Provisions	(5,112)	(13,887)
Payables	18,150	(554,059)
Receivables	(11,038)	(12,961)
Other assets	(17,166)	26,518
Net cash used in operating activities	(1,088,122)	(3,119,667)

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 13: CASHFLOW INFORMATION (continued)

b) Non-cash Financing and Investing Activities

During the year, the Group issued 7,500,000 shares with a fair value of $60,000 as consideration for initial earn in to exploration projects.

NOTE 14: LOSS PER SHARE

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

	Consolidated	
	2014	**2013**
	$	**$**
Loss for the year	(2,125,287)	(13,449,688)
	Number	**Number**
Weighted average number of shares outstanding during the year used in calculations of basic and diluted loss per share	478,211,184	384,818,665

NOTE 15: DETAILS OF CONTROLLED ENTITIES

	Country of Incorporation	**Percentage Owned %**	
		2014	**2013**
Parent Entity:			
Boss Resources Limited	Australia		
Subsidiaries of Boss Resources Limited:			
Boss Energy (Latrobe Holdings) Pty Ltd	Australia	100	100
Minga Pty Ltd	Australia	100	100
Askia Gold Pty Ltd	Australia	100	100
Boss Minerals Pty Ltd	Australia	100	100
Subsidiary of Askia Gold Pty Ltd:			
Boss Gold SARL (formerly Askia Gold SARL)	Burkina Faso	100	100
Subsidiary of Boss Minerals Pty Ltd:			
Boss Minerals SARL*	Burkina Faso	100	100

*Boss Minerals SARL was incorporated in July 2012 in Burkina Faso.
There have been no other movements in percentage ownership or cost of controlled entities during the year.

NOTE 16: KEY MANAGEMENT PERSONNEL

Compensation of key management personnel

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2014.

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 16: KEY MANAGEMENT PERSONNEL (continued)

	Consolidated	
	2014	2013
	$	$
Short term employment benefit	239,978	465,334
Other benefits	4,091	23,400
Share based payments	-	690,935
	244,069	1,179,669

NOTE 17: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

On 19 August 2013, the Company entered into two earn in agreements with Newgenco Pty Ltd over the Liakka and Skogtrask Copper-Nickel Projects located in Finland and Sweden respectively. Under each agreement, the Company committed to a minimum exploration spend of $80,000 in the first year and to free carry the vendors to completion of bankable feasibility studies for each project to secure an 80% interest in each project. Following any decision to mine over particular tenements, the Company is obliged to acquire the remaining 20% vendor's interest in these tenements at a fair value that will be determined at that stage. Both minimum exploration expenditure requirements were met before 30 June 2014.

NOTE 18: COMMITMENTS

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

	Consolidated	
	2014	2013
	$	$
Exploration expenditure		
Less than 12 months	-	1,129,989
12 months to 5 years	-	663,315
	-	1,793,304
Administration Services		
Less than 12 months	62,500	62,500
12 months to 5 years	-	-
	62,500	62,500
Lease commitment		
Less than 12 months	18,000	18,000
12 months to 5 years	-	-
	18,000	18,000
Executive services commitment		
Less than 12 months	43,750	18,326
12 months to 5 years	-	-
	43,750	18,326

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 19: SEGMENT REPORTING

The Group has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group's operations in 2014 were managed in Australia and involved exploration of its mineral interests. During the year, assets were located in Sweden and Finland (Nickel and Copper), Australia (Oil Shale) and Burkina Faso (Gold). Segment assets are allocated to countries based on where the assets are located.

Revenue of nil (2013: $20,044) was derived from on-charging staff to other entities.

GOLD

The Group is currently conducting exploration upon tenements considered prospective for gold. No income has been derived from the recovery of gold during the year (2013: Nil).

OIL SHALE

The Group conducted exploration upon tenements considered prospective for oil shale. The Group has disposed of relevant exploration interests. No income has been derived from the recovery of oil shale during the year (2013: Nil).

NICKEL AND COPPER

The Group is currently conducting exploration upon tenements considered prospective for nickel and copper. No income has been derived from the recovery of nickel or copper during the year (2013: Nil).

SEGMENT INFORMATION

The segment information provided to the Board of Directors for the reportable segments for the year ended 30 June 2014 and 30 June 2013 are as follows:

Consolidated	Gold	Oil Shale	Nickel / Copper	Corporate	Total
2014	**$**	**$**	**$**	**$**	**$**
Revenue					
Other revenues from external customers	-	-	-	16,151	16,151
Total segment revenue	-	-	-	16,151	16,151
Result					
Segment result	(350,609)	(1,023,083)	(305,184)	(446,411)	(2,125,287)
Interest revenue	-	-	-	73,638	73,638
Depreciation	(64,999)	-	-	(3,292)	(68,291)
Assets and Liabilities					
Segment assets					
Exploration expenditure	5,000,000	-	80,000	-	5,080,000
Plant and equipment	202,063	-	-	37,513	239,576
Cash and cash equivalents	14,007	-	-	1,960,951	1,974,958
Prepayments	-	-	-	18,658	18,658
Trade and other receivables	12,233	-	-	26,206	38,439
Financial assets	15,150	-	1,591	154,105	170,846
Total assets as per Statement of Financial Position	5,243,453	-	81,591	2,197,433	7,522,477
Segment liabilities					
Trade and other payables	70,115	-	-	63,730	133,845
Total liabilities as per Statement of Financial Position	70,115	-	-	63,730	133,845

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 19: SEGMENT REPORTING continued

Consolidated 2013	Gold $	Oil Shale $	Corporate $	Total $
Revenue				
Other revenues from external customers	-	-	20,044	20,044
Total segment revenue	-	-	20,044	20,044
Result				
Segment result	(11,883,041)	(910)	(1,565,737)	(13,449,688)
Interest revenue	-	-	76,302	76,302
Depreciation	(121,964)	-	(6,170)	(128,134)
Assets and Liabilities				
Segment assets				
Exploration expenditure	5,000,000	1,009,356	-	6,009,356
Plant and equipment	259,690	-	11,246	270,936
Cash and cash equivalents	3,966	-	1,677,558	1,681,524
Prepayments	-	-	1,492	1,492
Trade and other receivables	5,077	-	22,324	27,401
Financial assets	27,366	-	136,547	163,913
Total assets as per Statement of Financial Position	5,296,099	1,009,356	1,849,167	8,154,622
Segment liabilities				
Trade and other payables	19,582	-	96,113	115,695
Provisions	-	-	5,112	5,112
Total liabilities as per Statement of Financial Position	19,582	-	101,225	120,807

NOTE 20: AUDITORS' REMUNERATION

	Consolidated 2014 $	 2013 $
The auditor of Boss Resources Limited is RSM Bird Cameron Partners.		
Amounts, received or due and receivable by RSM Bird Cameron Partners for:		
- Auditing or review services	32,500	35,500

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 21: SHARE-BASED PAYMENTS

(a) Value of share based payments in the financial statements

	Consolidated 2014 $	2013 $
Share based payments (reversed)/ expensed	(31,411)	780,695
Acquisition of exploration project	60,000	-
	28,589	780,695

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

2014

Grant Date	Expiry Date	Exercise Price	Balance 01/07/13	Granted during the year	Exercised during the year	Expired or Change due to Resigning	Balance 30/06/14	Number vested and exercisable
30/07/12	10/08/15	0.11	9,500,000	-	-	-	9,500,000	9,500,000
30/07/12	10/08/15	0.13	9,500,000	-	-	-	9,500,000	9,500,000
30/07/12	10/08/15	0.15	9,500,000	-	-	-	9,500,000	9,500,000
30/07/12	10/11/14	0.08	2,000,000	-	-	(2,000,000)	-	-
30/07/12	10/11/14	0.08	2,000,000	-	-	(2,000,000)	-	-
25/10/12	17/10/15	0.06	100,000	-	-	(100,000)	-	-
25/10/12	17/10/15	0.06	100,000	-	-	(100,000)	-	-
11/11/11	10/11/14	0.15	2,000,000	-	-	(2,000,000)	-	-
5/12/11	28/11/14	0.15	100,000	-	-	(100,000)	-	-
			34,800,000	-	-	(6,300,000)	28,500,000	28,500,000
Weighted average exercise price			$0.12	-	-	$0.10	$0.13	$0.13

2013

Grant Date	Expiry Date	Exercise Price	Balance 01/07/12	Granted during the year	Exercised during the year	Expired or Change due to Resigning	Balance 30/06/13	Number vested and exercisable
30/07/12	10/08/15	0.11	-	9,500,000	-	-	9,500,000	9,500,000
30/07/12	10/08/15	0.13	-	9,500,000	-	-	9,500,000	9,500,000
30/07/12	10/08/15	0.15	-	9,500,000	-	-	9,500,000	9,500,000
30/07/12	10/11/14	0.08	-	2,000,000	-	-	2,000,000	-
30/07/12	10/11/14	0.08	-	2,000,000	-	-	2,000,000	-
25/10/12	17/10/15	0.11	-	2,000,000	-	(2,000,000)	-	-
25/10/12	17/10/15	0.06	-	100,000	-	-	100,000	-
25/10/12	17/10/15	0.06	-	100,000	-	-	100,000	-
19/04/11	31/07/12	0.15	55,000,000	-	-	(55,000,000)	-	-
11/11/11	10/11/14	0.15	2,000,000	-	-	-	2,000,000	1,000,000
5/12/11	28/11/14	0.15	100,000	-	-	-	100,000	50,000
			57,100,000	34,700,000	-	(57,000,000)	34,800,000	29,550,000
Weighted average exercise price			$0.15	$0.12	-	$0.14	$0.12	$0.14

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 21: SHARE-BASED PAYMENTS continued

The assessed fair values of the options was determined using a binomial option pricing model or Black-Scholes model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underling share, expected yield and the risk-free interest rate for the term of the option. The inputs to the model used were:

Grant date	5/12/11	11/11/11	19/4/11	30/07/12	30/07/12	30/07/12
Expiry date	28/11/14	10/11/14	31/07/12	10/08/15	10/08/15	10/08/15
Dividend yield (%)	-	-	-	-	-	-
Expected volatility (%)	111%	111%	111%	90%	90%	90%
Risk-free interest rate (%)	4.50%	4.50%	4.45%	2.57%	2.57%	2.57%
Expected life of options (years)	3.00	3.00	1.25	3.03	3.03	3.03
Underlying share price ($)	$0.073	$0.086	$0.195	0.06	0.06	0.06
Option exercise price ($)	$0.15	$0.15	$0.15	$0.11	$0.13	$0.15
Number of options outstanding at 30 June 2014	-	-	-	9,500,000	9,500,000	9,500,000
Value of option ($)	$0.0403	$0.0507	$0.1081	$0.02631	$0.02413	$0.02229

Grant date	30/07/12	30/07/12	25/10/12	25/10/12	25/10/12
Expiry date	10/11/14	10/11/14	17/10/15	17/10/15	17/10/15
Dividend yield (%)	-	-			
Expected volatility (%)	90%	90%	90%	90%	90%
Risk-free interest rate (%)	2.63%	2.63%	2.63%	2.63%	2.63%
Expected life of options (years)	2.28	2.28	0.00	2.98	2.98
Underlying share price ($)	$0.06	$0.06	$0.06	$0.06	$0.06
Option exercise price ($)	$0.08	$0.08	$0.11	$0.06	$0.06
Number of options outstanding at 30 June 2013	-	-	-	-	-
Value of option ($)	$0.02611	$0.02611	$0.0234	$0.03084	$0.03084

(b) Weighted average remaining contractual life

The weighted average remaining contractual life of share-based payment options that were outstanding as at 30 June 2014 was 1.1 years (2013: 2.0 years).

(c) Weighted average fair value

The weighted average fair value of share-based payment options granted during 2013 was $0.0246 each.

(d) Share based payment to supplier

During the year, the Group issued 7,500,000 shares with a fair value of $60,000 as consideration for initial earn in to the exploration projects.

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 22: FINANCIAL INSTRUMENTS

Financial Risk Management

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

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

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

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

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

The totals of each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated	
	Note	2014 $	2013 $
Financial Assets			
Cash and cash equivalents	4	1,974,958	1,681,524
Trade and other receivables	5	38,439	27,401
Other assets	8	63,740	74,366
Available-for-sale financial assets at fair value			
- listed investments	8	107,106	89,547
Total Financial Assets		2,184,243	1,872,838
Financial Liabilities			
Financial liabilities at amortised cost			
- trade and other payables	10	133,845	115,695
Total Financial Liabilities		133,845	115,695

Risk exposures and responses

i. Interest Rate Risk

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

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 22: FINANCIAL INSTRUMENTS continued

2014	Floating Interest Rate	Fixed Interest Rate		Non-Interest Bearing	Total	Weighted Effective Interest Rate
		1 Year or Less	1 to 5 Years			
	$	$	$	$	$	
Financial Assets						
Cash	760,950	1,200,000	-	14,008	1,974,958	3.1%
Trade and other receivables	-	-	-	38,439	38,439	NA
Other financial assets	-	47,000	-	123,846	170,846	1.0%
Total Financial Assets	**760,950**	**1,247,000**	**-**	**176,293**	**2,184,243**	
Financial Liabilities						
Trade and other payables	13,115	-	-	120,730	133,845	1.5%
Total Financial Liabilities	**13,115**	-	-	**120,730**	**133,845**	

2013	Floating Interest Rate	Fixed Interest Rate		Non-Interest Bearing	Total	Weighted Effective Interest Rate
		1 Year or Less	1 to 5 Years			
	$	$	$	$	$	
Financial Assets						
Cash	1,680,327	-	-	1,197	1,681,524	3.94%
Trade and other receivables	-	-	-	27,401	27,401	NA
Other financial assets	-	47,000	-	116,913	163,913	1.30%
Total Financial Assets	**1,680,327**	**47,000**	**-**	**145,511**	**1,872,838**	
Financial Liabilities						
Trade and other payables	313	-	-	115,382	115,695	0.04%
Total Financial Liabilities	**313**	**-**	**-**	**115,382**	**115,695**	

ii. Sensitivity Analysis

At 30 June 2014, if interest rates had changed by -/+75 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Group would have been $14,961 lower/higher (2013 - $12,953 lower/higher) as a result of lower/higher interest income from cash and cash equivalents.

iii. Liquidity Risk

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

iv. Credit Risk

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

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 22: FINANCIAL INSTRUMENTS continued

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

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

2014	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets:				
Available-for-sale financial assets:				
Listed investments	107,105	-	-	107,105
2013				
Financial assets:				
Available-for-sale financial assets:				
Listed investments	89,547	-	-	89,547

Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Group at the balance date are recorded at amounts approximating their carrying amount.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the last trade price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 23: PARENT ENTITY DISCLOSURES

	2014 $	2013 $
Statement of Financial Position		
Assets		
Current assets	2,005,812	1,701,374
Non-current assets	5,302,184	5,163,039
Total assets	7,307,996	6,864,413
Liabilities		
Current liabilities	123,730	101,224
Total liabilities	123,730	101,224
Equity		
Issued capital	43,302,956	41,792,589
Reserves	6,735,085	6,748,937
Accumulated losses	(42,853,775)	(41,778,337)
Total equity	7,184,266	6,763,189
Statement of Comprehensive income		
Loss for the year	(1,075,438)	(15,223,081)
Other comprehensive income/(loss)	17,559	(50,218)
Total comprehensive loss for the year	(1,057,879)	(15,273,299)

Guarantees

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

Other Commitments and Contingencies

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

NOTE 24: RELATED PARTY TRANSACTIONS

Kingslane Pty Ltd and associated entities (Kingslane) and Konkera Corporate are associated with Evan Cranston.

Entities controlled by Kingslane received $36,000 (2013: $36,000) during the year for office rent.

Konkera Corporate received $101,000 (2013: $75,700) during the year for the provision of administration, bookkeeping and accounting services. Company secretarial fees of $12,000 (2013: $14,000) for Oonagh Malone were also payable to Konkera Corporate, The current year fees of $12,000 are also included in the remuneration report for Oonagh Malone. At 30 June 2014, the Group had no creditor balance payable to Konkera Corporate and Kingslane (2013: $14,208).

Notes to the Financial Statements
For the Year Ended 30 June 2014

NOTE 24: RELATED PARTY TRANSACTIONS (continued)

Peter Williams is a director of Newgenco Pty Ltd (Newgenco). Newgenco is the vendor of the Liakka and Skogtrask Copper-Nickel Projects. Newgenco received:

- $20,000 in cash plus 7,500,000 ordinary shares at an agreed value of $0.008 per share for $60,000 as part of the earn in agreements over the Liakka and Skogtrask Copper-Nickel Projects; and

- $875 for other mining consulting services for the year.

All transactions with related parties have been entered into on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

NOTE 25: EVENTS SUBSEQUENT TO BALANCE DATE

- On 4 July 2014, the Company executed definitive earn-in agreements and an equipment sales agreement with Gryphon Minerals Ltd with respect to the Company's Burkina Faso gold assets on the terms contemplated in the binding heads of agreement signed on 5 March 2014.

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

Directors' Declaration

In accordance with a resolution of the Directors of Boss Resources Limited, I state that:

1. In the opinion of the Directors:

(a) the financial statements and notes are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2014 and of its performance, for the year ended on that date; and

(ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(c) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1;

2. This declaration has been made after receiving the declarations required to be made in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2014.

This declaration is made in accordance with a resolution of the Board of Directors.



Evan Cranston
Non-Executive Chairman

DATED at PERTH this 25th day of September 2014

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOSS RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Boss Resources Limited, which comprises the statement of financial position as at 30 June 2014, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Liability limited by a scheme approved under Professional Standards Legislation

Major Offices in: Perth, Sydney, Melbourne, Adelaide and Canberra
ABN 36 965 185 036

RSM Bird Cameron Partners is a member of the RSM network. Each member of the RSM network is an independent accounting and advisory firm which practises in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

Certified System Quality ISO 9001

RSM Bird Cameron Partners

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Boss Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Boss Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report contained within the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Boss Resources Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

DAVID WALL
Partner

Perth, WA
Dated: 25 September 2014