BOSS RESOURCES LIMITED

Annual Report 2016

ABN 38 116 834 336

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Corporate Directory

Directors

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

Company Secretary

Ms Oonagh Malone

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Share Registry

Security Transfer Australia

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Review of Operations

Honeymoon Uranium Mine, South Australia

On 1 December 2015, Boss Resources Ltd (Boss or the Company) announced the successful acquisition of the Honeymoon Uranium Project in South Australia via the acquisition of 100% of the issued share capital of Uranium One Australia Pty Ltd. Boss has formed a special purpose vehicle with Wattle Mining Pty Ltd (Wattle) whereby Boss will own 80% and Wattle will own 20% of Uranium One Australia Pty Ltd, with Boss holding an option to acquire Wattle's 20% post completion of a bankable feasibility study.

The Honeymoon Uranium Project is located in South Australia and is approximately 80km north-west of the town of Broken Hill near the South Australian – New South Wales border. Covering 2,595km^2 of prospective land tenure, the project consists of 1 granted mining lease, 5 granted exploration licenses, 8 retention leases and 2 miscellaneous purposes licenses.

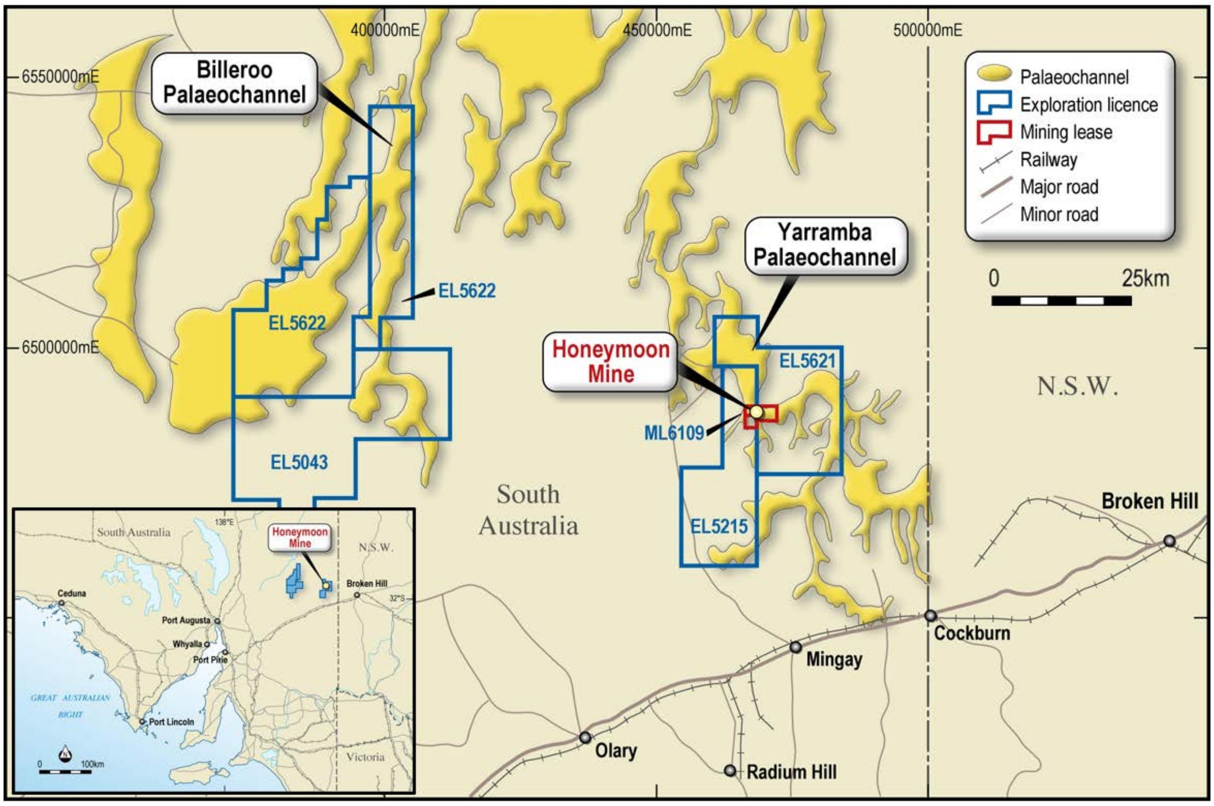


Figure 1: The Honeymoon Uranium Project, South Australia.

The Honeymoon Project is one of only four fully permitted uranium projects in Australia with an 880,000lb per annum plant and wellfields currently in care and maintenance (since 2013). The Honeymoon mining infrastructure is located on ML6109 and has produced some 335t of U_3O_8 from 2011 to 2012. In addition to the plant and wellfields, the Honeymoon Project has a 200 person operating mining camp and administration buildings, 75km of power line connecting the site to mains power, an operating runway for light planes and a fleet of vehicles, spares and other equipment.

Acquisition Terms

Boss has entered into an agreement to acquire 100% of the issued share capital of Uranium One Australia which owns the Honeymoon Uranium Project. The consideration for the Honeymoon acquisition includes:

- A $200,000 site access fee which gave Boss the exclusive right to access the Honeymoon Uranium Project and conduct all its due diligence (paid)
- An initial cash payment of approximately $2,442,000 (comprising an amount of $2,115,000 plus a care and maintenance contribution of approximately $327,000) (paid)
- $3 million under a promissory note and repayable within 24 months of completion of the Acquisition
- $4 million under a promissory note issued and repayable within 48 months of completion of the Acquisition

Boss will also make the following contingent payments to U1 upon successful recommissioning of the Honeymoon Uranium Project:

- $2 million payable in cash and/or shares upon the later of restart of the operations with commercial production or 5 years of completion of the Acquisition
- 10% of the net operating cash flow of the Honeymoon Project payable annually up to a maximum of $3 million

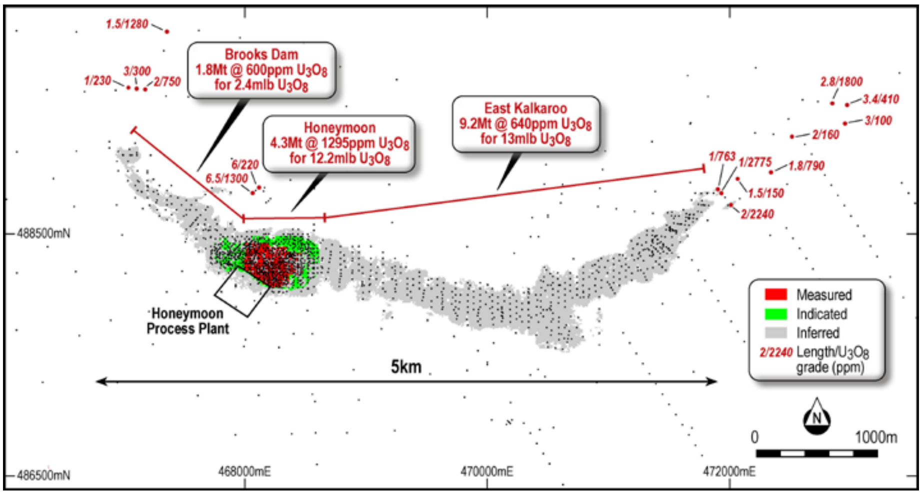
Repayment of the amounts due under the promissory notes may be accelerated in certain circumstances, including where Boss raises financing of $15 million, the sale of the shares in Uranium One Australia or the Honeymoon Project (or part thereof) or a change in control of Boss. Full details of the acquisition are set out in the ASX announcement dated 1 December 2015.

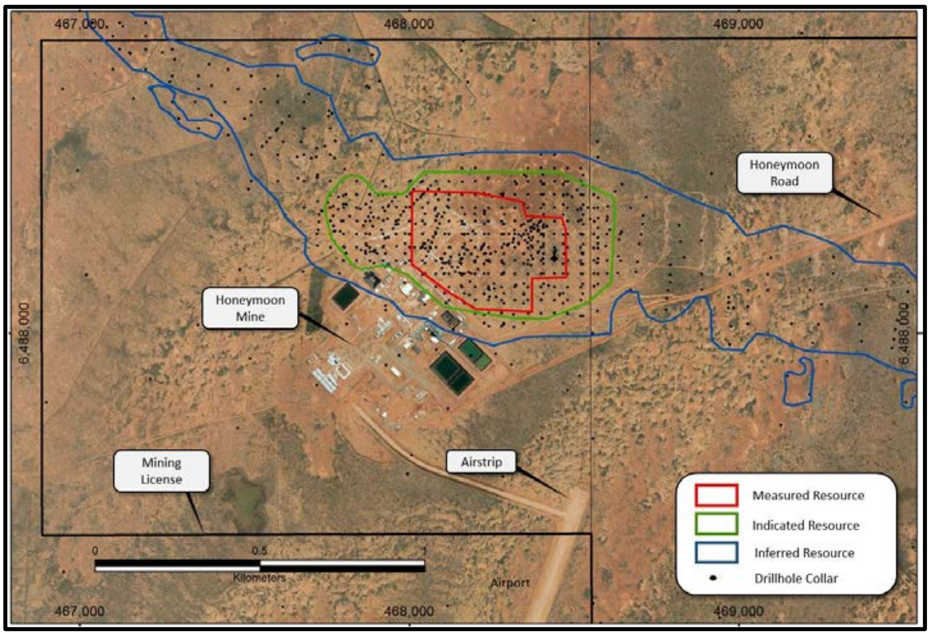
Mineral Resources

Since acquisition of the Honeymoon Project in December 2015, Boss has successfully upgraded the global mineral resource by a magnitude of 3.5 to 57.8Mlbs of U_3O_8 for 40.1Mt at 654ppm eU_3O_8.

In January 2016, the Company announced an upgraded Mineral Resource for the Honeymoon, East Kalkaroo and Brooks Dam deposits following an extensive review by Boss geologists of the historical exploration, drilling and geology. The Mineral Resource has increased to 15.2Mt at 820ppm eU_3O_8 for 27.6Mlb U_3O_8. See Table 1 for full details.

A better understanding of the geology, mineralisation continuity and volume was gained from advanced 3D geostatistical modelling over the three deposits that cover 5km of the 50km mineralised trend hosted by the Yarramba Palaeochannel, directly around the Honeymoon processing facility. Boss understands that this is the first time that the combined Honeymoon, East Kalkaroo and Brooks Dam resources have been modelled in 3D which will be invaluable in assisting the technical and development teams to understand the orebody from both an exploration and mining perspective and will allow for more accurate design of production wellfields and screen placement in each hole. Further, on benchmarking with similar operating uranium projects worldwide, it is indicated that a 250ppm eU_3O_8 lower cutoff should be the preferred reporting option.





Figures 2 and 3: Location of the Honeymoon Resource update (top) and extent of the 3D model of +250ppm eU_3O_8 resource outline with drill positions; and (bottom) mine infrastructure adjacent to the high-grade Measure and Indicated Resources.

In April 2016, the Company was pleased to announce the estimation of a maiden Mineral Resource for the Gould's Dam, Gould's Dam North and Billeroo deposits based on an extensive review of the substantial historical drilling and exploration database that Boss acquired with the Honeymoon Project. Boss has estimated a total Mineral Resource estimate of 22.1Mt at 510ppm eU_3O_8 for 25.0Mlb of contained U_3O_8 using a 250ppm eU_3O_8 lower cutoff for Gould's Dam region with the central Indicated Resource region (historically referred to as Gould's Dam) of 1.5km long by 540m wide based upon a detailed 3D model of 7 litho-stratigraphic zones using a nominal 100ppm eU_3O_8 lower grade cutoff. The grade modelling of these zones was based upon gamma and PFN eU_3O_8 grade data as well as chemical analysis of two sonic core holes undertaken in 2014. The broader Inferred Resource covers a region of 15km x 2.5km and was based upon grade modelling of greater than 100ppm eU_3O_8 0.5m grade intercepts. These regions were modelled with a 180-200m north-south extent and 60-80m east-west extent from drillhole intercepts, based upon a geological and geostatistical review of the mineralisation in this area.

The 2016 Mineral Resource estimate for Gould's Dam incorporated the results of 937 drill holes utilising PFN pU_3O_8 grade data (125 holes for 16,704m) and natural gamma eU_3O_8 grade data

(812 holes for 111,661m) for a total of 128,365 metres of drilling. Drill spacing ranges from 20-40m by 40m in the Indicated portion of the resource and 100m x 200m up to 200m x 500m in the Inferred portion of the resource.

Several generations of gamma data and the results of chemical analysis of two sonic core holes were used to determine the optimum calibration regime to use for the pfn grade data and to ensure an appropriate plus 100ppm eU_3O_8 grade response. Importantly, analysis of sonic coring from two holes undertaken in 2011 indicate the potential for a positive disequilibrium in this region (up to 170%). Further sonic drilling is required to investigate if this is more pervasive across the deposit, if so this could have a positive impact on the grade assessment.

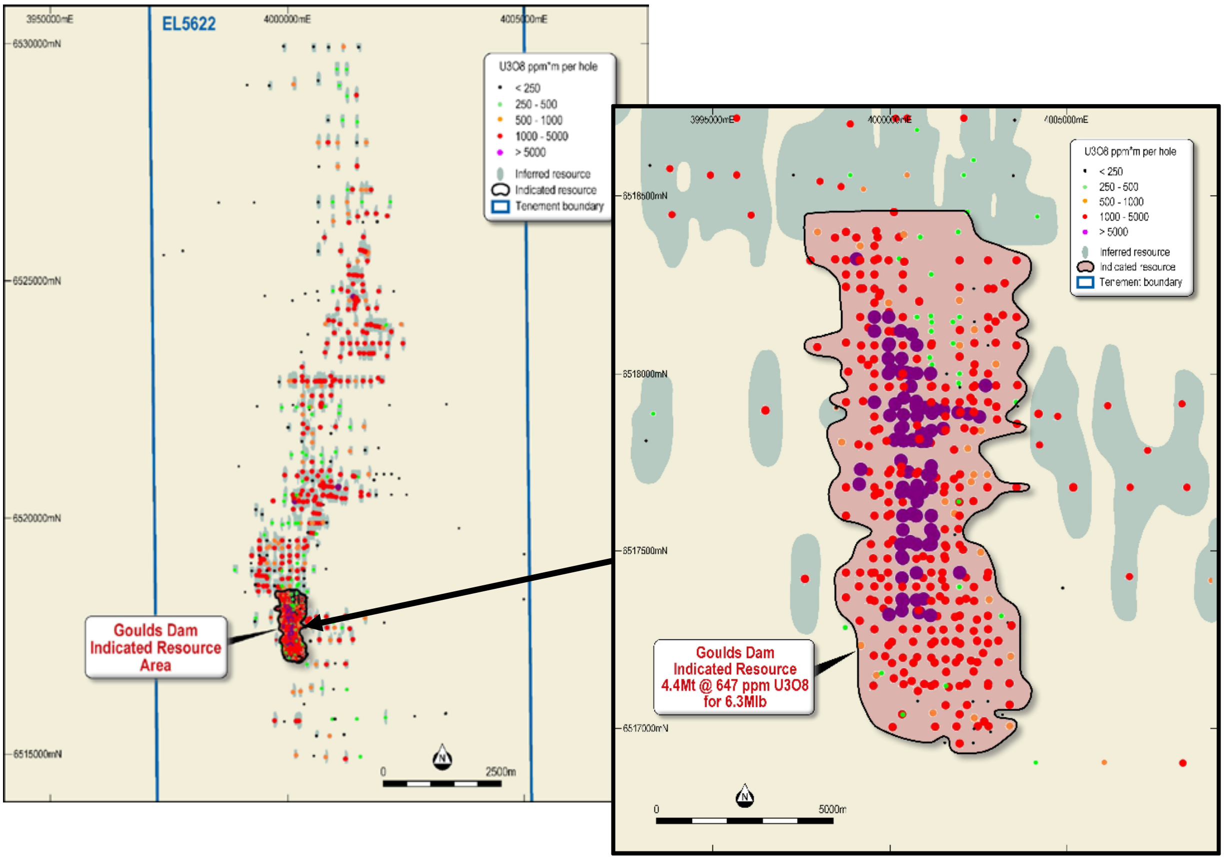


Figure 4: Location of the Gould's Dam Resource update > 250ppm U_3O_8 (left) and extents of the of the Indicated region (right). Coloured dots are accumulation of grade x thickness (ppm x m) of intercepts used in the resource.

In June 2016, a maiden Mineral Resource for Jason's Deposit was announced by the Company. An Inferred Mineral Resource of 2.8Mt at 840ppm eU_3O_8 for 5.2Mlb U_3O_8 (above a 250ppm eU_3O_8 cutoff) has been estimated based on an extensive review of the historical database of 165 drillholes that traverse the deposit located at the northern end of the Yarramba Palaeochannel. Analysis of the drilling at Jason's Deposit and revised geological interpretation indicates that the current resource estimate is conservative due to the sparsity of data and lack of infill drilling. An Exploration Target has been estimated for the Jason's Deposit of 3Mt to 6Mt for 5 to 10Mlb of U_3O_8 with a grade range of 700ppm to 800ppm. This Exploration Target is conceptual in nature as there has been insufficient exploration to estimate a mineral resource and consequently it is uncertain if further exploration will result in the estimation of a mineral resource.

Boss will undertake a drilling program in quarter 4, 2016 focusing on extensional and infill drilling with the aim of upgrading the resource at the Jason's Deposit.

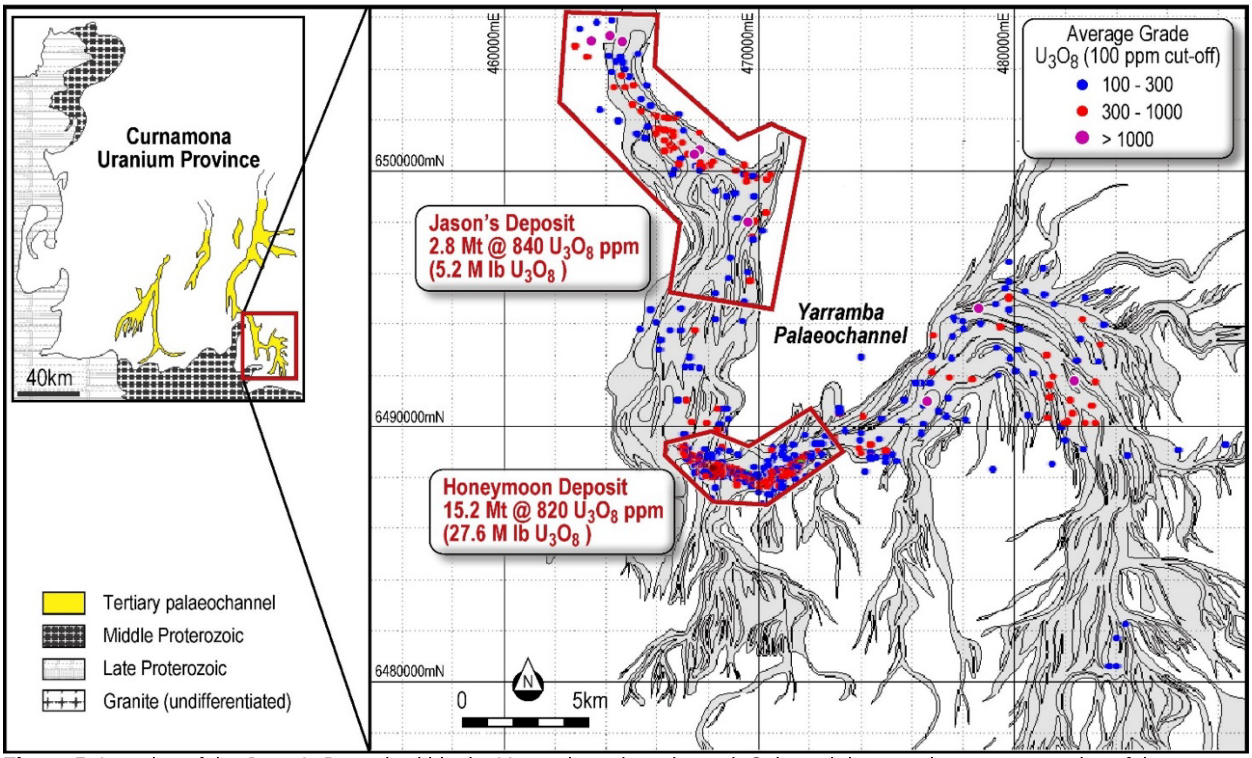


Figure 5: Location of the Jason's Deposit within the Yarramba palaeochannel. Coloured dots are the average grades of the drillhole intercepts estimated using 100 ppm U_3O_8 as a lower cut-off.

Table 1. Honeymoon Project Global Mineral Resource Update

Lower cut-off of 250 ppm U_3O_8

Classification	Million Tonnes	eU_3O_8 (ppm)	Contained U_3O_8 (Mkg)	Contained U_3O_8 (Mlb)
Jason's Deposit (June 2016)				
Inferred	2.8	840	2.4	5.2
TOTAL	**2.8**	**840**	**2.4**	**5.2**
Gould's Dam (April 2016)				
Indicated	4.4	650	2.9	6.3
Inferred	17.7	480	8.5	18.7
TOTAL	**22.1**	**510**	**11.3**	**25.0**
Honeymoon (January 2016)*				
Measured	1.7	1720	3.0	6.5
Indicated	1.5	1270	1.9	4.2
Inferred	12.0	640	7.6	16.8
TOTAL	**15.2**	**820**	**12.5**	**27.6**
Global Honeymoon Uranium Project (Western and Eastern Tenement Region)				
Measured	1.7	1720	2.95	6.5
Indicated	5.9	810	4.80	10.6
Inferred	32.5	569	18.5	40.7
TOTAL	**40.1**	**654**	**26.24**	57.8

* Quoted resources have been adjusted to exclude previous production of approximately 335t of U_3O_8

Expansion Study

In May 2016, the Company announced that a detailed technical review of the Honeymoon Uranium Project was underway. The review was designed to identify optimisation and cost reduction opportunities that will form the basis of the planned redesign and start-up of the processing plant.

The Company has received the results of the study undertaken by GR Engineering Services Ltd (GRES; ASX: GNG) with Australian Nuclear Science and Technology Organisation (ANSTO) undertaking preliminary test work on selected resins and organics for the proposed ion exchange and solvent extraction circuits.

The Board considers the results of this Study as positive and justifying the project moving to the pre-feasibility study (PFS) stage. This Study has identified and detailed the opportunity to restart the existing plant (0.88Mlbs/annum) for minimal cost and to operate this during the construction of the expansion. This will generate early cash flow and ramp-up production from the wellfields more effectively.

The Mineral Resource Estimate used for the Study totals 57.8mlbs of contained U_3O_8 equivalent for the Honeymoon Project (see Table 1) and was reported in accordance with the JORC Code (2012). The current mining inventory indicates that based on an assumed production profile staged to ramp-up to a final production of 3.6Mlbs U_3O_8 equivalent per annum the following assumptions can be made:

- for the first 3 years of production all of the material can be sourced from the Measure & Indicated Resources;
- for Years 4 and 5, 80 percent of production can be sourced from Measured & Indicated Resources;
- for the Gould's Dam expansion all of the material for the first 4 years can be sourced from the Measured & Indicated Resources; and
- Overall 50% of the production for the first 9 years can be sourced from the Measured & Indicated Resources
- The Study carefully considered the issues that had affected the performance of the plant with the previous owners and included solutions in the design criteria, process routes and cost estimates to solve these problems. The key issue during the previous operating period was the inability to maintain the required uranium tenor in the feed to the plant. The design specification called for a feed tenor of 75mg/l U_3O_8, whilst on a continuous basis an average tenor of only 53mg/l U_3O_8 was achieved (30% reduction). As the plant is volumetrically constrained this means a 30% lower production. This Study assumed a feed grade of only 45mg/l U_3O_8 (15% lower than that achieved during operations) and designed the expansion to meet the required production at these lower tenors.
- The base case investigated at a high level for the Project considered an initial 2Mlb/annum operation ramping up to 3.6Mlbs/annum (potentially in the fifth year of operation). The cost estimates for this base case indicate an initial capital expenditure of ~US$7 million would be required for the restart of the existing plant with a further

expenditure of US$57 million to achieve a 2Mlbs/annum throughput. In addition US$85 million would be required to bring Gould's Dam online and ramp-up to 3.6Mlbs/annum. The steady state operating costs determined for each of these design throughputs are shown in Table 2 below. The estimates were prepared to an accuracy of +50% to -30% (Q32016) and are based on first principles as well as information derived from the original Honeymoon design and operation.

Table 2 – Expansion Study Steady State Operating Cost Estimates

	2.0Mlb / annum Operation	3.6Mlb / annum Operation
Operating Costs		
Wellfield	$0.10	$0.10
Plant	$16.40	$15.30
Marketing, Shipping & Royalties	$4.50	$4.50
General Sustaining Capex	$0.50	$0.50
Wellfield Development	$2.60	$2.60
Total (US$/lb U_3O_8)	**$24.10**	**$23.00**

* Note: figures have been rounded; exchange rate of A$1.00 = US$0.75 was used

The Project area offers substantial potential to expand the current Mineral Resource inventory. The intention of the next phase of the Project is to carrying out an infill drilling program for the area associated with the Jason's deposit and to continue with the exploration program. Success with this program would delay any expansion at Gould's Dam and thereby push out any capital expenditure to later in any proposed schedule.

In addition, the technical studies in the next work phase will confirm the selection of a preferred processing technology, optimise the production profile, review wellfield design and development scenarios, deliver a series of targeted studies to validate a number of assumptions made in the Expansion Study and determine a mineable resource that could be converted to an Ore Reserve.

For full details of the results of the Expansion Study, see ASX announcement dated 28 September 2016.

Pre-Feasibility Study

Based on the successful results of the Expansion Study, the PFS will consider opportunities for further optimisation of the process route and associated costs as well as including an in-fill drilling program to further delineate the Jason's Deposit. The information generated in the PFS will form the basis for the license and permit applications for the increased production at Honeymoon and the mining licence for Jason's.

The results of the Expansion Study confirmed Boss's initial assessment that the original plant production rate was too low for a sustainably profitable uranium mine and, as such, a larger processing plant facility based on the use of resin technology could achieve the lower operating costs required for Honeymoon to be highly economic. In addition, the Eluex flowsheet developed during the Expansion Study provided more flexibility and 'robustness' to manage

the issues previously experienced by Uranium One. Boss has based the scope of the PFS on further development of the Eluex process.

Work to be completed as part of the PFS includes:

- Metallurgical test work to support the 'go-forward' case
- Resource drilling at the Jason's Deposit
- Upgraded Mineral Resource Estimates
- Engineering to define the pre-works required to start-up the existing plant (Stage 1)
- Engineering to define the expansion requirements for a 2Mlb/annum operation at Honeymoon (Stage 2)
- Engineering to define the expansion requirements for a ~3.6Mlb/annum operation at Honeymoon inclusive of Gould's Dam (Stage 3)
- Wellfield design and development strategy to support the various stages
- Environmental baseline studies and hydrogeological work to support the permitting and licensing process at Honeymoon and Jason's

Boss has selected ANSTO, a world leader in uranium and ion exchange technology, to undertake all the metallurgical test work required to further define and optimise the selected flowsheet. This work will include:

- Leaching test work on drill core samples (batch and continuous column leaches)
- Water quality assessments
- Ion exchange test work
- Solvent extraction test work

Boss has appointed GR Engineering Services as the lead study consultant who will have the responsibility to undertake all engineering work and, in conjunction with the Boss team, to deliver the PFS. Their scope will include:

- Review of historical operating data
- Interpretation of metallurgical test work
- Flowsheet development and process design for each stage
- Capital and operating costs for each stage
- Risk assessment
- Reporting

Through a combination of in-house expertise and the use of selected qualified consultants the Company will:

- Upgrade and estimate Mineral Resources for each deposit
- Develop wellfield designs for each deposit with a mineable resource and a production schedule estimated
- Complete baseline environmental studies and assessments

Based on the PFS outcomes, Boss will be able to provide the information required to obtain the necessary regulatory approvals for the expansion and mining lease at Jason's.

The results from the Study are expected by quarter 2 2017, after which the permit and license applications will be submitted to the necessary regulatory bodies.

Burkina Faso Gold Assets

On 4 July 2014, Boss and Gryphon Minerals Ltd ("Gryphon") executed definitive earn in agreements and an equipment sale agreement whereby Gryphon can earn up to 80% (currently at 51%) of the Company's highly prospective gold projects in Burkina Faso. On October 13, 2016, Teranga Gold (TSX/ASX:TGZ) completed the acquisition of Gryphon Minerals (ASX:GRY) and assumed Gryphon's current 51% interest in the Golden Hill and Gourma Gold Projects located in Burkina Faso (ASX: 4 July 2014 for full terms of the agreement).

Gourma Project

The Gourma Gold Project is located within the Fada N'Gourma Greenstone Belt, 250km east of Ouagadougou and only 80km south-southwest of Niger's largest gold deposit, the 50,000 ounce per annum Samira Hill gold mine (1.9 million ounce project). The Project consists of six contiguous permits covering an area of approximately 1,300 km^2 which is accessible from the south off the Fada N'Gourma Kantchari highway via a well maintained gravel road and from the west via a gravel road.

Auger testing has taken place beneath a number of soil anomalies with the best results at the Djinta Prospect, where a peak auger assay of 25.7 g/t Au was returned from weathered bedrock as part of an 80m wide zone of anomalous saprolite extending over 80 m width at greater than 0.5 g/t Au.

Work on the Gariaga-Diabatou trend has focused on the collection and assay of soil samples for multi-element determinations using a portable XRF. These results assist with lithogeochemical mapping as well as the identification of pathfinder elements. The Gariaga-Diabatou trend has been found to have elevated arsenic and copper, some of which coincides with known artisanal gold occurrences and best aircore intercepts, while other arsenic anomalous soils are away from artisanal workings. The multi-element soil data is currently being evaluated in geological and regolith terrain context but initial evaluation is that is extremely useful for guiding auger testing, and eventually more penetrative drilling techniques in the search for economic gold mineralisation.

Golden Hill Project

The Golden Hill Gold Project is considered particularly prospective as it is located within the highly mineralised Houndé Greenstone Belt.

Exploration work has comprised of geological mapping and auger drilling. Auger drilling (total of 96 holes for 558m) focused primarily at the Nahirindon North Prospect and drilled beneath a thick ferricrete plateau on the prospective Boni Sheer Zone in a similar geological environment to that which hosts the Siou Deposit on the Houndé Belt (reserves of 769,000oz at 4.94 g/t gold). The results to date are encouraging.

Auger results were received in early July including lines drilled at Nahiri Sud Nahiri Sud from a zone dubbed Jack Hammer Hill for the prominent ridge of auriferous ferricrete. Two short auger lines were drilled 250m apart immediately north of this ridge. The lines indicate a NE striking zone of +100 ppb gold anomalism that is approximately 100m wide with peak values

of 1.14g/t Au in GHAU1013 and 0.73g/t Au in GHAU0990 along strike (ASX: GRY: 28 October 2015).

A geological review of Jack Hammer Hill indicates that artisanal workings are located at the northern margin of the V7 Granite Stock; the same intrusive that hosts mineralized zones previously targeted by Orezone (TSX: ORE) at A-Zone. The trend of anomalism is also coincident with a belt of mafic schist recently mapped by Gryphon geologists. This mafic schist is in turn parallel to the major Intiedougou Fault Zone, perhaps marking its eastern boundary. A review of historical Induced Polarization geophysical data indicates a significant chargeability anomaly coincident with the projection of several other prospects along strike, suggesting that the ground geophysics will augment the exploration geochemistry datasets and thus aid future drill planning.

Mullock sampling took place at the Jack Hammer Hill prospect where a ridge of auriferous ferricrete was briefly exploited by orpailleur using pneumatic drills in 2015. The mullock samples were collected on four lines with samples collected at approximately 20 metre intervals over 500 meters of strike. The samples were systematic composites and not selective grab samples, nevertheless they returned values to a peak of 1.40 g/t Au. These mullock samples confirm the southward continuation of two short auger lines drilled 250m apart immediately north of this ridge. The auger lines indicated a north-east striking zone of +100 ppb gold anomalism that is approximately 100 metres wide with peak values of 1.14 g/t Au in GHAU1013 and 0.73 g/t Au in GHAU0990 along strike.

Field mapping took place concurrent with mullock sampling, confirming the geological interpretation at Jack Hammer Hill, with two main lithologies separated by a north west trending mafic dyke. To the north of this dyke the saprolite is generally after medium grained equi-granular granitoid with quartz veinlets visible in mullock. To the south of the dyke the saprolite is finer grained massive diorite. Close to the dyke there is evidence for sulphide bearing intrusive breccia in the diorite. The mineralisation at this stage is thought to be in fine grained disseminated sulphides. Induced polarisation (IP) data connect the auger and mullock sampling at Jack Hammer Hill to anomalous historical vertical drill data several kilometres to the south between which there are scattered artisanal workings and anomalous soil results. This area represents one of several priority areas for additional low cost follow-up.

Channel sampling took place across a shallow artisanal mining site at the Ma Prospect where a strongly sulphidic hydrothermal breccia has been exposed. A total of 55 one metre channel samples were collected over this zone with better results include 4m at 9.28 g/t Au, 6m at 4.43 g/t Au, 17m at 1.81 g/t Au (including 6m at 3.92 g/t Au), 15m at 1.43 g/t Au (including 3m at 4.47 g/t Au), and7m at 1.84 g/t Au. The true width of the breccia zone including the intermediate stringer zone is approximately 15 metres and narrows to 5 metres to the south and is of unknown width to the north. The significance of these results is still being evaluated and continuity of mineralisation may be limited as it represents a dilational jog along through-going structures. Work is continuing to trace this mineralisation to the north and to

demonstrate a link between this hydrothermal breccia and strongly altered bleached basalt with pervasive millimetre scale sulphide veins seen elsewhere within the Ma Prospect.

Future Plans

Teranga Gold have announced that field work is scheduled to re-commence at Golden Hill and Gourma during November 2016 with greater emphasis on the more advanced and prospective Golden Hill Project (ASX: TGZ: 27 October 2016). Teranga has prioritised ten prospects at Golden Hill for the 2016/2017 field season, which is expected to include ground geophysics, fit-for-purpose ground geochemistry and extensive auger, RAB, RC and diamond drilling with potential for an initial resource estimate.

Teranga has identified six prospects at the Gourma Project on which to continue exploration activities during the first half of the 2017 field season.

Scandinavian Ni-Cu Projects

Due to the Company's focus on the Honeymoon Project, no material work was completed on the Company's assets in Sweden.

Mineral Resource Statement

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

Mineral Resource Estimation Governance Statement

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

Boss reports its Mineral Resources in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code) (2012 Edition). Competent Persons named by the Company qualify as Competent Persons as defined in the JORC Code.

The table below sets out Mineral Resources for 2015 and 2016 for the Honeymoon Uranium Project in South Australia.

Honeymoon Project Mineral Resource at 30 June 2016

Lower cut-off of 250 ppm U_3O_8

Classification	Million Tonnes	eU_3O_8 (ppm)	Contained U_3O_8 (Mkg)	Contained U_3O_8 (Mlb)
		Jason's Deposit		
Inferred	2.8	840	2.4	5.2
TOTAL	**2.8**	**840**	**2.4**	**5.2**
		Gould's Dam		
Indicated	4.4	650	2.9	6.3
Inferred	17.7	480	8.5	18.7
TOTAL	**22.1**	**510**	**11.3**	**25.0**
		Honeymoon		
Measured	1.7	1720	3.0	6.5
Indicated	1.5	1270	1.9	4.2
Inferred	12.0	640	7.6	16.8
TOTAL	**15.2**	**820**	**12.5**	**27.6**

Honeymoon Project Mineral Resource at 30 June 2015

Lower cut-off of 250 ppm U_3O_8

Classification	Million Tonnes	eU_3O_8 (%)	Contained U_3O_8 (Mkg)	Contained U_3O_8 (Mlb)	Material Change to 30 June 2016
Jason's Deposit					
No Resource	n/a	n/a	n/a	n/a	Estimation of maiden Inferred Resource
Gould's Dam					
No Resource	n/a	n/a	n/a	n/a	Estimation of maiden Inferred Resource
Honeymoon					
Indicated	2.22	0.2	3.84	8.46	Amalgamation and reinterpretation of databases and 3D geostatistical modelling allowing for upgrade in category and value of resource
Inferred	3.07	0.1	3.69	8.11	
TOTAL	**5.29**	**0.14**	**7.53**	**16.57**	

Competent Person's Statements

The information in this document that relates to the Honeymoon Uranium Project Mineral Resources at 30 June 2015 is based on information provided by Mr Leon Faulkner, who is a member of the Australian Institute of Geoscientists (member number 3454). Mr Faulkner is a consultant geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity undertaken 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". Mr Faulkner consents to the inclusion in the document of the matters based on information in the form and context in which it appears. This information has not materially changed since first being reported to the ASX on 1 September 2015. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to recent exploration results for the Company's projects in Burkina Faso under Joint Venture with Teranga Gold Ltd (ASX: TGZ) is based on and fairly represents information which has been compiled by Mr Sam Brooks who is a member of the Australian Institute of Geoscientists. Mr Brooks has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Brooks is a full time employee of Gryphon Minerals Ltd, the joint venture partner of Boss Resources Ltd for the Company's Burkina Faso Projects, and has consented to the inclusion of the matters in this report based on his information in the form and context in which it appears. This information has not materially changed since first being reported to the ASX on 27 July 2015, 28 October 2015, 28 January 2016 and 29 July 2016. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to Exploration Results and Mineral Resources for the Honeymoon Uranium Project post acquisition by Boss Resources Ltd is based on information compiled by Dr. M. Abzalov, who is a Competent Person according to the JORC 2012 Code. Dr. M. Abzalov is a Fellow of the AusIMM. He has sufficient experience in estimation Resources of uranium mineralisation, and have a strong expertise in the all aspects of the data collection, interpretation and geostatistical analysis to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Dr. M.Abzalov is employed as a director of Boss Resources Ltd. Dr. M. Abzalov consents to the inclusion in the report of the matters based on their information in the form and context in which it appears. This information was initially reported to the ASX on 1

September 2015, 20 January 2016 and 6 April 2016 and has not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this document that relates to the Honeymoon Mine Project Exploration Target and associated Exploration Data is based on information provided by Mr. Neil Inwood, who is a Fellow of the AUSIMM. Consent is granted only for the purposes of outlining an Exploration Target, no warranty is made on the use of the exploration information and data for other purposes. Mr Inwood is a consulting geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as Competent Persons as defined in the 2012 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr. Inwood has consented to the inclusion of this information in this document in the form and context in which it appears. An entity associated with Mr Inwood has shares in Boss Resources. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement on 8 December 2015.

Assumptions on the plant design factors and costs as related to the broader Expansion Study are provided by Mr Stewart Watkins. Mr Watkins is an employee of GR Engineering Service Limited and is a Fellow of the AUSIMM. Mr Watkins has sufficient relevant experience to qualify as a competent person as defined in the 2012 edition of the "Australasian Code for Reporting of Mineral Resources and Reserves". Mr Watkins has consented to the inclusion of this information in the document in the form and context in which it appears.

Cautionary Statement concerning Expansion Study Results including Inferred Resources

Boss Resources (the "Company") has concluded that it has a reasonable basis for providing the forward looking statements and production targets discussed in this announcement. The detailed assumptions regarding the Resources are outlined in the announcements 'Substantial Increase And Upgrade In Honeymoon Uranium Resource' dated 20 January 2016 , 'Boss Increases Honeymoon Uranium Project Resource' dated 8 April 2016, 'Maiden Resource of 5.2Mlb for Jason's Deposit' dated 14 June 2016 and available to view on www.bossresources.com.au.

The announcement dated 28 September 2016 on which this announcement has been based was prepared in accordance with the JORC Code (2012) and the ASX Listing Rules. The Company advises that the Expansion Study results, Production Targets and any Financial Information contained in these announcements are preliminary in nature as the conclusions are in-part based on low-level technical and economic assessments, and are insufficient to support the estimation of Ore Reserves or to provide an assurance of economic development at this stage. The outcomes of the Expansion Study however provide a reasonable basis for the Company to release the results whilst not providing an assurance of economic development at this stage. This is based on the current mining inventory indicating that for the first 3 years of production all of the material can be sourced from the Measured & Indicated Resources. Further to this 80 percent of production from Years 4 and 5 can be sourced from Measured & Indicated Resources and that for the Gould's Dam expansion all of the material for the first 4 years can be sourced from the Measured & Indicated Resources.

The Australian Securities and Investments Commission (ASIC) released Information Sheet 214, which concerns forward-looking statements by mining and resource companies (INFO 214). One of the matters raised is that forward-looking statements should only be made if the entity has reasonable grounds for concluding that funding will become available to the entity as and when required by the project's development or production schedules. Additional funding will be required by Boss Resources to bring the Project into full production stage. The original Honeymoon plant with a design capacity of 0.88Mlbs U_3O_8 is currently on care and maintenance and is capable of being restarted with minimal capital expenditure. Boss has a current market capitalisation of ~A$50 million and has successfully raised ~A$8 million over the last 12 months which is in line with the required re-start capital of US$7 million (A$9 million) - see Appendix I.

The Board confirms that the results from the Expansion study are positive and that this justifies the Company committing to the next stage of exploration and development by progressing through to the Pre-feasibility Study.

The Company notes that an Inferred Mineral Resource has a lower level of confidence than an Indicated or Measured Mineral Resource and that the JORC Code 2012 advises that for an Inferred Mineral Resource it is reasonable to expect that the majority of the Inferred Resource could be upgraded to an Indicated Mineral Resource with continued exploration. Based upon the advice from relevant Competent Persons, the Company is confident that a significant portion of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with further exploration work.

The Company believes it had a reasonable basis for making the forward-look statements in this announcement, including Production Targets and cost information, based on this announcement and including the following:

- *For Mineral Resources, the Company confirms that all material assumptions and technical parameters that underpin the relevant market announcements continue to apply and have not materially changed.*
- *Further extensive resource drilling is planned in each of the subsequent study phases and there is a reasonable expectation, based on historical results, that the majority of the Inferred Mineral Resource can convert to Indicated Mineral Resource*
- *The Boss Resources Board and core technical team have a strong technical skill-set and four members of the team have direct uranium experience in the engineering, geological and environmental fields.*
- *Boss Resources current market capitalization is ~A$50 million and has successfully raised ~A$8 million over the last 12 months.*
- *The Boss Resources Board has had previous success in raising capital for mining projects of this nature.*
- *There is strong broker support for the project with two major broking firms indicating an interest in being considered to assist with the provision of funding for the project through debt, equity or partnership.*
- *The Honeymoon Project is unique in that it includes a modern ISL plant and significant mine infrastructure which is currently on care and maintenance.*
- *The Honeymoon project region has mining, environmental and export approvals (State and Federal) which are currently on-hold and can be easily re-activated when mining resumes.*
- *Mining at Honeymoon is endorsed by the local indigenous communities with Native Title agreements in place and signed with the Adnyamathanha and Kuyani people.*

GR Engineering Services (GRES) have been used to conduct the technical aspects of the study. GRES and their appointed consultants have experience in designing uranium processing plants and in executing projects in Australia.

Directors' Report

Your Directors present their report on the Group for the Year Ended 30 June 2016.

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 Mark Hohnen	Non-Executive Chairman (appointed 26 April 2016)
Dr Marat Abzalov	Executive Director – Geology
Mr Evan Cranston	Corporate Director
Mr Grant Davey	Executive Director (appointed 12 January 2016)
Mr Peter Williams	Non-Executive Director
Mr Thomas Gladwin-Grove	Non-Executive Director (resigned 12 January 2016)

Information on Current Directors

Mr Mark Hohnen Non-Executive Chairman
Appointed 26 April 2016

Mr Hohnen has been involved in the mineral business since the late 1970s and has had extensive international business experience in a wide range of industries including mining and exploration, property, investment, software and agriculture. He is an experienced director having held a number of directorships in both public and private companies.

Currently Mr. Hohnen is a Board member of Swakop Uranium, the owner of the Husab uranium project. Husab is the world's second largest uranium operation in terms of production with construction of a 15 mlbs uranium per annum mine and treatment plant nearing completion.

Mr. Hohnen was founding Executive Chairman of Kalahari Resources Plc, a company founded in 2005 to explore for uranium and base metals in Namibia. Kalahari (KAH) was listed on AIM in March 2006 with a market capitalisation of Stg£15 million. In 2011, Kalahari Resources Plc was valued at Stg£750 million and was ultimately the subject of a corporate transaction in 2012 valued at $US2.2 billion. Other than Boss Resources Limited, over the past three years Mr Hohnen has not held any directorships with ASX listed companies.

Mr Hohnen holds a relevant interest in 16,666,667 shares and 18,000,000 performance rights in the Company that were acquired since the end of the financial year.

Dr Marat Abzalov **Executive Director - Geology**
Appointed 2 April 2014

Dr Abzalov has managed and consulted on 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 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 a relevant interest in 3,058,698 shares and 9,999,999 performance rights in the Company.

Mr Evan Cranston **Corporate Director**
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 a non-executive director of ASX listed companies Attila Resources Limited, Carbine Resources Limited, Clancy Resources Limited and Primary Gold Limited. Mr Cranston was a non-executive director of Cradle Resources Limited to 8 May 2016.

Mr Cranston holds a relevant interest in 6,666,667 shares in the Company.

Mr Grant Davey **Executive Director**
Appointed 12 January 2016

Mr Davey is a mining engineer with over 20 years of senior management and operational experience in the construction and operation of gold, platinum and coal mines in Africa, Australia, South America and Russia. More recently, he has been involved in venture capital investments in several exploration and mining projects and he has been instrumental in developing the Panda Hill niobium opportunity. Mr Davey's uranium experience is associated with mining uranium as a byproduct from the deep level gold mines in South Africa. Grant was responsible for the Vaal Reefs South Uranium plant between 2005 and 2008 when it produced up to 6 million pounds of uranium per year and was one of the largest uranium producers in the southern hemisphere at the time. Mr Davey is a non-executive director of Graphex Mining Ltd and was Managing Director of Cradle Resources Limited to 10 November 2015.

Mr Davey holds a relevant interest in 10,483,333 shares in the Company and is a director of Wattle Mining Pty Ltd which has a 20% interest in the Honeymoon Uranium Project.

Mr Peter Williams Non-executive 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 32,505,979 shares and 30,000,000 performance rights in 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 7 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, Carbine Resources Ltd, Primary Gold Limited and ZYL Limited. She is a non-executive director of Attila Resources Ltd and ZYL Limited.

Ms Malone holds a relevant interest in 980,000 shares of the Company.

Meetings of Directors

During the financial year, five meetings of Directors were held and five circular resolutions signed. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	**Number attended**
Dr Marat Abzalov	5	5
Mr Evan Cranston	5	5
Mr Grant Davey	2	2
Mr Mark Hohnen	1	1
Mr Thomas Gladwin-Grove	3	2
Mr Peter Williams	5	4

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 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).

Review of Operations

Honeymoon Uranium Project, South Australia

The Company acquired the Honeymoon Uranium Project in South Australia via the acquisition of 100% of the issued share capital of Uranium One Australia Pty Ltd (ASX: 1 December 2015). Boss formed a special purpose vehicle with Wattle Mining Pty Ltd (Wattle) whereby Boss will own 80% and Wattle will own 20% of Uranium One Australia Pty Ltd, with Boss holding an option to acquire Wattle's 20% post completion of a BFS.

The Honeymoon Uranium Project ("Honeymoon" or the "Project") is located in South Australia and is approximately 80km north-west from the town of Broken Hill near the SA / NSW border (Figure 1). The Project consists of 1 granted Mining Lease, 5 granted Exploration Licenses, 8 Retention Leases and 2 Miscellaneous Purposes Licenses. The Honeymoon mining infrastructure is located on ML6109 and has produced some 335t of U3O8 from 2011 to 2012. The large tenement package covers approximately 2,595km^2 and has excellent exploration potential to identify further resources.

Since acquisition, the Company has completed extensive exploration, technical review, and metallurgical assessment of the project.

Burkina Faso Gold Projects

In March 2014, the Company entered into a joint venture with ASX-listed explorer, Gryphon Minerals Ltd, with respect to its Burkina Faso gold assets. Gryphon met the 2 years of minimum expenditure to earn a 51% interest in each Project in January 2016.

Fennoscandian Ni-Cu Projects

Due to the Company's focus on the Honeymoon Project during the year, no material work was undertaken on the Company's assets in Sweden and Norway.

Operating Results

The loss of the Group for the year ended 30 June 2016 after providing for income tax amounted to $2,675,940 (2015: loss of $1,101,779).

Financial Position

The net assets of the Group are $9,706,545 as at 30 June 2016 (2015: $6,295,015).

Significant Changes in State of Affairs

- 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.

  - 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 Company paid $1 and agreed to contingent payments to the vendor upon successful recommissioning and operation of the Honeymoon Project:

  - 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.

- On 17 November 2015 the Company issued a total of 39,999,999 performance rights to Mr Peter Williams and Dr Marat Abzalov following shareholder approval on 28 November 2014.

- On 20 January 2016, Gryphon Resources Ltd (Gryphon) acquired control and 51% shareholdings in Askia Gold Pty Ltd, Boss Minerals Pty Ltd, Boss Gold SARL and Boss Minerals SARL (Farmed out subsidiaries) pursuant to a Farm out agreement executed on 4 July 2014

- Between October 2015 and December 2015, the Company issued 307,417,492 ordinary shares, pursuant to a rights issue and placements, at a share price of $0.015 per share to raise a total of $4,611,262 before costs.

- On 7 June 2016, the Company issued 31,250,000 ordinary shares in a sophisticated investor placement at a share price of $0.04 per share to raise $1,250,000 before costs.

- During the year, 28,500,000 unlisted share options expired without being exercised.

After Balance Date Events

On 25 August 2016, the Company issued 16,666,667 ordinary shares and 18,000,000 performance rights to the non-executive chairman, Mr Mark Hohnen, following shareholder approval on 16 August 2016.

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.

Future Developments, Prospects and Business Strategies

Further developments and business strategies are dependent upon the success of exploration work in Burkina Faso, Norway 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 are 10,000,000 unquoted share options and no quoted options on issue. These options were issued to Carbine Resources Limited (ASX: CRB) on 1 September 2015, vested on issue, have an exercise price of $0.02 each and have an expiry date of 31 August 2018.

During the year, 28,500,000 unlisted options expired at the ends of their exercise period.

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 24 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

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

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2016, 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.
- long term incentives are used to ensure that remuneration of key management personnel reflects the Group's financial performance, with particular emphasis on the Group's earnings and the consequence of the Group's performance on shareholder wealth.

Additional information for consideration of shareholder wealth

This table summarises the earnings of the consolidated entity and other factors that are considered to affect shareholder wealth for the five years to 30 June 2016.

	2016	2015	2014	2013	2012
Loss after income tax attributable to shareholders ($)	(2,675,940)	(1,101,779)	(2,125,287)	(13,449,688)	(13,836,528)
Share price at financial year end ($)	0.041	0.0184	0.026	0.006	0.055
Movement in share price for the year ($)	0.0226	(0.076)	0.02	(0.049)	(0.04)
Total dividends declared (cents per share)	-	-	-	-	-
Returns of capital (cents per share)	-	-	-	-	-
Basic loss per share (cents per share)	(0.36)	(0.20)	(0.44)	(3.50)	(4.64)

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 Board to reward key employees when they deliver consistently high performance.

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).

Voting and comments made at the Company's 2015 Annual General Meeting (AGM)

At the 2015 AGM, 99.8% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2015. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

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	Until 30 April 2016	$135,000	3 month notice period	-

* Base salary quoted is the position as at 30 June 2016; salaries are reviewed annually.
** Mr Williams became a non-executive director from 1 May 2016.

There was no service agreement with Mr Davey at 30 June 2016. $95,000 was owed to him at 30 June 2016 for his services at a rate of $60,000pa from 1 November 2015 to 31 March 2016 then a rate of $300,000pa from 1 April 2016.

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.

A fees of $100,000pa, plus compulsory superannuation, is payable to Mr Hohnen for his services, with 50% of this fee and superannuation deferred until the completion of a minimum capital raising of $3,000,000. Fees of $19,771 were owed to him at 30 June 2016. 18,000,000 performance rights were approved by shareholders on 16 August 2016 and issued to him on 25 August 2016. These Performance expire 5 years from their issue date on 25 August 2021. These Performance Rights will each vest and convert into one ordinary share with no further consideration on meeting the following milestones:

Tranche	Milestone	Number
Tranche 1 Performance Rights	**First Milestone** means the completion of 12 months service with the Company.	2,000,000
Tranche 2 Performance Rights	**Second Milestone** means the completion of 24 months service with the Company.	2,000,000
Tranche 3 Performance Rights	**Third Milestone** means the facilitation and completion of a capital raising by the Company for an amount not less than $5 million.	3,000,000
Tranche 4 Performance Rights	**Fourth Milestone** means when the closing price of the Company's shares on ASX is at $0.085 for 20 consecutive ASX trading days.	3,000,000
Tranche 5 Performance Rights	**Fifth Milestone** means an ASX announcement confirming the successful raise of the capital expenditure required for the expanded plant construction as contemplated by a Board approved definitive feasibility study.	8,000,000

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 2016

	Salary, Fees and Commissions $	Super-annuation Contribution $	Non-cash Benefits $	Share-based payments $	Total $
Key Management Person					
Dr Marat Abzalov	109,589	10,411	-	72,535	192,535
Mr Evan Cranston	50,000	-	-	-	50,000
Mr Mark Hohnen	19,771	-	-	-	19,771
Mr Grant Davey	95,000	-	-	-	95,000
Mr Thomas Gladwin-Grove	15,000	-	-	-	15,000
Ms Oonagh Malone	29,000	-	-	-	29,000
Mr Peter Williams	120,833		-	237,519	358,352
	439,193	10,411	-	310,054	759,658

Details of remuneration for year ended 30 June 2015

	Salary, Fees and Commissions $	Super-annuation Contribution $	Non-cash Benefits $	Share-based payments $	Total $
Key Management Person					
Dr Marat Abzalov	109,589	10,411	-	-	120,000
Mr Evan Cranston	46,667	-	-	-	46,667
Mr Thomas Gladwin-Grove	30,000	-	-	-	30,000
Ms Oonagh Malone	24,000	-	-	-	24,000
Mr Peter Williams	135,000	-	-	-	135,000
	345,256	10,411	-	-	355,667

Performance rights

On 28 November 2014, shareholders approved the issue of 30,000,000 Performance Rights to Mr Wililams (Executive Director at the time of issue) and 9,999,999 Performance Rights to Dr Abzalov. These Performance Rights were not issued until 17 November 2015. These Performance Rights expire 5 years from their issue date on 17 November 2020. On meeting vesting conditions, Performance Rights will each convert into one ordinary share with no further consideration.

The Board considers that the Performance Rights, are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of the Executive Directors and are consistent with the strategic goals and targets of the Company.

The Performance Rights issued to Mr Williams will vest on meeting the following performance conditions before the expiry date:

Tranche	Milestone	Number	Value of tranche ($)
Tranche 1 Performance Rights	First Milestone means when the closing price of the Company's shares on ASX is at $0.075 for 20 consecutive ASX trading days.	10,000,000	275,800
Tranche 2 Performance Rights	Second Milestone means announcement by the Company of a discovery of 75,000t of contained Ni at 2% (or equivalent) or mineralisation of equivalent in ground value which the Company decides to mine in relation to a project.	10,000,000	290,000
Tranche 3 Performance Rights	Third Milestone means announcement by the Company of a discovery of 125,000t of contained Ni at 2% (or equivalent) or mineralisation of equivalent in ground value which the Company decides to mine in relation to a project.	10,000,000	290,000

The Performance Rights issued to Dr Abzalov will vest on meeting the following performance conditions before the expiry date:

Tranche	Milestone	Number	Value of tranche ($)
Tranche 1 Performance Rights	First Milestone means when the closing price of the Company's Shares on ASX is at $0.085 for 20 consecutive ASX trading days.	3,333,333	91,000
Tranche 2 Performance Rights	Second Milestone means announcement by the Company of a discovery of 75,000t of contained Ni at 2% (or equivalent) or mineralisation of equivalent in ground value which the Company decides to mine in relation to a project.	3,333,333	97,667
Tranche 3 Performance Rights	Third Milestone means announcement by the Company of a discovery of 125,000t of contained Ni at 2% (or equivalent) or mineralisation of equivalent in ground value which the Company decides to mine in relation to a project.	3,333,333	97,667

No expense was recognised for these performance rights for the year ended 30 June 2015 because the ability of the Company to delay issue effectively meant that there was no shared understanding of the terms and conditions of the performance rights during 2015. These performance rights were valued at their issue dates at $855,800 for Mr Williams and $284,334 for Dr Abzalov for a total value of $1,140,133. Expenses of $237,519 for Mr Williams and $72,535 for Dr Abzalov have been recognised during 2016 as these performance rights are expensed over the expected vesting periods.

Performance rights were valued at the closing share price on the grant date, less discounts to reflect the effects of any market based vesting conditions as detailed in this table. The expected vesting period for each performance right for performance based vesting conditions is the period until expiry of the performance right.

Options issued as part of remuneration

There were no compensation options issued to Directors during the year ended 30 June 2015 or 2016. No Director options were exercised or lapsed during the financial year.

Shares Issued on Exercise of Compensation Options or Performance Rights

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

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:

2016 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	1,470,499	-	-	1,588,199	3,058,698
Mr Evan Cranston	-	-	-	6,666,667	6,666,667
Mr Grant Davey	9,333,333	-	-	1,150,000	10,483,333
Mr Mark Hohnen	-	-	-	-	-
Mr Thomas Gladwin-Grove	3,352,500	-	-	4,674,333	8,026,833
Ms Oonagh Malone	700,000	-	-	280,000	980,000
Mr Peter Williams	24,172,647	-	-	8,333,332	32,505,979
	39,028,979	-	-	22,692,531	61,721,510

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:

2016 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 Grant Davey	-	-	-	-	-
Mr Mark Hohnen	-	-	-	-	-
Mr Thomas Gladwin-Grove	3,000,000	-	-	3,000,000	-
Ms Oonagh Malone	-	-	-	-	-
Mr Peter Williams	-	-	-	-	-
	18,000,000	-	-	18,000,000	-

Other transactions with key management personnel and their related parties

Evan Cranston is a director of Konkera Corporate. Konkera Corporate received $113,667 during the year for the provision of administration, bookkeeping and accounting services. Current year secretarial fees of $29,000 were paid to Malone Corporate Services and are included in the remuneration report for Ms Malone. At 30 June 2016, the Group had no creditor balances payable to Konkera Corporate and $3,000 payable to Malone Corporate Services.

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.

[END OF AUDITED REMUNERATION REPORT]

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

Evan Cranston
Corporate Director
DATED at PERTH this 30th day of September 2016

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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 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 audit; and

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

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 30 September 2016

DAVID WALL
Partner

Statement of Comprehensive Income

For the Year Ended 30 June 2016

	Note	Consolidated 2016 $	2015 $
Revenue	2	167,456	109,577
Other income	2	289,820	-
Loss on disposal of property, plant and equipment		(37,413)	-
Impairment of exploration and evaluation	9	(80,000)	-
Employees and consultants		(1,027,622)	(458,179)
Accounting and legal		(273,198)	(132,733)
Travel and accommodation		(83,842)	(20,692)
Financing charges		(230,008)	(3,851)
Regulatory fees		(38,436)	(31,715)
Occupancy and communications		(59,264)	(44,026)
Exploration and evaluation expenditure	9	(1,082,224)	(378,245)
Impairment of financial assets		(98,130)	(80,146)
Other expenses		(336,651)	(61,769)
Loss before income tax expense		(2,889,512)	(1,101,779)
Income tax expense	3	-	-
Loss after income tax expense		(2,889,512)	(1,101,779)
Attributable to non-controlling interests		(213,572)	-
Attributable to members of Boss Resources Ltd		(2,675,940)	(1,101,779)
Other Comprehensive income:			
Items that may be reclassified subsequently to operating result:			
Net gain/ (loss) on fair value of available-for-sale financial assets		-	9,913
Exchange differences on translating foreign controlled entities		146	(1,751)
Total other comprehensive gain/ (loss) for the year, net of tax		146	8,162
Total comprehensive (loss) for the year		(2,889,366)	(1,093,617)
Attributable to non-controlling interests		(213,572)	-
Attributable to members of Boss Resources Ltd		(2,675,794)	(1,093,617)
Loss per share			
Basic and diluted (loss) per share (cents per share)	18	(0.36)	(0.20)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
CURRENT ASSETS			
Cash and cash equivalents	4	2,619,672	935,881
Trade and other receivables	5	84,903	36,119
Other assets	6	29,052	219,687
Total Current Assets		2,733,627	1,191,687
NON-CURRENT ASSETS			
Plant and equipment	7	420,903	26,688
Other financial assets	8	8,961,199	92,532
Exploration and evaluation expenditure	9	13,834,394	5,080,000
Total Non-Current Assets		23,216,496	5,199,220
TOTAL ASSETS		25,950,123	6,390,907
CURRENT LIABILITIES			
Trade and other payables	10	401,198	95,892
TOTAL CURRENT LIABILITIES		401,198	95,892
NON-CURRENT LIABILITIES			
Borrowings	11	7,000,000	-
Provisions	12	8,842,380	-
TOTAL CURRENT LIABILITIES		15,842,380	-
TOTAL LIABILITIES		16,243,578	95,892
NET ASSETS		9,706,545	6,295,015
EQUITY			
Issued capital	13	49,138,898	43,302,956
Reserves	14	7,209,952	6,317,085
Accumulated losses	15	(46,428,733)	(43,325,026)
TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY		9,920,117	6,295,015
Non-controlling interest	16	(213,572)	-
TOTAL EQUITY		9,706,545	6,295,015

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2016

Consolidated	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Financial Assets Reserve	Minority Interest	Total
	$	$	$	$	$	$	$
Balance at 1 July 2015	43,302,956	(43,325,026)	(427,913)	6,744,998	-	-	6,295,015
Loss for the year	-	(2,675,940)	-	-	-	(213,572)	(2,889,512)
Other comprehensive gain/ (loss) for the year	-	-	146	-	-	-	146
Total comprehensive (loss) for the year	-	(2,675,940)	146	-	-	(213,572)	(2,889,366)
Shares issued during the year	5,861,262	-	-	-	-	-	5,861,262
Capital raising costs	(25,320)	-	-	-	-	-	(25,320)
Deconsolidation of subsidiaries	-	(427,767)	427,767	-	-	-	-
Share based payments	-	-	-	464,954	-	-	464,954
Balance at 30 June 2016	49,138,898	(46,428,733)	-	7,209,952	-	(213,572)	9,706,545
Balance at 1 July 2014	43,302,956	(42,223,247)	(426,162)	6,744,998	(9,913)	-	7,388,632
Loss for the year	-	(1,101,779)	-	-	-	-	(1,101,779)
Other comprehensive gain/ (loss) for the year	-	-	(1,751)	-	9,913	-	8,162
Total comprehensive (loss) for the year	-	(1,101,779)	(1,751)	-	9,913	-	(1,093,617)
Shares issued during the year	-	-	-	-	-	-	-
Capital raising costs	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-
Balance at 30 June 2015	43,302,956	(43,325,026)	(427,913)	6,744,998	-	-	6,295,015

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2016

	Note	Consolidated 2016 $	2015 $
		Inflows/(Outflows)	
Cash Flows from Operating Activities			
Payments to suppliers and employees		(940,797)	(466,739)
Expenditure on mining interests		(1,175,757)	(623,893)
Finance costs		(1,287)	(239)
Interest received		115,835	54,463
Other receipts		289,720	-
Net cash (used in) operating activities	17	(1,712,286)	(1,036,408)
Cash Flows from Investing Activities			
Purchase of plant and equipment		-	(2,888)
Proceeds on disposal of plant and equipment		56,451	200,000
Capitalised exploration expenditure		(2,521,677)	-
Cash on acquisition of subsidiaries	29	25,698	-
Cash on disposal of subsidiaries	30	(318)	-
Other –deposits		-	(200,000)
Net cash (used in) investing activities		(2,439,846)	(2,888)
Cash Flows from Financing Activities			
Proceeds from issue of share capital (net)		5,835,942	-
Net cash provided by financing activities		5,835,942	-
Net (decrease) / increase in cash and cash equivalents		1,683,810	(1,039,296)
Cash and cash equivalents at the beginning of the financial year		935,881	1,974,958
Exchange differences on cash and cash equivalents		(119)	219
Cash and cash equivalents at the end of the financial year	4	2,619,672	935,881

The accompanying notes form part of these financial statements

Notes to the Financial Statements
For the Year Ended 30 June 2016

These consolidated financial statements and notes represent those of Boss Resources Limited (the ‘Company’ or ‘parent entity’) 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 27.

The financial statements were authorised for issue on 30 September 2016 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.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

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

New and Amended Accounting Policies adopted by the Group

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2016. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the consolidated entity.

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.

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 19.

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.

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Current and non-current classification

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

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

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

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

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Exploration and Development Expenditure

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

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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.

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).

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.

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).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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).

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.

Comparative figures

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

Provisions

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

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Critical Accounting Estimates and Assumptions

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

Capitalised Exploration and Evaluation Expenditure

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

Share based payment transactions

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

Restoration provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The 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.

	Consolidated 2016 $	Consolidated 2015 $
NOTE 2: REVENUE		
Interest revenue	167,456	49,550
Other income		60,027
	167,456	**109,577**
Other income		
R&D tax rebate received during the year that does not meet the definition of an income tax benefit	289,820	-
	289,820	**-**

NOTE 3: INCOME TAX EXPENSE

a. Income tax expense

	2016 $	2015 $
Current tax	-	-
Deferred tax	-	-
Under/(over) provision in respect of prior years	-	-
	-	**-**

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

	2016 $	2015 $
Loss from continuing operations before income tax expense	(2,889,512)	(1,101,779)
Tax at the Australian tax rate of 28.5% (2015: 30%)	(823,511)	(330,534)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Tax effect on different tax rate of oversea subsidiaries	-	(2,314)
Share based payments	132,512	-
Impairment of assets	50,767	24,044
Other non-deductible expenses and non-assessable income	(986)	(13,893)
Income tax benefit not recognised	641,218	322,697
Income tax expense	**-**	**-**

c. Unrecognised deferred tax assets – tax losses

	2016 $	2015 $
Unused tax losses for which no deferred tax asset has been recognised	11,492,555	14,116,899
Potential tax benefit at the Australian tax rate of 28.5% (2015: 30%)	**3,275,378**	**4,235,070**

The Group has Australian tax losses for which no deferred tax asset is recognised of $11,492,555. This does not include the tax losses of Boss Uranium Pty Ltd to the extent that contribution of taxable income to the Group by Boss Uranium would result in reversal or partial reversal of the full impairment of the legally enforceable loan of $157,959,780 owing by Boss Uranium, which was assigned by the vendor to the Company. The Group is not capable of tax consolidation in accordance with Australian tax law.

d. Unrecognised temporary differences

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

	2016 $	2015 $
Accumulated impairment of assets	8,200,754	8,642,381
Capital raising costs recognised directly in equity	22,711	29,664
Other unrecognised temporary differences	50,985	5,195
	8,274,450	**8,677,240**

NOTE 3: INCOME TAX EXPENSE (continued)

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

	Consolidated 2016 $	2015 $
Cash at bank	1,519,672	435,881
Term deposit	1,100,000	500,000
	2,619,672	935,881

NOTE 5: TRADE AND OTHER RECEIVABLES

Trade receivables	216,393	36,119
Less provision for doubtful debts	(131,490)	-
	84,903	36,119

Receivables are non-interest bearing and generally repayable within 30 days. During the year the Group fully impaired an amount of $131,490 that was receivable for sales of fuel that was acquired as part of the Honeymoon acquisition. The impairment expense has been recognised within the impairment of financial assets expense.

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

NOTE 6: OTHER ASSETS

Deposit	-	200,000
Prepaid expenses	29,052	19,687
	29,052	219,687

NOTE 7: PLANT AND EQUIPMENT

Cost	505,237	43,419
Accumulated depreciation	(84,334)	(16,731)
	420,903	26,688
Movements in Carrying Amounts:		
Carrying amount at beginning of the year	26,688	37,513
Additions	-	2,888
Additions through acquisition of subsidiary (see note 29)	461,818	-
Depreciation expense	(67,603)	(13,713)
Foreign exchange movement	-	-
Assets reclassified as held for sale	-	-
Carrying amount at end of the year	420,903	26,688

NOTE 8: OTHER FINANCIAL ASSETS

	Consolidated	
	2016	**2015**
	$	**$**
Security bonds	8,890,966	55,660
Available for sale financial assets	70,233	36,872
	8,961,199	92,532
Listed investments, at fair value		
- Shares in listed corporations	70,233	36,872
Movement in available for sale financial assets		
Opening fair value	36,872	107,106
Impairment expense	-	(80,146)
Gain in value	33,361	-
Revaluation increment / (decrement)	-	9,912
Closing fair value	70,233	36,872
Movement in security bonds:		
Opening value	55,660	63,740
Security bond acquisition with Honeymoon project (see note 29)	8,842,380	-
Foreign exchange movement	149	(45)
Security bonds lost on loss of control of subsidiaries	(7,223)	-
Return of security bond	-	(8,035)
Closing value	8,890,966	55,660

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. This investment was impaired at 30 June 2015 after a significant decline in the price of the quoted share price. Revaluation increments previously recognised in other comprehensive income for the investment were reversed and expensed during the financial year ended 30 June 2015.

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 9: EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2016	**2015**
	$	**$**
Balance at the beginning of the year	5,080,000	5,080,000
Exploration expenditure incurred	1,082,224	378,245
Exploration and evaluation interest acquisition with Honeymoon project (see note 29)	8,834,394	-
Impairment of exploration and evaluation	(80,000)	-
Exploration expenditure expensed	(1,082,224)	(378,245)
Balance at the end of the year	13,834,394	5,080,000

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

	Consolidated 2016 $	2015 $
Trade payables	158,400	67,089
Accrued expenditure	185,264	28,803
Interest payable on promissory notes	57,534	-
		-
	401,198	95,892

All payables are on industry standard payment terms.

NOTE 11: BORROWINGS

	$	$
Promissory notes	7,000,000	-
	7,000,000	-

During the 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 owning 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 30 June 2016, 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 $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 12: PROVISIONS

	Consolidated 2016 $	2015 $
Restoration provision	8,842,380	-
	8,842,380	-
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 29)	8,842,380	-
Carrying amount at the end of the period	8,842,380	-

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.

NOTE 13: ISSUED CAPITAL

		Consolidated	
		2016	2015
		$	$
a)	Issued Capital - fully paid ordinary shares	49,138,898	43,302,956

Ordinary Shares
2016

Ordinary Shares	**Number**	**$**
Balance at 1 July 2015	547,341,477	43,302,956
Share issue - 6 October 2015 at $0.015 per share	91,719,107	1,375,786
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 – 7 June 2016 at $0.04 per share	31,250,000	1,250,000
Share issue costs	-	(25,320)
Balance at 30 June 2016	886,008,969	49,138,898

Ordinary Shares
2015

Ordinary Shares	**Number**	**$**
Balance at 1 July 2014	547,341,477	43,302,956
Share issue costs	-	-
Balance at 30 June 2015	547,341,477	43,302,956

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

b) Capital Risk Management

When managing capital, management's objective is to ensure the 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 2016 and 2015. 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 14: RESERVES

	Consolidated 2016 $	2015 $
Options reserve	7,209,952	6,744,998
Foreign currency translation reserve	-	(427,913)
	7,209,952	6,317,085

a) Options reserve	**Number**	**$**
2016		
Balance at 1 July 2015	28,500,000	6,744,998
Options issued to Carbine Resources Limited that vested immediately	10,000,000	154,900
Recognition of performance rights over vesting period	-	310,054
Expiry of options during the year	(28,500,000)	-
Amount expensed over vesting periods for options granted in prior year	-	-
Balance at 30 June 2016	**10,000,000**	7,209,952
2015		
Balance at 1 July 2014	28,500,000	6,744,998
Expiry of options during the year	-	-
Amount expensed over vesting periods for options granted in prior year	-	-
Balance at 30 June 2015	**28,500,000**	6,744,998

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

b) Financial Assets reserve

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

c) Foreign currency translation reserve

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

NOTE 15: ACCUMULATED LOSSES

	Consolidated 2016 $	2015 $
Accumulated losses at the beginning of the year	(43,325,026)	(42,223,247)
Loss after income tax expense for the year that is attributable to members of Boss Resources Ltd	(2,675,940)	(1,101,779)
Previously recognised foreign currency translation reserve transferred to accumulated losses following loss of control of subsidiaries	(427,767)	-
Accumulated losses at the end of the year	(46,428,733)	(43,325,026)

Notes to the Financial Statements
For the Year Ended 30 June 2016

NOTE 16: NON-CONTROLLING INTEREST

	Consolidated 2016 $	2015 $
Non-controlling interest at the beginning of the year	-	-
Non-controlling interest recognised on acquisition of subsidiary (note 29)	-	-
Loss of subsidiary attributable to non-controlling interest	(213,572)	-
Non-controlling interest at the end of the year	(213,572)	-

NOTE 17: 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 2016 $	2015 $
Cash at bank and on hand	2,619,672	935,881

Reconciliation of loss after related income tax to net cash used in operating activities:

	2016	2015
Operating loss	(2,889,512)	(1,101,779)
Adjustments for:		
Depreciation	67,603	13,713
Impairment of exploration and evaluation	80,000	-
Impairment of investment	98,130	80,146
Loss on disposal of subsidiary	(16,874)	-
Exchange differences	(1,057)	8,201
Share based payments	464,954	-
Gain on disposal of fixed assets	37,313	(60,027)
Net changes in working capital:		
Payables	305,306	22,047
Receivables	(48,784)	2,320
Other assets	190,635	(1,029)
Net cash used in operating activities	(1,712,286)	(1,036,408)

b) Non-cash Financing and Investing Activities

NOTE 18: 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	
	2016	**2015**
	$	**$**
Loss for the year attributable to members of the Company	(2,675,940)	(1,101,779)
	Number	**Number**
Weighted average number of shares outstanding during the year used in calculations of basic and diluted loss per share	760,952,054	547,341,477

NOTE 19: DETAILS OF CONTROLLED ENTITIES

a. Information about Principal Subsidiaries

	Country of Incorporation	Percentage Owned %	
		2016	**2015**
Parent Entity:			
Boss Resources Limited	Australia		
Subsidiaries of Boss Resources Limited:			
Boss Energy Pty Ltd*	Australia	80	-
Boss Uranium Pty Ltd**	Australia	80	-
Askia Gold Pty Ltd***	Australia	49	100
Boss Minerals Pty Ltd***	Australia	49	100
Boss Resources Sweden Pty Ltd****	Australia	100	100
Subsidiary of Askia Gold Pty Ltd:			
Boss Gold SARL (formerly Askia Gold SARL)***	Burkina Faso	49	100
Subsidiary of Boss Minerals Pty Ltd:			
Boss Minerals SARL***	Burkina Faso	49	100

*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 2016, the Group Lost control of Askia Gold Pty Ltd, Boss Minerals Pty Ltd, Boss Gold SARL and Boss Minerals SARL pursuant to the Farm out agreement detailed in note 30.

**** Boss Resources Sweden Pty Ltd has been 100% owned and controlled by Boss Resources Ltd since its incorporation in August 2014.

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

NOTE 19: 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 30 June 2016 and for the period from acquisition on 30 November 2015 to 30 June 2016 because Boss Uranium was only acquired by the Group on 30 November 2015.

Summarised statement of financial position	**Boss Uranium 2016 $**
Current assets	21,317
Non-current assets	18,084,692
Total assets	18,106,009
Current liabilities	168,291,268
Non-current liabilities	8,842,380
Total liabilities	177,133,648
Net Liabilities	(159,027,639)

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 $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 2016 $**
Revenue	-
Loss before income tax	(1,067,860)
Income tax expense	-
Loss after income tax expense	(1,067,860)
Other comprehensive income	-
Total comprehensive income	(1,067,860)

Summarised statement of cashflows	**Boss Uranium 2016 $**
Net cash used in operating activities	(814,203)
Net cash from financing activities	809,822
Cash and Cash Equivalents at beginning of the reporting period	25,698
Cash and Cash Equivalents at end of the reporting period	21,317

Other financial information	
Loss attributable to non-controlling interest	(213,572)
Accumulated non-controlling interest at the end of the reporting period	(213,572)

NOTE 20: 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 2016.

	Consolidated	
	2016	**2015**
	$	**$**
Short term employment benefit	439,193	345,256
Other benefits	10,411	10,411
Share based payments	310,054	-
	759,658	355,667

NOTE 21: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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 29:

- $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:
  - 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.
  - 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.
  - The price is to be determined based on future market prices.
  - The buyer has an option to extend the delivery period by one year.

With the acquisition of Boss Uranium, the Group acquired the exploration expenditure commitments detailed in note 22.

NOTE 22: 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	
	2016	**2015**
	$	**$**
Exploration expenditure		
Less than 12 months	927,185	-
12 months to 5 years	420,000	-
	1,347,185	-
Administration Services		
Less than 12 months	60,000	64,276
12 months to 5 years	-	-
	60,000	64,276
Lease commitment		
Less than 12 months	24,000	18,000
12 months to 5 years	-	-
	24,000	18,000
Executive services commitment		
Less than 12 months	10,000	43,750
12 months to 5 years	-	-
	10,000	43,750

NOTE 23: 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 2016 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 and Burkina Faso (Gold). Segment assets are allocated to countries based on where the assets are located.

GOLD

During the year, the Group has farmed out tenements considered prospective for gold. No income has been derived from the recovery of gold during the year (2015: Nil).

URANIUM

The Group acquired and conducted exploration upon tenements considered prospective for oil shale in 2016. No income was derived from the recovery of uranium during the year (2015: 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 (2015: Nil).

SEGMENT INFORMATION

The segment information provided to the Board of Directors for the reportable segments for the year ended 30 June 2016 and 30 June 2015 are as follows:.

Consolidated	**Gold**	**Uranium**	**Nickel / Copper**	**Corporate**	**Total**
2016	**$**	**$**	**$**	**$**	**$**
Revenue					
Other revenues from external customers	-	-	-	-	-
Total segment revenue	-	-	-	-	-
Segment result	(729)	(1,073,805)	(101,830)	(1,713,147)	(2,889,511)
Interest revenue	-	71,332	-	96,124	167,456
Depreciation	-	(53,900)	-	(13,703)	(67,603)
Assets and Liabilities					
Segment assets					
Exploration expenditure	5,000,000	8,834,394	-	-	13,834,394
Plant and equipment	-	407,918	-	12,985	420,903
Cash and cash equivalents	-	21,317	-	2,598,355	2,619,672
Other current assets	-	-	-	29,052	29,052
Trade and other receivables	-	-	-	84,903	84,903
Financial assets	-	8,842,380		118,819	8,961,199
Total assets as per Statement of Financial Position	5,000,000	18,106,009	-	2,844,114	25,950,123
Segment liabilities					
Trade and other payables	-	-	-	401,198	401,198
Non-current borrowings	-	7,000,000	-	-	7,000,000
Non-current provisions	-	8,842,380	-	-	8,842,380
Total liabilities as per Statement of Financial Position	-	15,842,380	-	401,198	16,243,578

NOTE 23: SEGMENT REPORTING (continued)

Consolidated	**Gold**	**Uranium**	**Nickel / Copper**	**Corporate**	**Total**
2015	**$**	**$**	**$**	**$**	**$**
Revenue					
Other revenues from external customers	60,028	-	-	-	60,028
Total segment revenue	60,028	-	-	-	60,028
Segment result	46,288	-	(365,742)	(782,325)	(1,101,779)
Interest revenue	-	-	-	49,549	49,549
Depreciation	-	-	-	(13,713)	(13,713)
Assets and Liabilities					
Segment assets					
Exploration expenditure	5,000,000	-	80,000	-	5,080,000
Plant and equipment	-	-	-	26,688	26,688
Cash and cash equivalents	3,830	-	-	932,051	935,881
Other current assets	-	-	-	219,687	219,687
Trade and other receivables	10,047	-	-	26,072	36,119
Financial assets	7,089	-	1,571	83,872	92,532
Total assets as per Statement of Financial Position	5,020,966	-	81,571	1,288,370	6,390,907
Segment liabilities					
Trade and other payables	3,509	-	4,819	87,564	95,892
Total liabilities as per Statement of Financial Position	3,509	-	4,819	87,564	95,892

NOTE 24: AUDITORS' REMUNERATION

	Consolidated	
	2016	**2015**
	$	**$**
The auditor of Boss Resources Limited is RSM Australia Partners.		
Amounts, received or due and receivable by RSM Australia Partners for:		
- Auditing or review services	43,500	31,500

NOTE 25: SHARE-BASED PAYMENTS

	Consolidated 2016 $	Consolidated 2015 $
(a) Value of share based payments in the financial statements		
Share based payments for employees (reversed)/ expensed	310,054	-
Cost of acquisition of exploration project expensed	154,900	-
	464,954	-

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

Options - 2016

Grant Date	Expiry Date	Exer-cise Price	Balance 01/07/15	Granted during the year	Exercised during the year	Expired or Change due to Resigning	Balance 30/06/16	Number vested and exer-cisable
30/07/12	10/08/15	0.11	9,500,000	-	-	9,500,000	-	-
30/07/12	10/08/15	0.13	9,500,000	-	-	9,500,000	-	-
30/07/12	10/08/15	0.15	9,500,000	-	-	9,500,000	-	-
1/09/15	31/08/18	0.02	-	10,000,000	-	-	10,000,000	10,000,000
			28,500,000	10,000,000	-	28,500,000	10,000,000	10,000,000
Weighted average exercise price			$0.13	$0.02	-	$0.13	$0.02	$0.02

Options - 2015

Grant Date	Expiry Date	Exer-cise Price	Balance 01/07/14	Granted during the year	Exercised during the year	Expired or Change due to Resigning	Balance 30/06/15	Number vested and exer-cisable
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
			28,500,000	-	-	-	28,500,000	28,500,000
Weighted average exercise price			$0.13	-	-	-	$0.13	$0.13

Performance rights - 2016

Grant Date	Expiry Date	Exer-cise Price	Balance 01/07/15	Granted during the year	Exercised during the year	Expired or Change due to Resigning	Balance 30/06/16	Number vested and exer-cisable
17/11/15	17/11/20	0.00	-	39,999,999	-	-	39,999,999	-
			-	39,999,999	-	-	39,999,999	-
Weighted average exercise price			-	$0.00	-	-	$0.00	-

There were no performance rights recognised in 2015.

On 28 November 2014, shareholders approved the issue of 30,000,000 Performance Rights to Mr Wililams and 9,999,999 Performance Rights to Dr Abzalov. These Performance Rights were not issued until 17 November 2015. These Performance Rights expire 5 years from their issue date on 17 November 2020. On meeting vesting conditions, Performance Rights will each convert into one ordinary share with no further consideration.

NOTE 25: SHARE-BASED PAYMENTS (continued)

The Performance Rights to be issued to Mr Williams will vest on meeting the following performance conditions before the expiry date:

Tranche	Milestone	Number
Tranche 1 Performance Rights	First Milestone means when the closing price of the Company's shares on ASX is at $0.075 for 20 consecutive ASX trading days.	10,000,000
Tranche 2 Performance Rights	Second Milestone means announcement by the Company of a discovery of 75,000t of contained Ni at 2% (or equivalent) or mineralisation of equivalent in ground value which the Company decides to mine in relation to a project.	10,000,000
Tranche 3 Performance Rights	Third Milestone means announcement by the Company of a discovery of 125,000t of contained Ni at 2% (or equivalent) or mineralisation of equivalent in ground value which the Company decides to mine in relation to a project.	10,000,000

The Performance Rights to be issued to Dr Abzalov will vest on meeting the following performance conditions before the expiry date:

Tranche	Milestone	Number
Tranche 1 Performance Rights	First Milestone means when the closing price of the Company's Shares on ASX is at $0.085 for 20 consecutive ASX trading days.	3,333,333
Tranche 2 Performance Rights	Second Milestone means announcement by the Company of a discovery of 75,000t of contained Ni at 2% (or equivalent) or mineralisation of equivalent in ground value which the Company decides to mine in relation to a project.	3,333,333
Tranche 3 Performance Rights	Third Milestone means announcement by the Company of a discovery of 125,000t of contained Ni at 2% (or equivalent) or mineralisation of equivalent in ground value which the Company decides to mine in relation to a project.	3,333,333

No expense was recognised for these performance rights for the year ended 30 June 2015 because the ability of the Company to delay issue effectively meant that there was no shared understanding of the terms and conditions of the performance rights during 2015. These performance rights were valued at their issue dates at $855,800 for Mr Williams and $284,333 for Dr Abzalov for a total value of $1,140,133. Expenses of $237,519 for Mr Williams and $72,535 for Dr Abzalov have been recognised during 2016 as these performance rights are expensed over the expected vesting periods.

Performance rights were valued at the closing share price on the grant date, less discounts to reflect the effects of any market based vesting conditions as detailed in this table. The expected vesting period for each performance right for performance based vesting conditions is the period until expiry of the performance right.

Recipient	Mr Williams	Mr Williams	Mr Williams	Dr Abzalov	Dr Abzalov	Dr Abzalov
Tranche	1	2	3	1	2	3
Grant date	17/11/15	17/11/15	17/11/15	17/11/15	17/11/15	17/11/15
Expiry date	17/11/20	17/11/20	17/11/20	17/11/20	17/11/20	17/11/20
Number of performance rights outstanding at 30 June 2016	10,000,000	10,000,000	10,000,000	3,333,333	3,333,333	3,333,333
Share price at grant date ($)	$0.029	$0.029	$0.029	$0.029	$0.029	$0.029
Discount applied to share price at grant date to reflect market based vesting condition	4.89%	-	-	5.85%	-	-
Value per performance right ($)	0.02758	0.029	0.029	0.02730	0.029	0.029

NOTE 25: 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	1/09/15
Expiry date	31/08/18
Dividend yield (%)	-
Expected volatility (%)	115%
Risk-free interest rate (%)	1.76%
Expected life of options (years)	3.00
Underlying share price ($)	0.022
Option exercise price ($)	$0.02
Value of option ($)	$0.01549
Number of options issued	10,000,000

(b) Weighted average remaining contractual life

The weighted average remaining contractual life of share-based payment options that were outstanding as at 30 June 2016 was 2.2 years (2015: 0.1 years). The weighted average remaining contractual life of performance rights that were outstanding as at 30 June 2016 was 4.39 years (2015 nil granted).

(c) Weighted average fair value

The weighted average fair value of options granted during 2016 was $0.01549 (2015: nil granted). The weighted average fair value of performance rights granted during 2016 was $0.0285 (2015 nil granted)

NOTE 26: 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.

NOTE 26: FINANCIAL INSTRUMENTS (continued)

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:

	Note	Consolidated 2016 $	2015 $
Financial Assets			
Cash and cash equivalents	4	2,619,672	935,881
Trade and other receivables	5	84,903	36,119
Other assets	8	8,890,966	55,660
Available-for-sale financial assets at fair value			
- listed investments	8	70,233	36,872
Total Financial Assets		11,665,774	1,064,532
Financial Liabilities			
Financial liabilities at amortised cost			
- trade and other payables	10	401,198	95,892
Non-current borrowings	11	7,000,000	-
Total Financial Liabilities		7,401,198	95,892

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:

2016	Floating Interest Rate	Fixed Interest Rate 1 Year or Less	Fixed Interest Rate 1 to 5 Years	Non-Interest Bearing	Total	Weighted Effective Interest Rate
	$	$	$	$	$	
Financial Assets						
Cash	1,517,506	1,100,000	-	2,166	2,619,672	1.54%
Trade and other receivables	-	-	-	84,903	84,903	NA
Other financial assets	-	8,889,380	-	71,819	8,961,199	1.00%
Total Financial Assets	**1,517,506**	**9,989,380**	**-**	**158,888**	**11,665,774**	
Financial Liabilities						
Trade and other payables	7,362	-	-	393,836	401,198	0.28%
Non-current borrowings		7,000,000	-	-	7,000,000	1.00%
Total Financial Liabilities	**7,362**	**7,000,000**	-	**393,836**	**7,401,198**	

NOTE 26: FINANCIAL INSTRUMENTS (continued)

2015	Floating Interest Rate	Fixed Interest Rate 1 Year or Less	Fixed Interest Rate 1 to 5 Years	Non-Interest Bearing	Total	Weighted Effective Interest Rate
	$	$	$	$	$	
Financial Assets						
Cash	431,161	500,000	-	4,720	935,881	2.1%
Trade and other receivables	-	-	-	36,119	36,119	NA
Other financial assets	-	47,000	-	45,532	92,532	1.6%
Total Financial Assets	**431,161**	**547,000**	**-**	**86,371**	**1,064,532**	
Financial Liabilities						
Trade and other payables	4,391	-	-	91,501	95,892	0.7%
Total Financial Liabilities	**4,391**	-	-	**91,501**	**95,892**	

ii. Sensitivity Analysis

At 30 June 2016, 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 $33,746 lower/higher (2015 - $7,303 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.

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).

2016	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets:				
Available-for-sale financial assets:				
Listed investments	70,233	-	-	70,233
2015				
Financial assets:				
Available-for-sale financial assets:				
Listed investments	36,872	-	-	36,872

Notes to the Financial Statements
For the Year Ended 30 June 2016

NOTE 26: FINANCIAL INSTRUMENTS (continued)

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.

NOTE 27: PARENT ENTITY DISCLOSURES

	2016	2015
Statement of Financial Position	**$**	**$**
Assets		
Current assets	2,712,310	1,177,810
Non-current assets	14,395,432	5,192,130
Total assets	17,107,742	6,369,940
Liabilities		
Current liabilities	401,198	92,382
	7,000,000	-
Total liabilities	7,401,198	92,382
Equity		
Issued capital	49,138,898	43,302,956
Reserves	7,209,952	6,744,998
Accumulated losses	(46,642,306)	(43,770,396)
Total equity	9,706,544	6,277,558
Statement of Comprehensive income		
Loss for the year	(2,871,910)	(916,621)
Other comprehensive income	-	9,913
Total comprehensive loss for the year	(2,871,910)	(906,708)

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 28: RELATED PARTY TRANSACTIONS

Transactions with shareholders

Kingslane Pty Ltd and associated entities (Kingslane) is a substantial shareholder in the Company and held 46,579,002 (2015: 46,579,002) ordinary shares in the Company at 30 June 2015. Entities controlled by Kingslane received $44,000 (2015: $36,000) during the year for office rent. At 30 June 2016 and 30 June 2015, the Group had no creditor balances payable to Kingslane.

Transactions with key management personnel

Evan Cranston is a director of Konkera Corporate. Konkera Corporate received $113,667 (2015: $101,000) during the year for the provision of administration, bookkeeping and accounting services. Current year secretarial fees of $29,000 (2015: $24,000) were paid to Malone Corporate Services and are included in the remuneration report for Ms Malone. At 30 June 2016 and 30 June 2015, the Group had no creditor balances payable to Konkera Corporate and $3,000 payable to Malone Corporate Services.

Peter Williams is a director of Newgenco Pty Ltd (Newgenco). Newgenco is the vendor of the Liakka tenement in Finland and the Skogtrask nr1 and nr 2 tenements in Sweden.

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.

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 29: 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 11.
- At Completion, the Company paid $1 and agreed to the following contingent payments to the vendor upon successful recommissioning of the Honeymoon Project:
    - $2 million payable in cash and/or shares upon the later of restart of the operations with commercial production or 30 November 2020.
    - 10% of the net operating cash flow of the Honeymoon Project payable annually up to a maximum of $3 million in total.
    - These contingent payments have been classified as contingent liabilities and detailed in note 21.
- 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.

NOTE 29: ACQUISITION OF HONEYMOON PROJECT (CONTINUED)

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

	2016 $
Purchase consideration paid by Boss Resources Limited	
Cash paid to acquire Boss Uranium Limited	1
Total purchase consideration	1

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
Property, plant and equipment	687,272
Other financial assets	8,842,380
Exploration and evaluation expenditure	8,834,394
Trade and other payables	(9,547,363)
Non-current provision	(8,842,380)
Net assets acquired at fair value	1

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

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.

Boss Energy Pty Ltd (Boss Energy) owns and controls all shares in Boss Uranium. 20% of shares in Boss Energy are held by Wattle Energy Pty Ltd (Wattle). Although. 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.

The fair value of the Wattle's non-controlling free carried interest in Boss Uranium was zero at acquisition based on the negative net assets of Boss Uranium.

NOTE 30: DISPOSAL OF SUBSIDIARIES

On 20 January 2016, Gryphon Resources Ltd (Gryphon) acquired control and 51% shareholdings in Askia Gold Pty Ltd, Boss Minerals Pty Ltd, Boss Gold SARL and Boss Minerals SARL (Farmed out subsidiaries) pursuant to a Farm out agreement executed on 4 July 2014. Although the Group has retained 49% shareholdings in the subsidiaries, the nature of Gryphon's control under the Farm out agreement prevents the Group's interests in the subsidiaries from meeting recognition criteria for investments in associates or joint ventures. Under this Farm out agreement, the Group has presently retained a free carried interest in the mineral exploration assets of the Farmed out subsidiaries. This free carried interest in the mineral exploration assets of the Farmed out subsidiaries is the Gold exploration asset detailed in note 9. As these subsidiaries were responsible for all operations in Burkina Faso, together they represented the Gold segment presented in note 23. The Farmed out subsidiaries are not recognised as a discontinued operation because the retention of the capitalised mineral exploration interest for the Burkina Faso assets prevents the Farmed out subsidiaries from meeting the recognition criteria for a discontinued operation.

Book values of net assets over which control was lost	**20 January 2016 $**
Assets	
Cash and cash equivalents	318
Trade and other receivables	12,896
Total current assets	13,214
Other financial assets	7,223
Total non-current assets	7,223
Total Assets	20,437
Liabilities	
Trade and other payables	3,563
Total current liabilities	3,563
Total liabilities	3,563
Net assets derecognised	**16,874**
Consideration received	-
Loss during period to date of disposal	729
Loss on disposal of subsidiaries	16,874
Foreign currency translation reserve movement	
Opening balance at 1 July 2015	(427,767)
Movement to date of disposal	146
Foreign currency translation reserve balance reclassified to accumulated losses on loss of control of Farmed out subsidiaries	427,621

The loss on disposal of the subsidiaries is included in the balance of Other expenses in the statement of profit or loss and other comprehensive income.

The foreign currency translation reserve balance of ($427,767) has been reclassified to accumulated losses on loss of control of the Farmed out subsidiaries.

NOTE 31: EVENTS SUBSEQUENT TO BALANCE DATE

- On 25 August 2016, the Company issued 16,666,667 ordinary shares and 18,000,000 performance rights to the non-executive chairman Mr Mark Hohnen following shareholder approval on 16 August 2016.

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 the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the Directors

Evan Cranston
Corporate Director

DATED at PERTH this 30th day of September 2016

RSM Australia Partners

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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 2016, 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.

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 2016 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 2016. 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 2016 complies with section 300A of the *Corporations Act 2001*.

RSM

RSM AUSTRALIA PARTNERS

David Wall

DAVID WALL
Partner

Perth, WA
Dated: 30 September 2016

Corporate Governance Statement

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition). The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines.

Unless disclosed below, all the principles and recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2016.

Board Composition

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

The independent Director of the Company is Mr Mark Hohnen.

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

Diversity Policy

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

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

The Company's strategies are to:

1. recruit and manage on the basis of an individual's competence, qualification and performance;
2. create a culture that embraces diversity and that rewards people to act in accordance with this policy;
3. appreciate and respect the unique aspects that individual brings to the workplace;

4. foster an inclusive and supportive culture to enable people to develop to their full potential;
5. identify factors to be taken into account in the employee selection process to ensure we have the right person for the right job;
6. take action to prevent and stop discrimination, bullying and harassment; and
7. recognise that employees at all levels of the Company may have domestic responsibilities.

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

Compliance with ASX Recommendations

Recommendation	Boss Resources Limited Current Practice
1.1 A listed entity should disclose: (a) The respective roles and responsibilities of its board and management; and (b) Those matters expressly reserved to the board and those delegated to management.	The Company's Board Charter sets out the roles and responsibilities of the Board and Management. It is available for review at www.bossresources.com.au.
1.2 A listed entity should: (a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	The Company has implemented a policy of undertaking police and bankruptcy checks on all senior employees and directors before appointment or putting to shareholders for election. The Company provides all relevant information on all directors in its annual report and on its website.
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their employment.	The Company requires that a detailed letter of appointment or employment contract is agreed with each director and employee prior to the commencement of duties.
1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Company's organisation chart reflects the position of the Company Secretary within the Company structure.
1.5 A listed entity should: (a) Have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to	The Company has adopted a formal Diversity Policy, a summary of which is provided above. As at 30 June 2016:

	assess annually both the objectives and the entity's progress in achieving them; (b) Disclose that policy or a summary of it; and (c) Disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: i. The respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or ii. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	• The Board comprised five members, all of whom were male. • The senior executives comprised six people (defined by the Board as the directors and key management personnel), five of whom were male and one female. • The whole organisation comprises twelve people, nine of whom are male and three female.
1.6	A listed entity should: (a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The Board Performance Evaluation Policy is available at www.bossresources.com.au. During the reporting period, the Board collectively assessed their respective roles and contributions to the Company and determined they were appropriate.
1.7	A listed entity should: (a) Have and disclose a process for periodically evaluating the performance of its senior executives; and (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The Board constantly assesses the performance of the three Executive Directors, the Company Secretary and other key management personnel during the course of the year.
2.1	The board of a listed entity should: (a) Have a nomination committee which: i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director; and disclose:	The Board consider that given the current size of the Board and the Company, this function is efficiently achieved with full Board participation. Accordingly, the Board has not established a nomination committee. The Board has adopted a Nomination Committee Charter by which it abides. The charter is available at the Company's website

	iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or (b) If it does not have a nomination committee, disclose the fact and the processes it employs to address board succession issues and to ensure the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	www.bossresources.com.au
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	The Board Charter which is available at www.bossresources.com.au incorporates a set of skills and abilities that are desirable for the composition of the Board. The Board is satisfied that it currently possesses an appropriate mix of desired skills in the areas of geology, exploration, mining, commerce and finance to act effectively.
2.3	A listed entity should disclose: (a) The names of the directors considered by the board to be independent directors; (b) If a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) The length of service of each director.	The Company considers that Mark Hohnen is the only independent director on the Board. The Company discloses the length of service for each director in the Director's Report of its annual report.
2.4	A majority of the board of a listed entity should be independent directors.	As there is only one independent director on the Board, the Company does not comply with this recommendation. However, the Directors are of the opinion that they will act in the best interests of the Company and shareholders.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The Company complies with this recommendation.

		The Company does not have a chief executive officer, however, this role is undertaken by the three executive directors, none of whom is chair.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their roles as directors effectively.	The Company has a formal induction program for all new directors to appropriately familiarise them with the policies and procedures of the Company. The Company encourages and facilitates all Directors to develop their skills, including with the provision of in-house seminars to maintain compliance in areas such as risk and disclosure.
3.1	A listed entity should: (a) Have a code of conduct for its directors, senior executives and employees; and (b) Disclose that code or a summary of it.	The Company's Code of Conduct is available at www.bossresources.com.au.
4.1	The board of a listed entity should: (a) Have an audit committee which: i. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and ii. is chaired by an independent director, who is not the chair of the board; and disclose: iii. the charter of the committee; iv. the relevant qualifications and experience of the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or (b) If it does not have an audit committee, disclose the fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	The Company does not have an audit committee due the current size of the Board and Company. The Company has adopted a policy whereby the full Board, including Executive Directors, fulfil the duties of the audit committee and abides by the adopted Audit Committee Charter (available at www.bossresouces.com.au). The Directors require that management report regularly on all financial and commercial aspects of the Company to ensure that they are familiar with all aspects of corporate reporting and believe this to mitigate the risk of not having an independent committee. The Board has adopted a formal policy regarding the appointment, removal and rotation of the Company's external auditor and audit partner.

4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal controls which is operating effectively.	The Board receives a section 295A declaration from the equivalent of the CEO and CFO for each quarterly, half yearly and full year report in advance of approval of these reports.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	The Company's auditor is required to attend the Company's AGM and is available to answer questions relevant to the audit.
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	The Board has adopted a formal Continuous Disclosure Policy to ensure compliance with the ASX Listing Rules. The Policy is available at www.bossresources.com.au.
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company complies with this recommendation and all relevant information can be found at www.bossresources.com.au.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company has developed a Shareholder Communications Strategy to ensure all relevant information is identified and reported accordingly.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	The Company encourages all shareholders to attend General Meetings of the Company via its notices of meeting, and in the event they cannot attend, to participate by recording their votes. The Company has implemented an online voting system to further encourage participation by shareholders.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	The Company and its share registry actively encourage electronic communication. All new shareholders are issued with a letter encouraging the registration of electronic contact methods.

7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director; and disclose: iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings: or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	The Company does not have a risk committee due the current size of the Board and Company. The Company has adopted a policy whereby the full Board, including Executive Directors, fulfil the duties of the risk committee and abides by the adopted Risk Management Policy (available at www.bossresouces.com.au). The Directors require that management report regularly on all financial and commercial aspects of the Company to ensure that they are familiar with all aspects of corporate reporting and believe this to mitigate the risk of not having an independent committee.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	The Board reviews its risk management strategy annually.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	The Company is not of the size or scale to warrant the cost of an internal audit function. This function is undertaken by the Board as a whole via the regular and consistent reporting in all risk areas.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	The Company does not currently have any material exposure to any economic, environmental and social sustainability risks.
8.1	The board of a listed entity should: (a) have a remuneration committee which:	The Board consider that given the current size of the Board, this function is efficiently achieved with full Board participation.

	i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director; and disclose: iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Accordingly, the Board has not established a remuneration committee. The Board considers industry peers when evaluating the remuneration for all directors and executives. The Board is cognisant of the fact that it wishes to attract and retain the best people, and considers strategies other than monetary to balance the need for the best people and the financial position of the Company.
8.2	A listed entity should separately disclose its policies and practises regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	The Company discloses is policies on remuneration in the Remuneration Report set out in its annual report.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	The Company recognises that Director, executives and employees may hold securities in the Company and that most investors are encouraged by these holdings. The Company's Securities Trading Policy (available at www.bossresources.com.au) explains and reinforces the Corporations Act 2001 requirements relating to insider trading. The Policy applies to all Directors, executives, employees and consultants and their associates and closely related parties. The Company has a Performance Rights Plan and an Employee Share Option Plan, both of which have been approved by shareholders. Performance rights have been offered to key personnel under the plan.

Additional Information

CLASS OF SHARES AND VOTING RIGHTS

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

a) at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and

b) on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

Options do not carry any voting rights.

DISTRIBUTION OF SHAREHOLDERS (as at 28 October 2016)

Spread of Holdings	Number of Holders
1-1,000	45
1,001-5,000	39
5,001 - 10,000	162
10,001 -100,000	544
Over 100,001	535
TOTAL	**1,325**

There are 126 holders of unmarketable parcels comprising a total of 450,584 ordinary shares.

There are currently no shares subject to escrow. There is no current on-market buy back taking place.

Company Secretary

Oonagh Malone

Registered Office

Suite 23, 513 Hay Street

Subiaco WA 6008

Share Registry

Security Transfer Australia

770 Canning Highway

Applecross WA 6153

TWENTY LARGEST SHAREHOLDERS (Unmerged and as at 28 October 2016)

	Name	Number of Shares	%
1	Mr Antonius Joseph Smit	82,000,000	9.08
2	Kingslane Pty Ltd	63,161,837	7.00
3	Mr James David Taylor	41,533,336	4.60
4	The Purple Bougainvillea Pty Ltd	32,505,979	3.60
5	National Nominees Limited	29,000,000	3.21
6	Mr Stephen John Dobson	20,917,253	2.32
7	Vynben Pty Ltd	16,666,6667	1.85
8	Zero Nominees Pty Ltd	16,270,000	1.80
9	Ablett Pty Ltd	16,000,000	1.77
10	Epic Feast Pty Ltd	15,833,333	1.75
11	Somas Super Pty Ltd	15,066,667	1.67
12	Precambrian Pty Ltd	15,000,000	1.66
13	Mr Michael & Mrs Jane Grove	13,777,615	1.53
14	Kobia Holdings Pty Ltd	12,966,666	1.44
15	Ossart Holdings Pty Ltd	12,750,000	1.41
16	Morou Francois Ouedraogo	12,000,000	1.33
17	Mr James David Taylor & Mrs Marion Amy Taylor	11,869,960	1.31
18	Davey Management (Aus) Pty Ltd	9,333,333	1.03
19	Mr Mark John Bahen & Mrs Margaret Patricia Bahen	7,500,000	0.83
20	Blu Bone Pty Ltd	7,373,647	0.82
	TOTAL	**451,526,293**	50.01

UNQUOTED SECURITIES (as at 28 October 2016)

Class	Number
Options exercisable at $0.02 each on or before 31 August 2018	10,000,000
Performance rights vesting on trading price of $0.075 for 20 consecutive days	10,000,000
Performance rights vesting on trading price of $0.085 for 20 consecutive days	6,333,333
Performance rights vesting on discovery of 75,000t of contained Ni at 2% (or equivalent) or equivalent Cu or PGE mineralisation which the Company decides to mine in Europe	13,333,333
Performance rights vesting on discovery of 12,000t of contained Ni at 2% (or equivalent) or equivalent Cu or PGE mineralisation which the Company decides to mine in Europe	13,333,333
Performance rights vesting on 12 months service	2,000,000
Performance rights vesting on 24 months service	2,000,000
Performance rights vesting on facilitation and completion of a capital raising for an amount not less than $5 million	3,0000,000
Performance rights vesting on ASX announcement confirming the successful raise of the capital required for the extended plant construction as contemplated by a Board approved definitive feasibility study	8,000,000

UNQUOTED SECURITIES >20% HOLDERS (as at 28 October 2016)

Class	Holder	Number
Options exercisable at $0.02 each on or before 31 August 2018	Carbine Resources Ltd	10,000,000
Performance rights vesting on trading price of $0.075 for 20 consecutive days	Peter Williams	10,000,000
Performance rights vesting on trading price of $0.085 for 20 consecutive days	Marat Abzalov Mark Hohnen	3,333,333 3,000,000
Performance rights vesting on discovery of 75,000t of contained Ni at 2% (or equivalent) or equivalent Cu or PGE mineralisation which the Company decides to mine in Europe	Peter Williams	10,000,000
Performance rights vesting on discovery of 12,000t of contained Ni at 2% (or equivalent) or equivalent Cu or PGE mineralisation which the Company decides to mine in Europe	Peter Williams	10,000,000
Performance rights vesting on 12 months service	Mark Hohnen	2,000,000
Performance rights vesting on 24 months service	Mark Hohnen	2,000,000
Performance rights vesting on facilitation and completion of a capital raising for an amount not less than $5 million	Mark Hohnen	3,0000,000
Performance rights vesting on ASX announcement confirming the successful raise of the capital required for the extended plant construction as contemplated by a Board approved definitive feasibility study	Mark Hohnen	8,000,000

SCHEDULE OF MINING TENEMENTS

Tenement Name	Location	Licence Number	Interest
Boutouanou	Burkina Faso	2011/11/410	49% (TGZ farming in)
Diabatou	Burkina Faso	2011/11/409	49% (TGZ farming in)
Tyara	Burkina Faso	2011/11-159	49% (TGZ farming in)
Foutouri	Burkina Faso	2011/11-160	49% (TGZ farming in)
Baniri	Burkina Faso	2009/09-060	49% (TGZ farming in)
Intiedougou	Burkina Faso	2009/09-061	49% (TGZ farming in)
Mougue	Burkina Faso	2009/09-062	49% (TGZ farming in)
Kankandi	Burkina Faso	10/142/MCE	49% (TGZ farming in)
Tyabo	Burkina Faso	10/144/MCE	49% (TGZ farming in)
Skogtrask Project	Sweden	Skogtrask nr.3	100%
		Palange nr.1	100%
Nottrask Project	Sweden	Norrtrask nr.9	100%
Lilltrask Project	Sweden	Lilltrask nr1, 2 and 3	100%
Yarramba	South Australia	ELA2014/00228	80% (Right to acquire 100%)
South Eagle	South Australia	EL5215	80% (Right to acquire 100%)
Goulds Dam	South Australia	ELA2014/00240	80% (Right to acquire 100%)
Katchiwilleroo	South Australia	ELA2014/00239	80% (Right to acquire 100%)
Ethiudna	South Australia	EL5043	80% (Right to acquire 100%)
Goulds Dam	South Australia	RL83-90	80% (Right to acquire 100%)
Honeymoon Mine	South Australia	ML6109	80% (Right to acquire 100%)