



**Interim Financial Report
for the Half-Year ended 31 December 2016
ABN 38 116 834 336**

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Corporate Directory

DIRECTORS

Mr Mark Hohnen	Chairman
Dr Marat Abzalov	Director
Mr Evan Cranston	Director
Mr Grant Davey	Director
Mr Peter Williams	Director

COMPANY SECRETARY

Ms Oonagh Malone

CHIEF EXECUTIVE OFFICER

Mr Duncan Craib

PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE

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SOLICITORS TO THE COMPANY

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Ground Floor, 11 Ventnor Street
West Perth WA 6005

AUDITORS

RSM Australia Partners
8 St Georges Terrace
Perth WA 6000

STOCK EXCHANGE

Australian Securities Exchange
Home Office: Perth
Code: BOE

SHARE REGISTRY

Security Transfer Australia 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 2016.

Directors

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

Mr Mark Hohnen (Chairman)

Dr Marat Abzalov

Mr Evan Cranston

Mr Grant Davey

Mr Peter Williams

Result

The operating loss for the consolidated entity for the half-year ended 31 December 2016 was \$2,393,515 (2015: loss of \$1,052,778).

Principal Activities and Review of Operations

During the period the Group continued its focus on assessing the Honeymoon Uranium Project's near-term production with substantial exploration upside in underexplored tenements in South Australia, and its gold interests in Burkina Faso (in joint venture with Gryphon Minerals Limited).

Honeymoon Uranium Project

Significant milestone achievements achieved during the 6 months under financial review, include:

- Positive expansion study completed based on results from past operations has indicated strong potential for a highly economic expanded operation
 - Low capital outlay required of US\$7 million for plant re-start plus US\$57 million for the expansion to 2Mlbs / annum
 - Steady-state operating costs are approximately US\$24/lb U3O8 equivalent
- Expansion study results have provided the necessary confidence for the Company to proceed to the pre-feasibility study stage with a decision to mine expected by end 2017
- Pre-feasibility study (PFS) underway with GR Engineering Services Limited (ASX: GNG) appointed as lead consultants, and is due for completion by end of Quarter 2, 2017.
 - ANSTO, a world leader in uranium technology, to undertake leaching and uranium recovery test work
 - Experienced team to undertake wellfield design and development strategy
 - Hybrid ELUEX process identified via the expansion study to be further defined as part of PFS
- Successful drill program commenced in November 2016 at the Jasons Prospect to confirm historical data and increase resource definition, with additional potential for extensional and infill increases over the combined deposit.

Burkina Faso Gold Assets

On 13 October 2016, Teranga Gold (TSX/ASX: TGZ) completed the acquisition of Gryphon Minerals (ASX: GRY) and assumed Gryphon's current 51% interest (can earn up to 80%) in Boss Resources' Golden Hill and Gourma Gold Projects located in Burkina Faso (ASX: 4 July 2014 for full terms of the agreement).

Teranga undertook a short field exploration campaign at Golden Hill, commencing in November and concluding in mid-December 2016 (ASX: TGZ 30 January 2017). Field activities in 2017 are expected to be directed at many of high priority prospects throughout Golden Hill including Ma, Ma Breccia, Ma East, Nahiri, Pourey-Peksou, Zones A-B-C, Jackhammer Hill and Didro. Field activities are expected to include detailed soil sampling, detailed geologic and structural mapping, induced polarisation geophysics, auger drilling, RAB drilling, reverse circulation drilling and diamond core drilling.

There were no other significant changes in 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 9 January 2017, the Company announced the appointment of Mr Duncan Craib as CEO.
- On 30 January 2017, the Company issued 104,615,385 ordinary shares at a share price of \$0.065 per share to raise \$6,800,000 before costs.
- On 15 March 2017, the Company announced a substantial resource upgrade for Jason's Deposit, with the following highlights:
 - Updated Inferred Resource of 6.2 Mt @ 790 ppm eU3O8 (for 10.7 Mlb eU3O8)
 - Combined Honeymoon Project resource increased to 43.5 Mt @ 660 ppm eU3O8 (for 63.3 Mlb eU3O8).

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.

A handwritten signature in black ink, appearing to read "Mark Hohnen", followed by a horizontal line.

MARK HOHNEN
Chairman

DATED at PERTH this 15th day of March 2017

RSM Australia Partners

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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 2016, 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

RSM AUSTRALIA PARTNERS

D J Wall

D J WALL
Partner

Perth, WA
Dated: 15 March 2017

**Statement of Comprehensive Income
For the Half-Year Ended 31 December 2016**

	Note	Consolidated	
		Half-Year ended 31 December 2016 \$	Half-Year ended 31 December 2015 \$
Revenue		61,426	26,542
Employees and consultants		(795,585)	(451,598)
Accounting and legal		(78,466)	(82,000)
Regulatory fees		(36,444)	(36,115)
Occupancy and communications		(33,276)	(21,795)
Exploration and evaluation expenditure	3	(1,524,910)	(353,744)
Finance expenses		(111,799)	(7,725)
Impairment of exploration and evaluation	3	-	(40,000)
Gain on investment		1,756	1,756
Other expenses		(214,178)	(117,452)
Loss before income tax		(2,731,476)	(1,082,131)
Income tax expense		-	-
Loss for the period		(2,731,476)	(1,082,131)
Other comprehensive income:			
<i>Item that may be reclassified subsequently to operating result</i>			
Exchange differences on translating foreign controlled entities		-	146
Other comprehensive income for the period, net of tax		-	146
Total comprehensive (loss) for the period		(2,731,476)	(1,081,985)
Loss for the half-year is attributable to:			
Non-controlling interests		(337,961)	(29,353)
Members of Boss Resources Limited		(2,393,515)	(1,052,778)
		(2,731,476)	(1,082,131)
Total comprehensive (loss) for the half-year is attributable to:			
Non-controlling interests		(337,961)	(29,353)
Members of Boss Resources Limited		(2,393,515)	(1,052,632)
		(2,731,476)	(1,081,985)
Basic and diluted loss per share (cents)		(0.27)	(0.16)

The accompanying notes form part of these financial statements.

**Statement of Financial Position
As at 31 December 2016**

	Consolidated	
Note	31 December 2016	30 June 2016
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	1,528,500	2,619,672
Trade and other receivables	91,307	84,903
Other assets	35,169	29,052
Total Current Assets	1,654,976	2,733,627
NON-CURRENT ASSETS		
Plant and equipment	369,759	420,903
Other financial assets	2 9,063,001	8,961,199
Exploration and evaluation expenditure	3 13,834,394	13,834,394
Total Non-Current Assets	23,267,154	23,216,496
TOTAL ASSETS	24,922,130	25,950,123
CURRENT LIABILITIES		
Trade and other payables	1,139,215	401,198
Borrowings	4 3,000,000	-
TOTAL CURRENT LIABILITIES	4,139,215	401,198
NON-CURRENT LIABILITIES		
Borrowings	4 4,000,000	7,000,000
Restoration provision	8,842,380	8,842,380
TOTAL NON-CURRENT LIABILITIES	12,842,380	15,842,380
TOTAL LIABILITIES	16,981,595	16,243,578
NET ASSETS	7,940,535	9,706,545
EQUITY		
Issued capital	5 49,634,773	49,138,898
Reserves	7,679,543	7,209,952
Accumulated losses	(48,822,248)	(46,428,733)
TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF BOSS RESOURCES LIMITED	8,492,068	9,920,117
Non-controlling interest	(551,533)	(213,572)
TOTAL EQUITY	7,940,535	9,706,545

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity
For the Half-Year Ended 31 December 2016**

Consolidated	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share Based Payment Reserve	Non- controlling Interest	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	49,138,898	(46,428,733)	-	7,209,952	(213,572)	9,706,545
Loss for the period	-	(2,393,515)	-	-	(337,961)	(2,731,476)
Total comprehensive loss for the period	-	(2,393,515)	-	-	(337,961)	(2,731,476)
Transactions with owners in their capacity as owners:						
Shares issued during the period	500,000	-	-	-	-	500,000
Capital raising costs	(4,125)	-	-	-	-	(4,125)
Share based payment	-	-	-	469,591	-	469,591
Balance at 31 December 2016	49,634,773	(48,822,248)		7,679,543	(551,533)	7,940,535
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

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Half-Year Ended 31 December 2016

	Note	Consolidated	
		Half-Year ended 31 December 2016 \$	Half-Year ended 31 December 2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash payments in the course of operations		(441,758)	(323,975)
Cash payments for mineral exploration and evaluation		(1,104,954)	(289,018)
Finance costs		(9)	(29)
Interest received		62,299	24,607
NET CASH (USED IN) OPERATING ACTIVITIES		(1,484,422)	(588,415)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(2,625)	-
Cash on acquisition of subsidiaries		-	25,698
Payment for security deposits		(100,000)	-
Payments for exploration expenditure		-	(2,521,666)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES		(102,625)	(2,495,968)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of share capital		495,875	4,592,100
NET CASH PROVIDED BY FINANCING ACTIVITIES		495,875	4,592,100
NET (DECREASE)/ INCREASE IN CASH		(1,091,172)	1,507,717
Cash at the beginning of the financial period		2,619,672	935,881
Exchange differences on cash and cash equivalents		-	(150)
CASH AT THE END OF THE FINANCIAL PERIOD		1,528,500	2,443,448

The accompanying notes form part of these financial statements.

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2016**

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 2016 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 2016 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 2016**

Significant Accounting Estimate and Judgement

Restoration provision

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

NOTE 2: OTHER FINANCIAL ASSETS

	31 December 2016	30 June 2016
	\$	\$
Security bonds	8,991,012	8,890,966
Available for sale financial assets	71,989	70,233
	<u>9,063,001</u>	<u>8,961,199</u>
Listed investments, at fair value		
- Shares in listed corporations	<u>71,989</u>	<u>70,233</u>
<i>Movement in security bonds:</i>		
Opening value	8,890,966	55,660
Security bond acquisition with Honeymoon project	-	8,842,380
Increase in security deposits	100,000	-
Foreign exchange movement	46	149
Security bonds lost on loss of control of subsidiaries	-	(7,223)
Closing value	<u>8,991,012</u>	<u>8,890,966</u>

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. Security deposits that were lost on loss of control of subsidiaries were held by utility suppliers in Burkina Faso.

NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2016	30 June 2016
	\$	\$
Balance at the beginning of the period	13,834,394	5,080,000
Exploration expenditure incurred	1,318,145	1,082,224
Exploration and evaluation interest acquisition with Honeymoon project	-	8,834,394
Write off of exploration and evaluation on disposal of mineral exploration interests	-	(80,000)
Exploration expenditure expensed	<u>(1,318,145)</u>	<u>(1,082,224)</u>
Balance at the end of the year	<u>13,834,394</u>	<u>13,834,394</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 2016**

NOTE 4: BORROWINGS

	31 December 2016	30 June 2016
	\$	\$
Promissory notes – current	3,000,000	-
Current borrowings	<u>3,000,000</u>	<u>-</u>
Promissory notes – current	4,000,000	7,000,000
Non-current borrowings	<u>4,000,000</u>	<u>7,000,000</u>

During the prior year, 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.

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 2016, the \$3,000,000 promissory notes is recognised as a current borrowing, the \$4,000,000 promissory note is recognised as a non-current borrowing based on expected repayment timing, and the accrued interest payable of \$92,823 (30 June 2016: \$57,534) 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 2016	30 June 2016
	\$	\$
Issued Capital - fully paid ordinary shares	<u>49,634,773</u>	<u>49,138,898</u>
Ordinary Shares	Number	\$
Balance at 30 June 2016	886,008,969	49,138,898
Share issue - 25 August 2016 at \$0.03 per share	16,666,667	500,000
Share issue costs	-	(4,125)
Balance at 31 December 2016	<u>902,675,636</u>	<u>49,634,773</u>

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2016**

NOTE 6: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

There has been no change in contingent liabilities since the prior year.

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:

	31 December 2016	30 June 2016
	\$	\$
Less than 12 months	332,235	927,185
12 months to 5 years	-	420,000
	<u>332,235</u>	<u>1,347,185</u>

NOTE 7: DIVIDENDS

No dividends have been declared or paid during the half-year ended 31 December 2016 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 2016.

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 9 January 2017 the Company announced the appointment of Mr Duncan Craib as CEO.
- On 30 January 2017, the Company issued 104,615,385 ordinary shares at a share price of \$0.065 per share to raise \$6,800,000 before costs.

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2016**

NOTE 9: DETAILS OF CONTROLLED ENTITIES

a. Information about Principal Subsidiaries

	Country of Incorporation	Percentage Owned %	
		31 December 2016	30 June 2016
Parent Entity:			
Boss Resources Limited	Australia		
Subsidiaries of Boss Resources Limited:			
Boss Energy Pty Ltd*	Australia	80	80
Askia Gold Pty Ltd***	Australia	49	49
Boss Minerals Pty Ltd***	Australia	49	49
Boss Resources Sweden Pty Ltd	Australia	100	100
Subsidiary of Askia Gold Pty Ltd:			
Boss Gold SARL (formerly Askia Gold SARL) ***	Burkina Faso	49	49
Subsidiary of Boss Minerals Pty Ltd:			
Boss Minerals SARL***	Burkina Faso	49	49
Subsidiary of Boss Energy Pty Ltd:			
Boss Uranium Pty Ltd**	Australia	80	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.

***During the prior year, the Group Lost control of Askia Gold Pty Ltd, Boss Minerals Pty Ltd, Boss Gold SARL and Boss Minerals SARL.

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 2016**

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. Comparative information is as at 30 June 2016 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.

Summarised statement of financial position	Boss Uranium	
	31 December 2016	30 June 2016
	\$	\$
Current assets	22,723	21,317
Non-current assets	18,138,130	18,084,692
Total assets	18,160,853	18,106,009
Current liabilities	170,035,915	168,291,268
Non-current liabilities	8,842,380	8,842,380
Total liabilities	178,878,295	177,133,648
Net Liabilities	(160,717,442)	(159,027,639)

The non-current assets of Boss Uranium include a secured deposit of \$8,842,380 (30 June 2016: \$8,842,380) that is security against a non-current reclamation liability of \$8,842,380 (30 June 2016: \$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 \$169,705,859 (30 June 2016: \$168,291,268). This intra-group loan balance is unsecured and at call, so consequently considered current despite the nature of operations.

Summarised statement of profit or loss and other comprehensive income	Boss Uranium	
	December 2016	December 2015
	\$	\$
Revenue	44,168	-
Loss before income tax	(1,733,971)	(146,765)
Income tax expense	-	-
Loss after income tax expense	(1,689,803)	(146,765)
Other comprehensive income	-	-
Total comprehensive income	(1,689,803)	(146,765)

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2016**

NOTE 9: DETAILS OF CONTROLLED ENTITIES (CONTINUED)

Summarised statement of cashflows	Boss Uranium	
	December 2016	December 2015
	\$	\$
Net cash used in operating activities	(1,315,134)	(47,819)
Net cash used in investing activities	(100,000)	-
Net cash from financing activities	1,414,591	29,891
Cash and Cash Equivalents at beginning of the reporting period	21,317	25,698
Cash and Cash Equivalents at end of the reporting period	<u>20,774</u>	<u>7,770</u>
 Other financial information		
Loss attributable to non-controlling interest	(337,961)	(29,353)
Accumulated non-controlling interest at the end of the reporting period	<u>(551,533)</u>	<u>(29,353)</u>

NOTE 10: SEGMENT REPORTING

The segment information provided to the Board of Directors for the reportable segments for the half-year ended 31 December 2016 is as follows:

	Gold	Uranium	Nickel/ Copper	Corporate	Total
	\$	\$	\$	\$	\$
31 December 2016					
Revenue					
Other revenues from external customers	-	-	-	-	-
Total segment revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Result					
Segment result		(1,689,803)	-	(1,041,673)	(2,731,476)
Interest Revenue	-	44,168	-	17,258	61,426
Depreciation	-	(46,561)	-	(7,208)	(53,769)
 Assets and Liabilities at 31 December 2016					
Segment assets					
Exploration expenditure	5,000,000	8,834,394	-	-	13,834,394
Plant and equipment	-	361,357	-	8,402	369,759
Cash and cash equivalents	-	20,774	-	1,507,726	1,528,500
Prepayments	-	-	-	35,169	35,169
Trade and other receivables	-	-	-	91,307	91,307
Other financial assets	-	8,942,380	-	120,621	9,063,001
Total assets as per the statement of financial position	<u>5,000,000</u>	<u>18,158,905</u>	<u>-</u>	<u>1,763,225</u>	<u>24,922,130</u>

Notes to the Financial Statements
For the Half-Year Ended 31 December 2016

NOTE 10: SEGMENT REPORTING (CONTINUED)

	Gold	Uranium	Nickel/ Copper	Corporate	Total
Assets and Liabilities at 31 December 2016 (cont.)	\$	\$	\$	\$	\$
Segment liabilities					
Trade and other payables	-	330,055	-	809,160	1,139,215
Current borrowings	-	3,000,000	-	-	3,000,000
Non-current borrowings	-	4,000,000	-	-	4,000,000
Non-current provisions	-	8,842,380	-	-	8,842,380
Total liabilities as per the statement of financial position	-	16,172,435	-	809,160	16,981,595
31 December 2015					
Revenue					
Other revenues from external customers	-	-	-	-	-
Total segment revenue	-	-	-	-	-
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	5,020,437	18,371,816	40,000	2,584,468	26,016,721
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

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2016**

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 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Ordinary shares available-for-sale	<u>71,989</u>	<u>-</u>	<u>-</u>	<u>71,989</u>
Total assets	<u>71,989</u>	<u>-</u>	<u>-</u>	<u>71,989</u>

Consolidated - 30 June 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Ordinary shares available-for-sale	<u>70,233</u>	<u>-</u>	<u>-</u>	<u>70,233</u>
Total assets	<u>70,233</u>	<u>-</u>	<u>-</u>	<u>70,233</u>

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.

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 2016 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.

A handwritten signature in blue ink, appearing to read "Mark Hohnen", followed by a horizontal line.

MARK HOHNEN
Chairman

DATED at PERTH this 15th day of March 2017



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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 2016, 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 2016 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 2016 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

RSM AUSTRALIA PARTNERS

D J Wall

D J WALL
Partner

Perth, WA
Dated: 15 March 2017