



Uranium is back; Busy year for Boss, breaking into ASX300!

Company/ASX Code	Boss Energy / BOE
AGM date	Thursday 24 November 2022
Time and location	11am (AWST), Duxton Hotel, 1 St Georges Terrace, Perth WA 6000
Registry	Automic Group
Type of meeting	Physical
Poll or show of hands	Poll
Monitor	Matthew Whelan assisted by Len Roy
Pre AGM Meeting?	Yes with Chair Peter O'Connor and Company Secretary Mathew O'Hara

Monitor Shareholding: The individual involved in the preparation of this voting intention has a shareholding in this company

Summary of issues for meeting

1) Company Performance: FY22 a pivotal year, restarting the Honeymoon Uranium Project

- **Major milestones:** 2022 financial year up until the AGM has been a productive period, with:
 - **Capital raisings** totaling A\$125m a private placement of \$120m and Share Purchase Plan ("SPP") of \$5m. Capital raisings were extended to Retail Shareholders at \$2.15 per share, the same price as institutional investors; re-starting of operations is expected to be fully funded.
 - **Key approvals** obtained to restart Honeymoon: South Australian Department for Energy and Mining approved the Company's updated Program for Environmental Protection and Rehabilitation.
 - **Construction commencement**, including i) Wellfield development, ii) camp refurbishment and infrastructure, iii) access road upgrade. Production planned to commence Q4 2023.
 - **Exploration earn-in agreement with First Quantum Minerals** (Toronto Stock Exchange: "FQM") secured. Under the agreement FQM Earns 51% in any base or precious metal discovery at Honeymoon by spending \$6m on exploration; FQM earns a further 24% by sole-funding expenditure up until a decision to Mine. The Company will continue to focus on uranium, however, with upside exposure on other minerals within its mining tenements via this strategic agreement with FQM.
- **Macro tailwinds:** The uranium price is trading at its highest time in a decade at circa USD \$50/lb, supported by supply chain disruption triggered by the Ukraine-Russia war; demand is also expected to be bolstered by certain countries shifting their energy mix towards nuclear.

- **Maturing of the Company: Inclusion in the S&P/ASX300 index September 2022** and listing on the ITCQX in the **USA February 2022**. The confluence of gearing up to restart production and improvement in uranium prices has supported the growth of market cap; the Company has subsequently embarked on a journey to mature its governance, including:
 - **Key appointments:** i) **Ms Jan Honeyman** as **Non-Executive Director (NED)**; background FQM HR, and ii) **Mr Andre Potgeiter** as **CFO**, accounting and finance background also from FQM. The Company is scaling up its employees for production to commence Q4 2023. There were circa 20 employees at the time the 2022 Annual Report went to print. There have been some further increases since, as part of the scale-up, as indicated by the Chair and Company Secretary on the pre-AGM call.
 - **Completion of executive and KMP remuneration review (announced October 2022)** A remuneration review has been completed post Annual report involving benchmarking to comparable companies; it was indicated during the pre-AGM call that a third party “The Reward Group” was engaged for this study.

Proposed Voting Summary

No.	Resolution description	
1	Remuneration Report	For
2	Election of Ms Jan Honeyman as a Director	For
3	Re-election Mr Wyatt Buck as a Director	For
4	Issue of Performance Rights to Mr Duncan Craib under the Plan	For
5	Issue of Options to Ms Jan Honeyman under the Plan	For

Summary of ASA Position

Consideration of accounts and reports - No vote required

Governance and culture

The Company has recently commenced the journey to restart operations and is therefore currently scaling back up. Corresponding also its market cap expansion and entrance into the ASX300 index, positive steps were taken with regards to governance: notably i) Remuneration review (concluded post year-end) and ii) verbal flagging in the pre-AGM call of the intention to commence ESG reporting in 2023. The board structure is considered adequate given the scale of the Company; it has a majority of Independent NEDs; the Chair is also Independent.

Financial performance

The Company reported a net profit after tax of \$32.2 million for the year compared to the net loss of \$0.9 million in 2021. The Profitable result is predominately driven by a gain on investment in

uranium of \$37.9m, which was procured to hedge against any delay in the commencement of production. The revaluation is calculated based on the spot price of US\$32/lb at the start of the financial year VS \$US48/lb at the close. Overheads expanded moderately in line with the decision to restart Honeymoon operations and subsequent scale-up commencement.

No dividends were paid or declared during the period. TSR was 46%.

Key events

Capital raising

A\$125m of capital was raised during FY22, as follows:

- **Private placement: \$120m** completed July 2022
- **Share Purchase Plan A\$5m** (for up to \$20k, less than \$30k 12-month cap) at the same price as the \$120m private placement.

The Chair indicated in the pre-AGM call the need for timely access to funds hence the private placement, however, had an appreciation for the large number of smaller shareholders and included them in the raising via the SPP (below table):

Distribution of Shareholders (as at 19 September 2022)

Spread of Holdings	Number of Holders	Number of Shares
1-1,000	4,052	2,107,205
1,001-5,000	4,938	11,965,361
5,001 - 10,000	1,407	10,489,496
10,001 -100,000	1,687	44,233,126
Over 100,001	138	283,783,674
Total	12,222	352,578,862

The ASA provided positive feedback to the Chair during the pre-AGM call with regards to extending the capital raising to retail at the same price as institutional investors, although we prefer pro-rata offers. Shareholders with fewer than 5,000 shares make up less than 4% of all shares.

ASA focus issues (not discussed under remuneration report or re-election of directors)

ESG

- **ESG strategy review commencing (expect to report 2023)** The Chairman’s letter in the 2022 Annual Report highlights “Boss has also continued to implement its commitment to sector-leading ESG policies...”, however, the details of which were not disclosed. ESG reporting has not formally commenced, however, the Chair indicated during the pre-AGM call that the Company is further developing its ESG strategy and intends to report on it during 2023 to coincide with the lead up to first production. The ASA considers this position reasonable given the pre-production stage that the Company is at, having only decided to restart production during 2022. While ESG reporting is not yet required as an ASX listing rule, material exposures to environmental, social and sustainability risks should be disclosed. The ASA therefore supports the Company its position to mature its approach to ESG during 2023.

- Native Title Agreement (NTA) have been secured; the Chair indicated the relationship has been collaborative. Based on the pre-AGM call, the ASA expects that further details will be disclosed as part of ESG reporting forthcoming in 2023.

Summary

(As at FYE)	2022	2021	2020	2019	2018
NPAT (\$m)	32.2	0.9	-5.1	-1.2	-4.7
Share price (\$)	1.77	1.44	0.42	0.35	0.58
Dividend (cents)	0	0	0	0	0
Simple TSR (%)	23%	240%	20%	-40%	46%
EPS (cents)	10.33	0.37	-2.57	-0.62	-3.14
CEO total remuneration, actual (\$m)	1.1	0.5	1.5	0.3	0.3

Note: Mr Duncan Craib was appointed as Managing Director on 1 August 2017

Election or re-election of directors

Retirements

- Mr Dudley Kingsnorth, a metallurgist with extensive mining experience by background, resigned November 2021, the year following his appointment July 2020. During the pre-AGM call the Chair clarified the reason for the resignation was workload-related; Mr Kingsnorth had recently taken up a position as Chair of Australian Rare Earths Limited (AR3) December 2020 and sought to focus on this appointment. AR3 is a mineral exploration and development company focused on ionic clay hosted rare earths resource opportunities in South Australia and Victoria.

Appointments

- **Ms Jan Honeyman** appointed as **Independent Non-Executive Director**. Ms Honeyman has >20 years' HR experience, predominately at FQM, where she was previously Group HR Director. Ms Honeyman will support the scale up and professionalisation of the Company.
- **Mr Andre Potgeiter** as **CFO**. Mr Potgeiter has ~25 years' Finance and Accounting experience, and is also from FQM.

The Chair made mention of the strategic relationship with FQM and indicated the view that there was not excessive influence; Boss is independent and had leveraged FQM expertise through this relationship.

Adoption of Remuneration Report and approval of equity grants to Managing Director/CEO

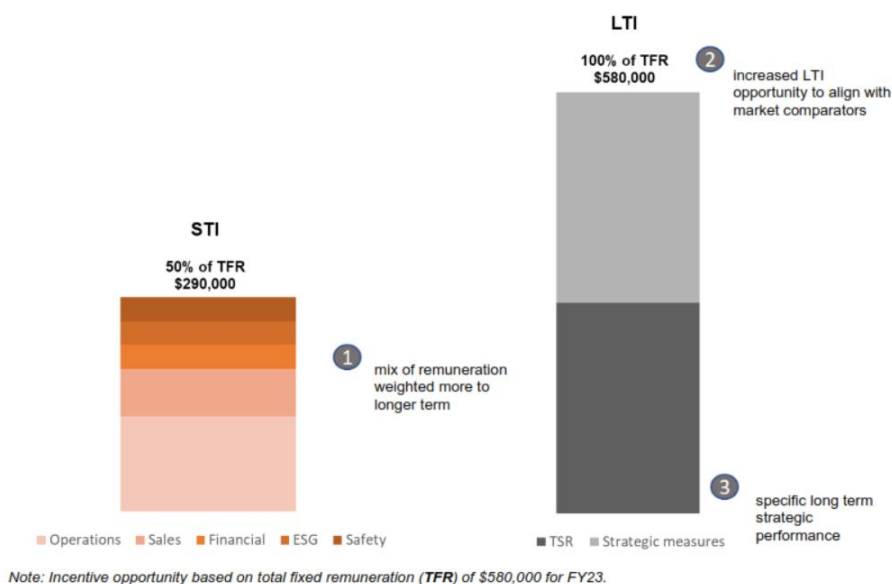
The Remuneration Committee undertook a comprehensive review of KMP in late 2022 after the Annual Report went to print. This review included benchmarking of executives to comparable companies and was completed September 2022.

An overview is provided in the September 2022 Quarterly Activities Report and in more detail in the AGM Notice; the impact is disclosed for the CEO / MD Mr Duncan Craib:

- Total fixed remuneration of \$580,000
 - o STI of up to 50% of Mr Craib's TFR in cash, based on defined operational, sales, financial, ESG and safety KPI's
 - o LTI of up to 100% of Mr Craib's TFR to be issued as performance rights, based on defined performance KPI's being achieved over the 36 months.

The LTI incentives is subject to approval at the AGM.

STI and LTI for MD /CEO



The ASA considers the revised framework reasonable, and not out of line with other comparable S&P/ASX300 index constituents.

- **Director sale of shares** The ASA noted that there were material sales of Director shares during the period as set out in the following table, including 1,250,000 shares sold by the MD/CEO flagged and coinciding with the Capital Raising. The Chair clarified as part of the pre-AGM call that this sale of up to \$5m in Director shares was permitted as a one-off for the “early starters of the company”, as there had not been an opportunity to sell shares previously. Directors have committed to hold their remaining shares until at least first production at Honeymoon. The ASA noted that this intention was disclosed transparently as part of the Capital Raising.

Director Shareholdings 2022

2022 – Ordinary Shares	Balance at start of year/Appointment date	Received following option exercise	Shares purchased	Shares disposed	Balance at end of year/ Resignation date
Peter O'Connor	855,000	1,976,351	-	(650,000)	2,181,351
Duncan Craib	1,250,000	4,235,039	-	(1,250,000)	4,235,039
Wyatt Buck	41,099	456,081	-	(41,099)	456,081
Bryn Jones	315,623	1,129,344	-	(500,000)	944,967
Jan Honeyman*	-	-	-	-	-
Dudley Kingsnorth**	43,750	-	-	-	43,750
Mathew O'Hara	50,000	705,840	-	-	755,840
	2,555,472	8,502,655	-	(2,441,099)	8,617,028

* Ms Honeyman was appointed as Non-Executive Director on 21 February 2022.

** Mr Kingsnorth resigned as Non-Executive Director on 30 November 2021. He held 43,750 ordinary shares on his date of resignation.

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