



**Interim Financial Report
for the Half-Year ended 31 December 2015
ABN 38 116 834 336**

Table of Contents

Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	19
Independent Auditor's Review Report	20

Corporate Directory

DIRECTORS

Mr Evan Cranston
Dr Marat Abzalov
Mr Grant Davey
Mr Peter Williams

Non-Executive Chairman
Executive Director – Geology
Executive Director
Technical Director

COMPANY SECRETARY

Ms Oonagh Malone

PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE

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SOLICITORS TO THE COMPANY

Bellanhouse Legal
Ground Floor, 11 Ventnor Street
West Perth WA 6005

AUDITORS

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8 St Georges Terrace
Perth WA 6000

STOCK EXCHANGE

Australian Securities Exchange
Home Office: Perth
Code: BOE

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Ph: +61 8 9315 2333

Directors' Report

Your Directors present their report on the Group for the half-year ended 31 December 2015.

Directors

The names of the Directors in office at any time during the reporting period or since the end of the year are:

Mr Evan Cranston

Dr Marat Abzalov

Mr Grant Davey (appointed 12 January 2016)

Mr Thomas Gladwin-Grove (resigned 12 January 2016)

Mr Peter Williams

Result

The operating loss for the consolidated entity for the half-year ended 31 December 2015 was \$1,052,778 (2014: loss of \$560,992).

Principal Activities and Review of Operations

The principal activities of the Group during the period were the exploration of its recently acquired Honeymoon Uranium Mine in South Australia, and at its mineral exploration projects in Scandinavia and its gold interests in Burkina Faso (in joint venture with Gryphon Minerals Limited).

There were no other significant changes in the nature of the Group's principal activities during the financial year.

Events Subsequent to the Reporting Period

There are no matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods other than:

- On 12 January 2016, Mr Grant Davey was appointed as an Executive Director of the Company.
- On 12 January 2016, Mr Thomas Gladwin-Grove resigned from his position as a Director of the Company.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included within this financial report.

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



EVAN CRANSTON

Chairman

DATED at PERTH this 15th day of March 2016

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Boss Resources Limited for the half-year ended 31 December 2015, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



D J WALL
Partner

Perth, WA
Dated: 15 March 2016

**Statement of Comprehensive Income
For the Half-Year Ended 31 December 2015**

		Consolidated	
	Note	Half-Year ended 31 December 2015 \$	Half-Year ended 31 December 2014 \$
Revenue		26,542	89,711
Employees and consultants		(451,598)	(235,829)
Accounting and legal		(82,000)	(42,000)
Regulatory fees		(36,115)	(30,618)
Occupancy and communications		(21,795)	(20,287)
Exploration and evaluation expenditure	3	(353,744)	(284,544)
Finance expenses		(7,725)	-
Impairment of exploration and evaluation	3	(40,000)	-
Gain on investment		1,756	-
Other expenses		(117,452)	(37,425)
Loss before income tax		(1,082,131)	(560,992)
Income tax expense		-	-
Loss for the period		(1,082,131)	(560,992)
Other comprehensive income:			
<i>Item that may be reclassified subsequently to operating result</i>			
Revaluation movement of available-for-sale financial assets		-	15,802
Exchange differences on translating foreign controlled entities		146	578
Other comprehensive income for the period, net of tax		146	16,380
Total comprehensive (loss) for the period		(1,081,985)	(544,612)
Loss for the half-year is attributable to:			
Non-controlling interests		(29,353)	-
Members of Boss Resources Limited		(1,052,778)	(560,992)
		(1,082,131)	(560,992)
Total comprehensive (loss) for the half-year is attributable to:			
Non-controlling interests		(29,353)	-
Members of Boss Resources Limited		(1,052,632)	(544,612)
		(1,081,985)	(544,612)
Basic and diluted loss per share (cents)		(0.16)	(0.10)

The accompanying notes form part of these financial statements.

**Statement of Financial Position
As at 31 December 2015**

		Consolidated	
	Note	31 December 2015	30 June 2015
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		2,443,448	935,881
Trade and other receivables		45,151	36,119
Other assets		9,790	219,687
Non-current assets classified as held for sale		392,727	-
Total Current Assets		2,891,116	1,191,687
NON-CURRENT ASSETS			
Plant and equipment		19,799	26,688
Other financial assets	2	8,936,867	92,532
Exploration and evaluation expenditure	3	14,168,939	5,080,000
Total Non-Current Assets		23,125,605	5,199,220
TOTAL ASSETS		26,016,721	6,390,907
CURRENT LIABILITIES			
Trade and other payables		153,946	95,892
TOTAL CURRENT LIABILITIES		153,946	95,892
NON-CURRENT LIABILITIES			
Borrowings	4	7,000,000	-
Restoration provision	13	8,842,380	-
TOTAL NON-CURRENT LIABILITIES		15,842,380	-
TOTAL LIABILITIES		15,996,326	95,892
NET ASSETS		10,020,395	6,295,015
EQUITY			
Issued capital	5	47,895,056	43,302,956
Reserves		6,532,496	6,317,085
Accumulated losses		(44,377,804)	(43,325,026)
TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF BOSS RESOURCES LIMITED		10,049,748	6,295,015
Non-controlling interest		(29,353)	-
TOTAL EQUITY		10,020,395	6,295,015

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity
For the Half-Year Ended 31 December 2015**

Consolidated	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share Based Payment Reserve	Financial Assets Reserve	Non- controlling Interest	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2015	43,302,956	(43,325,026)	(427,913)	6,744,998	-	-	6,295,015
Loss for the period	-	(1,052,778)	-	-	-	(29,353)	(1,082,131)
Other comprehensive loss for the period	-	-	146	-	-	-	146
Total comprehensive loss for the period	-	(1,052,778)	146	-	-	(29,353)	(1,081,985)
Transactions with owners in their capacity as owners:							
Shares issued during the period	4,611,263	-	-	-	-	-	4,611,263
Capital raising costs	(19,163)	-	-	-	-	-	(19,163)
Share based payment	-	-	-	215,265	-	-	215,265
Balance at 31 December 2015	47,895,056	(44,377,804)	(427,767)	6,960,263	-	(29,353)	10,020,395
Balance at 1 July 2014	43,302,956	(42,223,247)	(426,162)	6,744,998	(9,913)	-	7,388,632
Loss for the period	-	(560,992)	-	-	-	-	(560,992)
Other comprehensive loss for the period	-	-	578	-	15,802	-	16,380
Total comprehensive loss for the period	-	(560,992)	578	-	15,802	-	(544,612)
Transactions with owners in their capacity as owners:							
Share based payment	-	-	-	8,118	-	-	8,118
Balance at 31 December 2014	43,302,956	(42,784,239)	(425,584)	6,753,116	5,889	-	6,852,138

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Half-Year Ended 31 December 2015

	Note	Consolidated	
		Half-Year ended 31 December 2015	Half-Year ended 31 December 2014
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash payments in the course of operations		(323,975)	(241,436)
Cash payments for mineral exploration and evaluation		(289,018)	(387,095)
Finance costs		(29)	(90)
Interest received		24,607	31,096
NET CASH (USED IN) OPERATING ACTIVITIES		(588,415)	(597,525)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of plant and equipment		-	200,000
Cash on acquisition of subsidiaries		25,698	-
Payments for exploration expenditure		(2,521,666)	-
NET CASH PROVIDED BY INVESTING ACTIVITIES		(2,495,968)	200,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of share capital		4,592,100	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		4,592,100	-
NET (DECREASE) / INCREASE IN CASH		1,507,717	(397,525)
Cash at the beginning of the financial period		935,881	1,974,958
Exchange differences on cash and cash equivalents		(150)	136
CASH AT THE END OF THE FINANCIAL PERIOD		2,443,448	1,577,569

The accompanying notes form part of these financial statements.

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2015**

NOTE 1: BASIS OF PREPARATION

These general purpose interim financial statements of Boss Resources Limited ("Company") and controlled entities ("Group" or "Consolidated Entity") for the half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by Boss Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

New and Revised Accounting Standards

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

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

Provision for restoration

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

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

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2015**

Significant Accounting Estimate and Judgement

The acquisition of the Honeymoon project, as described in note 12, is treated as an acquisition of a group of assets and an assumption of liabilities, not an acquisition of a business combination. This is because the acquisition does not exhibit the process criterion for constituting a business required by AASB 3 *Business Combinations* paragraph B7(b), with no continuing employees, acquired plant in care and maintenance, and no defined JORC reserves at the acquisition date.

Restoration provision

The Company is required to ensure that appropriate rehabilitation is carried out on tenements that are mined. The amount of rehabilitation cost is an estimate based upon the estimated life of each mined tenement, as well as the future timing and cost of such rehabilitation. The provision is constantly revised as information about the life of mine, type of mining and cost estimates are updated.

NOTE 2: OTHER FINANCIAL ASSETS

	31 December 2015	30 June 2015
	\$	\$
Security bonds	8,898,239	55,660
Available for sale financial assets	38,628	36,872
	<u>8,936,867</u>	<u>92,532</u>
Listed investments, at fair value		
- Shares in listed corporations	<u>38,628</u>	<u>36,872</u>
<i>Movement in security bonds:</i>		
Opening value	55,660	63,740
Security bond acquisition with Honeymoon project (see note 12)	8,842,380	-
Foreign exchange movement	199	(45)
Return of security bond	-	(8,035)
Closing value	<u>8,898,239</u>	<u>55,660</u>

Security bonds are term deposits held as security and deposits held by service providers. All security bonds are term deposits that are held by Australian banks with at least 'A' credit rankings, except for \$7,223 of security deposits (30 June 2015: \$7,089) that are held by utility suppliers in Burkina Faso.

NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2015	30 June 2015
	\$	\$
Balance at the beginning of the year	5,080,000	5,080,000
Exploration expenditure incurred	353,744	378,245
Exploration and evaluation interest acquisition with Honeymoon project (see note 12)	9,128,939	-
Write off of exploration and evaluation on disposal of mineral exploration interests	(40,000)	-
Exploration expenditure expensed	(353,744)	(378,245)
Balance at the end of the year	<u>14,168,939</u>	<u>5,080,000</u>

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2015**

NOTE 4: BORROWINGS

	31 December 2015	30 June 2015
	\$	\$
Promissory notes	7,000,000	-
	<u>7,000,000</u>	<u>-</u>

During the period, two promissory notes were issued by the Company, for \$3,000,000 and \$4,000,000, to the vendor of the Honeymoon Project on behalf of Boss Energy Pty Ltd (Boss Energy) to enable Boss Energy to partially repay loans owing to the vendor of the Honeymoon Project.

Interest on these promissory notes accrues daily on the principal at interest rates equal to the bank interest rates paid on performance bonds over the Honeymoon Project, with interest payable to the holder of the promissory notes within 5 business days of bank interest being paid on the performance bonds.

The promissory notes are secured by a charge in favour of the noteholder over all current and future assets of the Company, other than assets based in Sweden, Norway and Finland.

Repayment of the promissory notes is due on the earliest of: any change in control of the Company; any sale of the Honeymoon Project; the Company obtaining financing for at least \$15,000,000 with a minimum consequent repayment date of 30 November 2016; or at the longstop dates of 30 November 2017 and 30 November 2019 for the \$3,000,000 and \$4,000,000 promissory notes respectively. At 31 December 2015, the total face value of the promissory notes of \$7,000,000 is recognised as a non-current borrowing while the accrued interest payable of \$5,945 is included in the balance of current trade and other payables.

The vendor can transfer these notes, on the consent of the Company, which consent must not be unreasonably withheld.

NOTE 5: ISSUED CAPITAL

	31 December 2015	30 June 2015
	\$	\$
Issued Capital - fully paid ordinary shares	<u>47,895,056</u>	<u>43,302,956</u>
Ordinary Shares	Number	\$
Balance at 30 June 2015	547,341,477	43,302,956
Share issue - 6 October 2015 at \$0.015 per share	91,719,107	1,375,787
Share issue - 20 October 2015 at \$0.015 per share	165,365,052	2,480,476
Share issue – 16 November 2015 at \$0.015 per share	30,333,333	455,000
Share issue – 24 December 2015 at \$0.015 per share	20,000,000	300,000
Share issue costs	-	(19,163)
Balance at 31 December 2015	<u>854,758,969</u>	<u>47,895,056</u>

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2015**

NOTE 6: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

There has been no change in contingent liabilities since the last annual reporting except for the following contingent liabilities assumed with the acquisition of Boss Uranium, as detailed in note 12:

- \$2 million is payable in cash and/or shares upon the later of restart of the operations of the Honeymoon Project with commercial production or 30 November 2020.
- 10% of the net operating cash flow of the Honeymoon Project is payable annually up to a maximum of \$3 million in total.
- Acquired subsidiary Boss Uranium has agreed to sell up to 1.3 million pounds of uranium oxide (U_3O_8) to a potential United States customer, calculated as at least 20% of each prior quarter's production up to a total of 250,000 pounds per year. The price is to be determined based on future market prices.
- Acquired subsidiary Boss Uranium has agreed to sell uranium oxide to a potential European customer on the following terms:
 - o Up to 50,000 pounds of uranium oxide per year is to be delivered for each of the first three years following commencement of production.
 - o Up to the lesser of 200,000 pounds of uranium oxide per year or 20% of the prior year's production is to be delivered for each of the first five years following commencement of production.
 - o The price is to be determined based on future market prices.
 - o The buyer has an option to extend the delivery period by one year.

With the acquisition of Boss Uranium, the Group acquired the following exploration expenditure commitments:

	31 December 2015	30 June 2015
	\$	\$
Less than 12 months	840,000	-
12 months to 5 years	1,372,300	-
	<u>2,212,300</u>	<u>-</u>

NOTE 7: DIVIDENDS

No dividends have been declared or paid during the half-year ended 31 December 2015 or in the prior period, and the Directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2015.

NOTE 8: EVENTS SUBSEQUENT TO BALANCE DATE

There are no matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods other than:

- On 12 January 2016, Mr Grant Davey was appointed as an Executive Director of the Company.
- On 12 January 2016, Mr Thomas Gladwin-Grove resigned from his position as a Director of the Company.

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2015**

NOTE 9: DETAILS OF CONTROLLED ENTITIES

a. Information about Principal Subsidiaries

	Country of Incorporation	Percentage Owned %	
		31 December 2015	30 June 2015
Parent Entity:			
Boss Resources Limited	Australia		
Subsidiaries of Boss Resources Limited:			
Boss Energy Pty Ltd*	Australia	80	-
Askia Gold Pty Ltd	Australia	100	100
Boss Minerals Pty Ltd	Australia	100	100
Boss Resources Sweden 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
Subsidiary of Boss Energy Pty Ltd:			
Boss Uranium Pty Ltd**	Australia	80	-

*Boss Energy Pty Ltd (Boss Energy) was incorporated on 27 August 2015 as the holding company for Boss Uranium Pty Ltd and the Honeymoon Project. 80% of the shares in Boss Energy are held by the parent Entity. The remaining 20% of shares in Boss Energy are held by Wattle Energy Pty Ltd (Wattle). Wattle is controlled by Mr Grant Davey who was appointed as a director of the Company on 12 January 2016. Boss Energy is controlled by the Company. Wattle's shareholding in Boss Energy is free carried until completion of a Bankable Feasibility Study for the Honeymoon Project (BFS) and Decision to Mine.

On completion of the BFS, Boss may buy out Wattle's shareholding at fair market value, where fair market value is determined by mutual agreement or external valuation. While Wattle remains a shareholder of Boss Energy, Wattle has a right by written notice to appoint one Director to the board of the Company in proportion to Wattle's shareholding in Boss Energy.

** Boss Uranium Pty Ltd, (Boss Uranium) (formerly Uranium One Australia Pty Ltd) was acquired on Completion of the Honeymoon acquisition on 30 November 2015. All shares in Boss Uranium are held directly by Boss Energy.

There have been no other movements in percentage ownership or cost of controlled entities during the period.

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2015**

NOTE 9: DETAILS OF CONTROLLED ENTITIES (CONTINUED)

b. Summarised Financial Information of Subsidiaries with Material Non-controlling Interests

Set out below is the summarised financial information for Boss Uranium as it has a non-controlling interest that is material to the group. The information is only provided as at 31 December 2015 and for the period from acquisition on 30 November 2015 to 31 December 2015 because Boss Uranium was only acquired by the Group on 30 November 2015.

	Boss Uranium 31 December 2015 \$
Current assets	400,497
Non-current assets	17,971,319
Total assets	18,371,816
Current liabilities	167,635,981
Non-current liabilities	8,842,380
Total liabilities	176,478,361
Net Liabilities	(158,106,545)

The non-current assets of Boss Uranium include a secured deposit of \$8,842,380 that is security against a non-current reclamation liability of \$8,842,380. The nature of this non-current reclamation liability significantly restricts the Group's ability to access the secured deposit for the purpose of meeting other liabilities of the Group.

The current liabilities of Boss Uranium include an intra-group loan balance owing to the Company of \$167,635,981. This intra-group loan balance is unsecured and at call, so consequently considered current despite the nature of operations.

	Boss Uranium December 2015 \$
Revenue	-
Loss before income tax	(146,765)
Income tax expense	-
Loss after income tax expense	(146,765)
Other comprehensive income	-
Total comprehensive income	(146,765)

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2015**

NOTE 9: DETAILS OF CONTROLLED ENTITIES (CONTINUED)

	Boss Uranium December 2015
	\$
Net cash used in operating activities	(47,819)
Net cash from financing activities	29,891
Cash and Cash Equivalents at beginning of the reporting period	25,698
Cash and Cash Equivalents at end of the reporting period	<u>7,770</u>
Other financial information	
Loss attributable to non-controlling interest	<u>(29,353)</u>
Accumulated non-controlling interest at the end of the reporting period	<u>(29,353)</u>

NOTE 10: SEGMENT REPORTING

SEGMENT INFORMATION

The segment information provided to the Board of Directors for the reportable segments for the half-year ended 31 December 2015 is as follows:

	Gold	Uranium	Nickel/ Copper	Corporate	Total
	\$	\$	\$	\$	\$
31 December 2015					
Revenue					
Other revenues from external customers	-	-	-	-	-
Total segment revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Result					
Segment result	(729)	(152,711)	(207,816)	(720,875)	(1,082,131)
Interest Revenue	-	6,783	-	19,759	26,542
Depreciation	-	-	-	(6,889)	(6,889)
Assets and Liabilities at 31 December 2015					
Segment assets					
Assets held for sale	-	392,727	-	-	392,727
Exploration expenditure	5,000,000	9,128,939	40,000	-	14,168,939
Plant and equipment	-	-	-	19,799	19,799
Cash and cash equivalents	318	7,770	-	2,435,360	2,443,448
Prepayments	-	-	-	9,790	9,790
Trade and other receivables	12,896	-	-	32,255	45,151
Other financial assets	7,223	8,842,380	-	87,264	8,936,867
Total assets as per the statement of financial position	<u>5,020,437</u>	<u>18,371,816</u>	<u>40,000</u>	<u>2,584,468</u>	<u>26,016,721</u>

Notes to the Financial Statements
For the Half-Year Ended 31 December 2015

NOTE 10: SEGMENT REPORTING (CONTINUED)

	Gold	Uranium	Nickel/ Copper	Corporate	Total
Assets and Liabilities at 31 December 2015 (cont.)	\$	\$	\$	\$	\$
Segment liabilities					
Trade and other payables	3,563	-	-	150,383	153,946
Non-current borrowings	-	7,000,000	-	-	7,000,000
Non-current provisions	-	8,842,380	-	-	8,842,380
Total liabilities as per the statement of financial position	3,563	15,842,380	-	150,383	15,996,326
	Gold	Nickel/ Copper	Corporate	Total	
	\$	\$	\$	\$	
31 December 2014					
Revenue					
Other revenues from external customers	58,187	-	-	58,187	
Total segment revenue	58,187	-	-	58,187	
Result					
Segment result	50,466	(277,442)	(334,016)	(560,992)	
Interest Revenue	-	-	31,524	31,524	
Depreciation	-	-	(6,549)	(6,549)	
Assets and Liabilities at 31 December 2014					
Segment assets					
Exploration expenditure	5,000,000	80,000	-	5,080,000	
Plant and equipment	-	-	30,964	30,964	
Cash and cash equivalents	6,264	-	1,571,305	1,577,569	
Prepayments	-	-	9,253	9,253	
Trade and other receivables	12,208	-	20,553	32,761	
Financial assets	15,509	-	171,480	186,989	
Total assets as per the statement of financial position	5,033,981	80,000	1,803,555	6,917,536	
Segment liabilities					
Trade and other payables	10,018	26,914	28,466	65,398	
Total liabilities as per the statement of financial position	10,018	26,914	28,466	65,398	

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2015**

NOTE 11: FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the Group's assets and liabilities that are measured or disclosed at fair value, using a three level hierarchy that is based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 December 2015	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Ordinary shares available-for-sale	38,628	-	-	38,628
Total assets	38,628	-	-	38,628

Consolidated - 30 June 2015	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Ordinary shares available-for-sale	36,872	-	-	36,872
Total assets	36,872	-	-	36,872

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. The carrying amount of non-current borrowings is assumed to approximate its fair value due to the interest being payable on the promissory notes.

NOTE 12: ACQUISITION OF HONEYMOON PROJECT

On 30 November 2015 (Completion), the Company completed the acquisition of the Honeymoon Uranium Project in South Australia. The assets of the Honeymoon project are all held by Boss Uranium Pty Ltd, (Boss Uranium) (formerly Uranium One Australia Pty Ltd) which was acquired on Completion of the Honeymoon acquisition. This acquisition occurred in several stages:

- An initial site access fee of \$200,000 was paid in April 2015, giving the Company the exclusive right to access the Honeymoon Project and conduct all its due diligence. This was recognised as a prepayment at 30 June 2015 then expensed as an acquisition cost during the half year ended 31 December 2015.
- Before Completion, Boss Uranium repaid \$9,521,666 owing to the vendor with funds borrowed from Boss Resources Limited. This repayment was fulfilled with the Company paying \$2,521,666 (the Closing Amount) in cash to the vendor and issuing \$7,000,000 in promissory notes to the vendor. The terms of the promissory notes are detailed in note 4.
- At Completion, the Company paid \$1 and agreed to the following contingent payments to the vendor upon successful recommissioning of the Honeymoon Project:
 - o \$2 million payable in cash and/or shares upon the later of restart of the operations with commercial production or 30 November 2020.

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2015**

NOTE 12: ACQUISITION OF HONEYMOON PROJECT (CONTINUED)

- o 10% of the net operating cash flow of the Honeymoon Project payable annually up to a maximum of \$3 million in total.
- o These contingent payments have been classified as contingent liabilities and detailed in note 6.
- At Completion the outstanding legally enforceable loan from the vendor to Boss Uranium of \$157,959,780 was assigned to the Company for \$1.

Payment of the Closing Amount was guaranteed by Carbine Resources Limited (Carbine Guarantee). In consideration for the Carbine Guarantee, on 1 September 2015 the Company issued 10 million unquoted share options exercisable at \$0.02 each by 31 August 2018. These options have been valued at \$ 0.01549 each for a total value of \$154,900, based on a Black-Scholes valuation with no dividends, a term of 3 years, an exercise price of \$0.02, a grant date share price of \$0.022, a volatility of 115% and a risk free interest rate of 1.76%pa. The full value of \$154,900 was expensed immediately for these options.

Details of the purchase consideration and the net assets acquired are as follows:

	2015
	\$
Purchase consideration paid by Boss Resources Limited	
Cash paid to acquire Boss Uranium Limited	1
Total purchase consideration	<u>1</u>

The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

	Fair Value
	\$
Cash and cash equivalents	25,698
Assets held for sale	392,727
Other financial assets	8,842,380
Exploration and evaluation expenditure	9,128,939
Trade and other payables	(9,547,363)
Non-current provision	(8,842,380)
Net assets acquired at fair value	<u>1</u>

The assets held for sale are plant and equipment acquired that the Group intends to sell as at the acquisition date based on decisions made during the due diligence period.

For the purpose of acquisition accounting, a legally enforceable loan of \$157,959,780 owing by Boss Uranium, which was assigned by the vendor to the Company through a separate transaction, has been brought to account by the Company at the fair value of \$1, which is its recoverable value and is not part of the acquisition consideration transferred by the Company.

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2015**

NOTE 13: RESTORATION PROVISION

	31 December 2015	30 June 2015
	\$	\$
Restoration provision	8,842,380	-
	<u>8,842,380</u>	<u>-</u>

The provision movement for the half-year is as follows:

Carrying amount at the start of the period	-	-
Restoration provision recognised upon acquisition of assets (note 12)	8,842,380	-
Carrying amount at the end of the period	<u>8,842,380</u>	<u>-</u>

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

Directors' Declaration

In the opinion of the Directors of Boss Resources Limited ('the Company'):

1. The financial statements and notes thereto of the Consolidated Entity, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2015 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



EVAN CRANSTON
Chairman

DATED at PERTH this 15th day of March 2016

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

We have reviewed the accompanying half-year financial report of Boss Resources Limited which comprises the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, 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 half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Boss Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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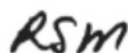
Independence

In conducting our review, 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 review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Boss Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



D J WALL
Partner

Perth, WA
Dated: 15 March 2016