



ANNUAL FINANCIAL REPORT

30 JUNE 2011

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Directors	John Simpson (Executive Chairman) Malcolm James (Executive Director – Finance & Operations) Warwick Grigor (Non-Executive Director) Alan Marlow (Non-Executive Technical Director) Michael Barton (Non-Executive Director)
Chief Operating Officer	Anthony Simpson
Company Secretary	Jonathan Whyte
Registered and Principal Office	Unit 17, Level 2, 100 Railway Road Subiaco WA 6008 PO Box 8129 Subiaco East WA 6008 Telephone: +61 8 9380 9920 Facsimile: +61 8 9381 5064 Website: www.pel.net.au
Share Registry	Link Market Services Limited Ground Floor 178 St Georges Terrace Perth WA 6000 Telephone: +61 2 8280 7111 Facsimile: +61 2 9287 0303
Auditors	Somes & Cooke Chartered Accountants 1304 Hay Street West Perth WA 6005
Stock Exchange	Peninsula Energy Limited is a public company listed on the Australian Securities Exchange and incorporated in Western Australia.
ASX Codes	PEN – Ordinary Fully Paid Shares PENOA – Listed Options PENOC – Listed Options

CHAIRMAN'S REPORT

Dear Shareholder

I am pleased to present Peninsula Energy Limited's ("Peninsula" or "the Company") Annual Report and Financial Statements for the year ended 30 June 2011.

This year was a very successful one in which the Company achieved many notable milestones. At Lance the permitting process continues on schedule. The three key regulatory permits were submitted and the Deep Disposal Well licence was granted in April. Both the Source Materials Licence and Permit to Mine applications and studies have been formally accepted and are currently undergoing technical and environmental reviews by the NRC and WDEQ respectively.

In February the Company signed a long term sale agreement at an escalated fixed price, fixed quantity and term. The pricing is particularly competitive given recent developments and the Company will look to re-enter negotiations with other groups as the market sentiment improves.

The drilling program at Lance continues to enhance the grade and definition of the existing resources and to convert unclassified material into JORC compliant resources. To this end Peninsula has increased its resource base from 15.1Mlbs to 41.4Mlbs during the year.

Positive results from the DFS at the Ross Project have been received and the Company is applying these results across the existing Lance Project resource and completing further optimisation studies which will enhance the Company's ability to raise project funding.

At the Karoo Projects, the first stage drill programs were completed at Sites 22 and 29. The results, at Site 22 in particular, have confirmed widespread, high grade uranium mineralisation and associated high grade molybdenum.

The Company remains well funded and completed a \$32m capital raising in February of this year. This included a placement of \$21.6m to Pala Investments Holdings Limited, bringing a specialist resources fund and cornerstone investor to the share register. A further \$10m placement was made to other institutional investors. The Company also secured a \$100m equity facility with Pala which provides flexibility as we move forward. In the July quarter the Company announced a further \$15m placement to Nucore Energy LLC, conditional on publication and review of the full DFS; which will add to an already healthy treasury position.

These achievements however, have been overshadowed by the tragic events witnessed in Japan, and the short-term downturn in the nuclear power and Uranium markets. These events have led to a pull back in the Uranium spot price and a negative impact on short term demand. Having said that, the vast majority of existing and future nuclear power users, including France, USA, China, India, South Korea, Russia and the UK, while reviewing the potential risks obviated by Fukushima, have not altered their commitment to nuclear power. The medium to long term outlook remains very positive; however, set against the current global uncertainties and market volatility, investors do remain cautious.

Finally, I would like to take this opportunity to thank the members of the Board and staff for their commitment during the year. I would also like to thank those shareholders who have supported the Company during an exciting but challenging time. The Company remains optimistic that the continued advancement of our projects and an improvement in global market conditions will deliver the significant value to shareholders in the year to come.

Yours sincerely



John Andrew Simpson (Gus)
Chairman

CORPORATE GOVERNANCE STATEMENT

Unless disclosed below, all of the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2011.

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 Directors' Report.

The names of the Directors of the Company are:

- John Simpson Executive Chairman
- Malcolm James Executive Director – Finance & Operations
- Warwick Grigor Non-Executive Director (Independent)
- Alan Marlow Non-Executive Technical Director (Independent)
- Michael Barton Non-Executive Director (appointed 20 December 2010)

The Directors believe that by having an Executive Chairman it is in the best interests of the shareholders. Because this is a departure from Corporate Governance Recommendations the matter is reviewed annually.

When determining whether a Non-Executive Director is independent the Director must not fail any of the following materiality thresholds:

- Less than 10% of Company shares are held by the Director and any entity or individual directly or indirectly associated with the Director;
- No sales are made to or purchases made from any entity directly or indirectly associated with the Director; and
- None of the Directors' income or the income of an individual or entity directly or indirectly associated with the Director is derived from a contract with any member of the economic entity other than income derived as a Director of the entity.

Independent Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Company's expense. Written approval must be obtained from the chairman prior to incurring any expense on the behalf of the Company.

The Board has formally adopted a Nomination Committee Charter but given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Nomination Committee Charter. When the Company is of sufficient size, a separate Nomination Committee will be formed.

Ethical Standards

The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring Directors and employees to:

- Act honestly and in good faith;
- Exercise due care and diligence in fulfilling the functions of office;
- Avoid conflicts and make full disclosure of any possible conflict of interest;
- Comply with the law;
- Encourage the reporting and investigating of unlawful and unethical behaviour; and
- Comply with the share trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgement and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

Trading Policy

The Board has formally adopted a Trading Policy Charter which restricts Directors and employees/consultants from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

Audit Committee

The Audit Committee has been structured so that it consists of:

- Only Non-Executive Directors;
- A majority of independent Directors; and
- An independent Chairperson, who is not Chairperson of the Board.

CORPORATE GOVERNANCE STATEMENT

Given the size of the entity and Board composition, the Audit Committee consists of two of the three Independent Directors, a departure from the ASX Corporate Governance Council recommendations, but appropriate given the small size of the Company and the financial expertise of the Committee members. The Company Secretary is also present at all Audit Committee meetings. The Audit Committee operates under a formal charter.

The names and qualifications of those appointed to the Audit Committee and their attendance at meetings of the Committee are included in the Directors' Report.

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of Directors, changes to the constitution and receipt of annual and interim financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Peninsula Energy Limited, to lodge questions to be responded to by the Board and/or the CEO, and are able to appoint proxies.

Risk Management

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. A continual assessment of the Company's risk profile is undertaken and the Company Secretary has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly. The volatile economic environment has emphasised the importance of managing and reassessing the Company's key business risks.

Remuneration Policies

The Remuneration Committee is responsible for determining and reviewing the appropriate compensation arrangements and policies for the key management personnel, in accordance with the policies and procedures outlined in the Remuneration Committee Charter. The Remuneration Committee reviews executive packages annually by reference to Company performance, executive performance, comparable information from industry sectors and other listed companies and independent advice.

The Company's Remuneration Policy is to ensure remuneration packages properly reflect each person's duties and responsibilities and support the Company's business objectives. The Policy is designed to attract the highest calibre executives and reward them for performance which results in long-term growth in shareholder value.

Executives are also entitled to participate in the employee share and option arrangements.

The amount of remuneration for all key management personnel of the Company and the highest paid executives, including all monetary and non-monetary components, is detailed in the Directors' Report under the heading Key Management Personnel Compensation. Shares given to executives are valued at the difference between the market price of those shares and the amount paid by the executive. Options are valued independently using a binomial model and cross checked using the Black-Scholes methodology.

The Board expects that the remuneration structure implemented will result in the Company being able to attract and retain the best executives to run the consolidated group. It will also provide executives with the necessary incentives to work and grow long-term shareholder value.

The payment of bonuses, options and other incentive payments are reviewed by the Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to predetermined performance criteria. The Board can exercise its discretion in relation to approving incentives, bonuses and options and can recommend changes to the Remuneration Committee's recommendations. Any changes must be justified by reference to measurable performance criteria.

Remuneration Committee

The names of the members of the Remuneration Committee and their attendance at meetings of the committee are detailed in the Directors' Report.

There are no schemes for retirement benefits other than the statutory superannuation for non-executive directors.

Other Information

Further information relating to the Company's corporate governance practices and policies has been made available publicly on the Company's web site at www.pel.net.au.

DIRECTORS REPORT

Your Directors present their report, together with the financial statements of the consolidated group, being the Company and its controlled entities, for the financial year ended 30 June 2011.

DIRECTORS

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

- John Simpson
- Malcolm James
- Warwick Grigor
- Alan Marlow
- Michael Barton (appointed 20 December 2010)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN THE NATURE OF ACTIVITIES

The principal activities of the consolidated group during the financial year consisted of uranium exploration and development.

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

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

The consolidated loss of the consolidated group after providing for income tax for the year ended 30 June 2011 amounted to \$7,218,315 (2010 : \$3,744,583).

REVIEW OF OPERATIONS 2011

Peninsula is an advanced uranium explorer, with the Company's primary focus on the near term production potential of the Lance uranium projects in Wyoming USA, as well as the Karoo uranium/molybdenum projects in the Republic of South Africa.



Figure 1: Peninsula Uranium Project Locations

The highlights of the parent entity's operations during the year were as follows:

WYOMING, USA – LANCE URANIUM PROJECTS

(Peninsula Energy 100%)

The Lance Projects are located on the North-East flank of the Powder River Basin in Wyoming. The original NuBeth Joint Venture between Nuclear Dynamics Inc, Bethlehem Steel Corporation and later Pacific Power and Hydro (NuBeth JV), discovered thirteen substantial zones of uranium mineralisation associated with an extensive system of roll fronts confirmed by drilling between 1970 and 1979. As part of this exploration program, the NuBeth JV drilled more than 5,000 exploration and development holes, totalling in excess of 912,000 metres. A proprietary database of the historic drilling and pilot plant data was acquired by Peninsula in 2007, defining a relatively unknown uranium district of which Peninsula is now the dominant mineral rights holder.

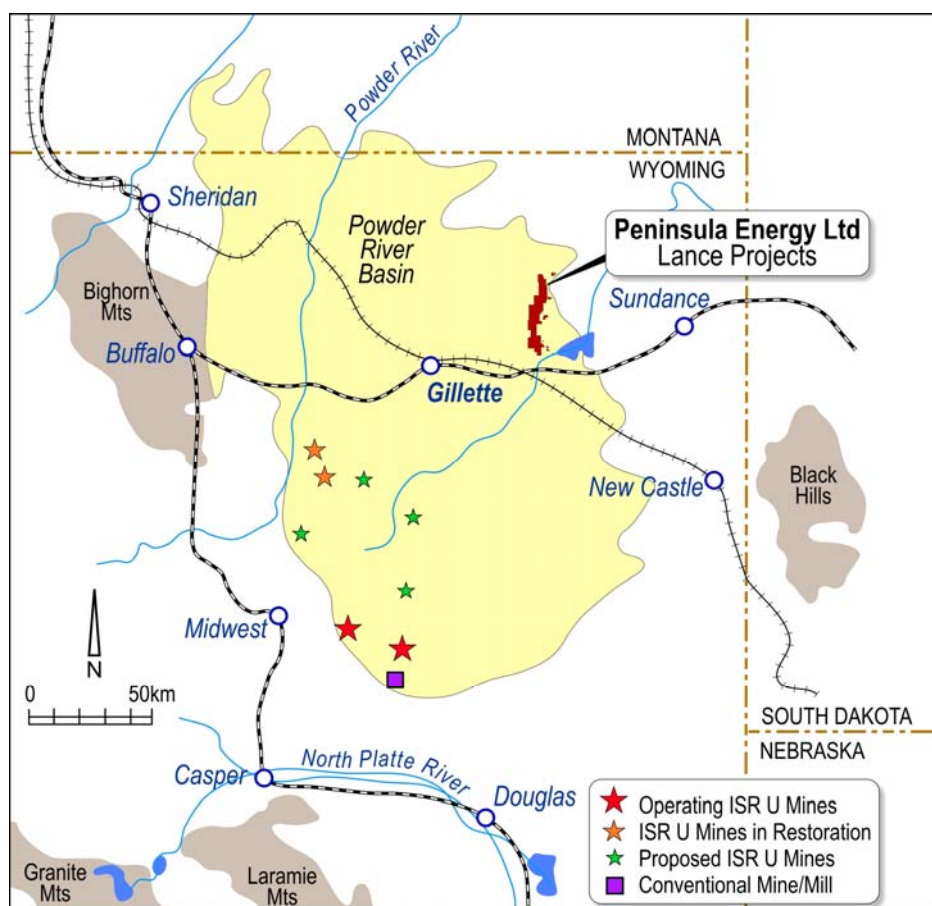


Figure 2: Lance Project Location, Wyoming, USA

Significant Resource JORC Compliant Resource Upgrade to 41.4Mlbs U₃O₈

On 17 June 2011 Peninsula announced a further upgrade to the JORC-compliant Resource Estimate for the Lance In-Situ Recovery (ISR) Uranium Projects. The revised JORC compliant resource estimate of 41.4Mlbs U₃O₈ represents a 25% increase to the previous total resource estimate including a 7% increase in Measured and Indicated Resource since the previous upgrade in February 2011.

These upgrades followed the initial JORC-Compliant Resource Estimate of 15.1Mlbs U₃O₈ for the Lance Projects released 13 April 2010. The initial estimate was based on a database containing over 4,544 historic drill holes together with 281 holes completed by Peninsula between 2008 and 2011. All drilling by Peninsula has been focused on the two primary production areas being the Ross and Barker Projects (Ross and Barker).

Since the release of the updated JORC resource estimate on 2 February 2011, Peninsula has continued resource conversion and exploration drilling with the completion of a further 300 drill holes mostly within and nearby to the Ross Permit Area. This drilling has successfully demonstrated the continuity of the known mineralisation and expanded the limits in these resource areas.

Table 1: Lance Project Updated Resource Estimate – June 2011

Resource Classification	Tonnes Ore (M)	U ₃ O ₈ kg (M)	U ₃ O ₈ lbs (M)	Grade (ppm U ₃ O ₈)
Measured	3.6	1.7	3.7	478
Indicated	7.8	3.0	7.5	439
Inferred	33.1	13.7	30.2	418
Total	44.5	18.4	41.4	412

(The JORC resource is reported above a lower grade cut-off of 200ppm and a GT of 0.2).

Note figures may not sum due to rounding.

DIRECTORS REPORT

The resource has been calculated by applying a combined constraint of a grade thickness product (GT) of 0.2 contour and 200ppm U₃O₈. These lower cut offs are considered to be appropriate for both calculating and reporting of ISR resources at the Lance Projects.

The measured, indicated and inferred resources are located in confined aquifers, (which are a requirement for successful ISR mining) that have demonstrated positive ISR recovery test-work.

Geological modelling of the extensive down-hole geophysical data has accurately defined the impermeable shales and mudstones that form the confining seals to the mineralised aquifers.

At Ross (including the Ross Permit Area) there is now a combined measured, indicated and inferred resource of 26.2Mlbs U₃O₈, an increase of 20% from the updated February estimate. Within the Ross Permit Area the combined measured, indicated and inferred resource totals 5.9Mlbs U₃O₈ at an average grade of 499ppm and an average GT of 0.55.

Since the previous resource estimate, drilling within the permit area has been partly designed to test the resource model by targeting the nose (high grade) portion of the roll front systems. This drilling campaign has produced an overall increase in grade within the permit area from 478ppm to 499ppm U₃O₈.

Drilling outside the permit area has largely been focussed on exploration for new roll front systems and on converting inferred resource to indicated resource. As a consequence of this typically wider-spaced exploration drilling, the overall resource grade outside the permit area has marginally decreased, at the same time the overall resources have increased significantly. Future in-fill drilling will be targeted at the nose (high grade) portion of the roll fronts and a general uplift in grade is anticipated.

Table 2: Lance Project U₃O₈ Resource Estimate by Area and Category

Ross Permit Area	Tonnes	Grade (ppm U ₃ O ₈)	U ₃ O ₈ (lbs)	Average Thickness (ft)	Average GT
Measured	2,191,691	497	2,399,096	12.1	0.60
Indicated	3,047,771	501	3,365,408	10.1	0.51
Inferred	109,000	500	120,000	10.0	0.50
Total	5,348,462	499	5,884,504	10.9	0.55

Ross	Tonnes	Grade (ppm U ₃ O ₈)	U ₃ O ₈ (lbs)	Average Thickness (ft)	Average GT
Measured	737,174	445	722,592	11.7	0.52
Indicated	2,784,812	383	2,350,366	11.2	0.43
Inferred	19,154,600	408	17,235,709	11.0	0.45
Total	22,676,586	406	20,308,667	11.0	0.45

Barber	Tonnes	Grade (ppm U ₃ O ₈)	U ₃ O ₈ (lbs)	Average Thickness (ft)	Average GT
Measured	636,302	461	647,045	8.6	0.40
Indicated	2,002,184	400	1,765,263	7.7	0.31
Inferred	13,840,192	420	12,823,080	7.5	0.32
Total	16,478,678	419	15,235,388	7.6	0.32

Total	Tonnes	Grade (ppm U ₃ O ₈)	U ₃ O ₈ (lbs)	Thickness (ft)	GT
Measured	3,565,167	478	3,768,733	11.4	0.55
Indicated	7,834,767	439	7,481,037	9.2	0.43
Inferred	33,103,793	418	30,178,789	8.5	0.40
Total	44,503,727	412	41,428,559	8.8	0.41

Resource conversion and exploration drilling will continue with one rotary mud rig employed in the northern Ross area and a second rig engaged at Barber to identify additional uranium mineralisation in the area and increase the resource inventory at Barber.

DIRECTORS REPORT

Lance Projects – Exploration Potential

The Lance project covers an area of over 120km² within which there is a combined total of at least 305 line kilometres (190 miles) of known stacked roll fronts. Of this total, only a small percentage has been explored with over 90% of the drilling concentrated within the more advanced Ross and Barber areas. Based on the historic conversion rate from roll front length to a drill-defined resource the mineralised potential of the Lance Projects, which is in addition to the JORC-compliant resource, is assessed at between 95 and 145 Mlbs eU₃O₈.

Table 3: Lance Project Exploration Potential

Exploration Areas	Tonnes (M)		Grade (ppm eU ₃ O ₈)		eU ₃ O ₈ (Mlbs)	
	From	To	From	To	From	To
Total	117.7	134.7	360	500	95	145

Vanadium Resource

In early 2011 Peninsula completed a representative diamond drilling and core sampling program over the Ross Permit Area resource in order to obtain sufficient data to define a vanadium resource of 1.74Mlbs V₂O₅. Based on 90 chemical assays an average U₃O₈/V₂O₅ ratio of 3:1 was used to define the V₂O₅ resource.

Following further studies specific ratios were applied to different parts of the uranium resource as determined by their respective stratigraphic position and horizontal position within the redox system. The updated vanadium resource for the Ross Permit Area as at June 2011 is summarised in Table 4 below.

Table 4: Vanadium Resource – June 2011

Ross Permit Area*	Tonnes	Grade (ppm V ₂ O ₅)	V ₂ O ₅ (lbs)
Measured	2,246,296	196	968,973
Indicated	3,051,466	196	1,316,296
Inferred	108,328	196	46,729
Total	5,406,090	196	2,331,998

Drilling Program and Resource Confidence

On-going drilling will both enhance the grade and definition of the existing drill-defined resources at the Ross and Barber production areas and continue to convert areas of mineralised potential into JORC-compliant resources. The positive results to date provide further confidence that mining will commence within the targeted time-frame with production continuing over an extended mine-life.

Uranium Sales Agreement Signed

On 15 February 2011 Peninsula signed a long term sale agreement to supply 1,150,000 lbs of uranium oxide (U₃O₈) from the Lance Projects. During 2010 Peninsula had engaged key utility and end user groups with the aim of securing long term sale agreements, and after a detailed negotiation process Peninsula agreed to terms that secure the sale of U₃O₈ from Lance at escalated fixed price, quantity and term. The weighted average contract pricing over the term of the contract is consistent with the average term price used in the PFS. The terms of the sale agreement will see Peninsula supply U₃O₈ over a period of 7 years.

Negotiations will continue with other groups involved in the nuclear power industry.

Mine Permitting

The mine permitting process at the Lance Projects has advanced on schedule during the year, with Peninsula completing numerous key regulatory milestones.

Deep Disposal Well (DDW) License

On 13 April 2011 Peninsula, through its wholly owned subsidiary Strata Energy Inc (Strata), received approval from the Wyoming DEQ (WDEQ) for the construction and testing of Underground Injection Control (UIC) Class 1 wells at the Lance Projects.

The UIC permit is the first of three main licenses the Company requires to be granted for it to commence mining operations at Lance, and a license that has caused delays for other developers in the region. This deep disposal well (DDW) license allows Strata to construct and test five such wells in the Ross Permit area. The DDWs will be used to inject low-level wastes

DIRECTORS REPORT

into an isolated rock formation at a depth in excess of 8,000 feet below the surface. It is anticipated that these will meet the water management requirement of an ISR operation at Ross.

The issuance of the UIC permit follows a review by the WDEQ and United States Environmental Protection Agency (USEPA) as well as a public notification and comment period, and is the culmination of 30 months of detailed environmental, geological and hydrological data gathering and analysis by Strata.

The study and application was completed by Petrotek Engineering Corporation of Denver USA and was submitted to the WDEQ in July 2010.

Combined Source and Byproduct Material License

On 31 December 2010 Peninsula, through Strata, submitted its application to the United States Nuclear Regulatory Commission (NRC) for a Combined Source and 11e.(2) Byproduct Material License.

The application requested authorization to construct and operate an ISR facility at Peninsula's Ross ISR Project, located near Oshoto, in north-eastern Wyoming and was the first of two major regulatory submissions completed by Peninsula during December 2010 and January 2011.

The submission of the license application followed approximately 25 months of drilling, baseline testing, data analysis, resource modelling, process design, and public outreach and was prepared in accordance with relevant NRC regulations and guidance.

On 29 June 2011 Peninsula received formal acceptance by the NRC of its application for a Combined Source and 11e.(2) Byproduct Material License. The acceptance review was performed to confirm the completeness and technical adequacy of the application, which is now undergoing a formal, detailed technical and environmental review.

Permit to Mine

On 13 January 2011 Peninsula completed its second major regulatory milestone with the submission of its application to the Land Quality Division of the Wyoming Department of Environmental Quality (WDEQ/LQD) for a permit to mine.

On 14 March 2011 the WDEQ/LQD deemed Strata's Permit to Mine application complete and adequate for technical review. Strata received and responded to detailed first round technical comments from the WDEQ/LQD in June 2011 and these responses are now being reviewed by the WDEQ/LQD.

The Permit to Mine application, along with the Combined Source and 11e.(2) Byproduct Material License application and the Deep Disposal Well licence detailed above, are the three key regulatory permits required for the development and commencement of production at Peninsula's proposed Ross ISR project.

Air Quality Permit

On 27 July 2011 Peninsula announced that the Air Quality Division of the Wyoming Department of Environmental Quality (WDEQ/AQD) has deemed Strata's Ross ISR Project Application for an Air Quality Permit to be complete. The WDEQ/AQD has now commenced a technical review which it expects to complete within sixty (60) days. Approval of the Air Quality Permit, subject to meeting all regulatory requirements, is therefore anticipated in September 2011.

2010/2011 Drilling Program



Figure 3: Lance Projects Drilling Program 2011, Wyoming, USA

DIRECTORS REPORT

Peninsula completed 621 development drill holes at Ross and Barber during the year for a total of 422,665 feet (128.83km). During the year the drilling program at both Ross and Barber has consistently returned high grade, multiple stacked intersections of uranium mineralisation which expedited the delineation of further, and enhancement of existing, JORC-compliant resources.

Ongoing drilling is testing extensions of the known mineralised zones identified by the 3D geological model, enhancing the grade and definition of the existing drill-defined resources and continuing to convert areas of mineralised potential into JORC-compliant resources.

A summary of the drilling program for 2010/2011 is below:

Type	Rotary Mud		Core		Total	
Area	No. Holes	Total Footage	No. Holes	Total Footage	Total No. Holes	Total Footage
Ross	574	384,910	14	7,815	588	392,725
Barber	33	29,940	-	-	33	29,940
Total	607	414,850	14	7,815	621	422,665

The table below shows the best 20 results (by GT) from the 2010/2011 drilling program. For further results please refer to the periodic market releases during the year which detail all drill results at the Lance Projects with GT > 0.2. The positive results to date provide confidence that mining will commence within targeted time-frames with production continuing over an extended mine life.

Table 6: Best 20 Drilling Results by GT – 2010/2011 Drilling Program at the Lance Projects

Hole ID	Easting	Northing	Total Depth (ft)	From (ft)	To (ft)	Interval (ft)	Grade (ppm)	GT	Peak Concentration Grade
RMR0903	502732.9	4935012.2	660.0	551.8	579.3	27.5	518	1.42	5'@2300ppm
RMR0744	503031.0	4935819.0	580.0	515.3	533.8	18.5	650	1.20	5' @ 1060ppm
RMR0753	503180.9	4935829.0	580.0	503.8	547.3	43.5	245	1.07	8' @ 500 ppm
RMR0889	501781.3	4937036.0	860.0	787.8	811.3	23.5	418	0.98	2.5'@1350ppm
RMRD0015	504024.0	4936795.0	470.0	434.3	451.3	17	570	0.97	3'@1130ppm
RMRD0016	503543.0	4935264.0	510.0	479.3	498.3	19	454	0.86	3'@1520ppm
RMR0880	501953.7	4936823.8	840.0	687.8	708.8	21	392	0.82	1'@1260ppm
RMR0859	501955.6	4936793.2		715.8	736.8	21	378	0.79	3.5'@810ppm
RMR0900	501782.8	4937073.2	860.0	777.8	795.3	17.5	440	0.77	6'@650ppm
RMR0819	501842.7	4936830.0	820.0	689.3	719.3	30	256	0.77	1.5'@570ppm
RMR0934	502706.0	4935083.9	660.0	570.3	583.8	13.5	567	0.77	3'@1380ppm
RMR0744	503031.0	4935819.0	580.0	539.8	553.3	13.5	500	0.68	3' @ 760ppm
RMR0875	501989.6	4936794.5		707.8	731.8	24	300	0.72	2.5'@ 690 ppm
RMR0734	503007.5	4935817.0	580.0	519.3	537.3	18	385	0.69	3.5' @ 1290 ppm
RMR0745	502981.3	4935744.0	580.0	532.3	545.8	13.5	490	0.66	7.5' @760ppm
RMR0827	501847.3	4936799.5	820.0	714.3	723.3	9	820	0.74	6' @ 1000ppm
RMR0683	503007.1	4935873.5	580.0	552.3	563.8	11.5	560	0.64	3' @ 1400 ppm
RMR0597	503988.5	4938057.0	520.0	451.3	458.3	7	910	0.64	2' @ 1,590 ppm
RMR1086	503287.6	4934314.7	640.0	484.3	500.8	16.5	382	0.63	2.5'@820ppm
RMR0708	503358.3	4938275.0	600.0	425.8	447.3	21.5	292	0.63	14.5' @ 350 ppm

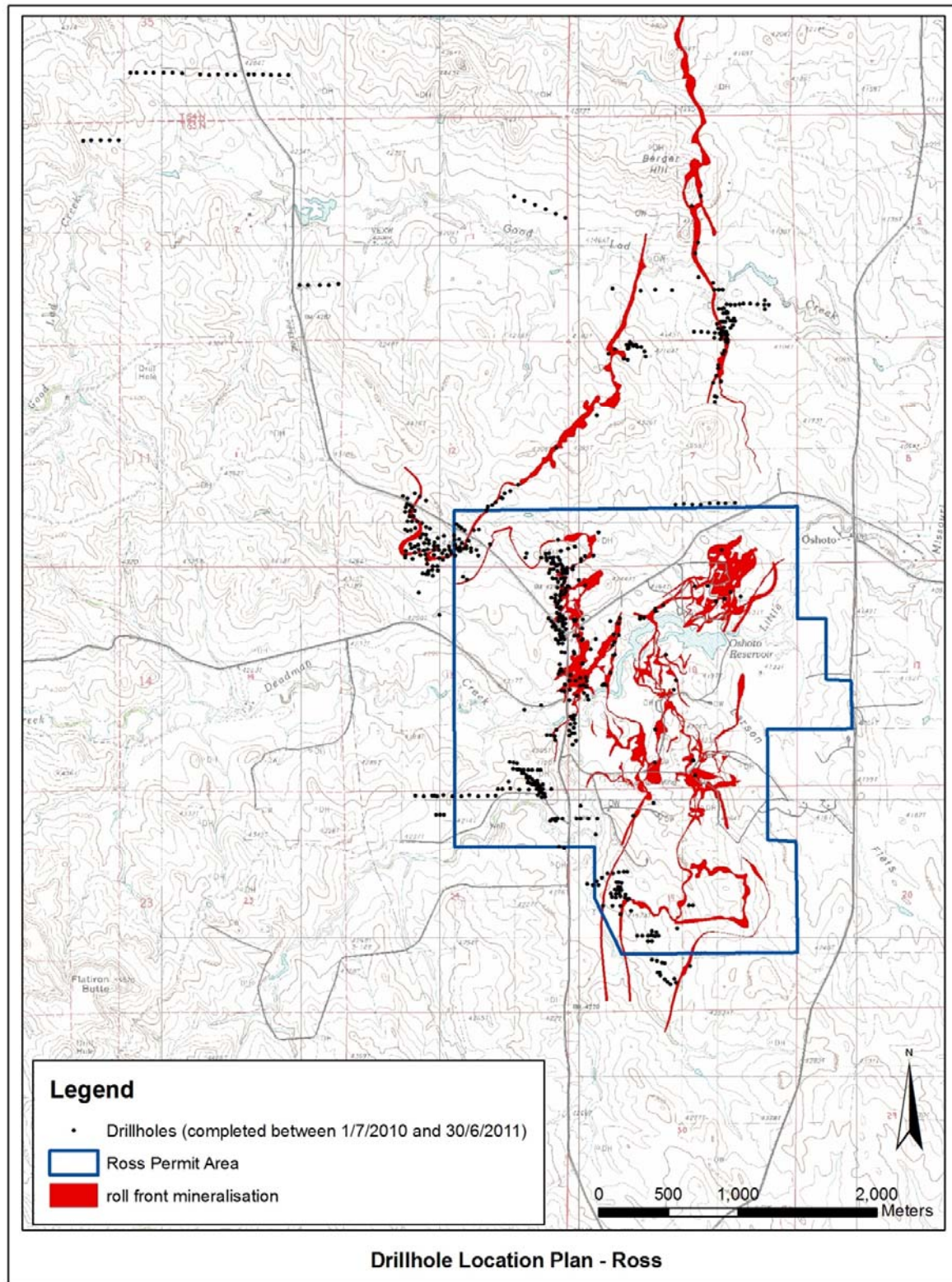


Figure 4: Drilling 2010/2011 – Ross Project.

URANIUM- MOLYBDENUM EXPLORATION PROSPECTS – REPUBLIC OF SOUTH AFRICA

(Peninsula Energy 74%, BEE Group 26%)

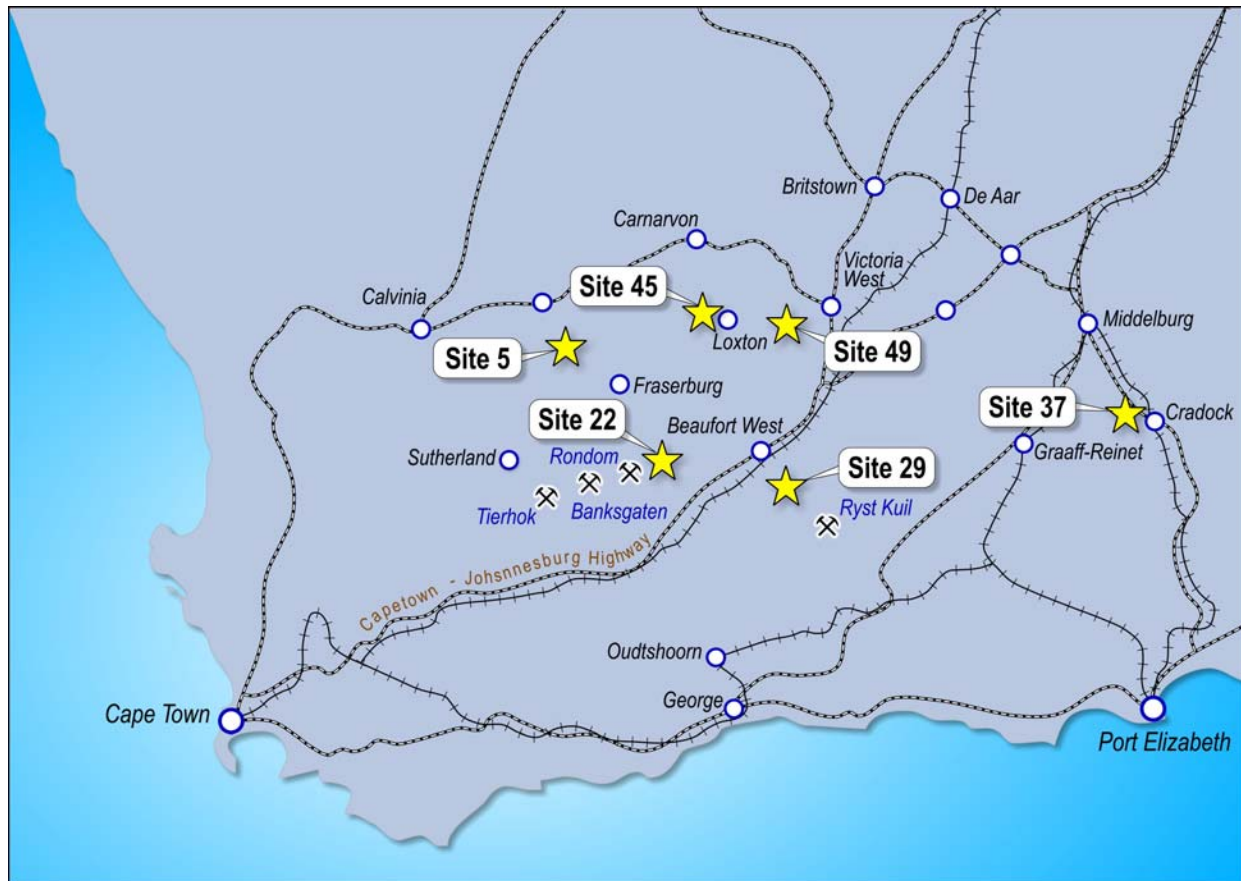


Figure 5: Karoo Uranium / Molybdenum Project Locations, South Africa

The Karoo Projects, located in the Western Cape, Eastern Cape and Northern Cape Provinces of South Africa comprise six project areas that cover a total area of 1,985km². All tenements contain uranium and molybdenum mineralisation as defined by rock chip samples and a recent detailed radiometric survey has defined many strong, anomalies. In addition, three sites (Sites 22, 29 and 45) host significant historic bodies of uranium mineralisation.

The drilling of 1,300 holes by JCI and Union Carbide at three of the Karoo Projects in the 1970's-1980's defined mineralisation at grades of 700-1,400ppm eU₃O₈, and rock chip sampling indicates potential to extend mineralisation beyond the historic drill limits and define multiple ore bodies. New areas of uranium and molybdenum mineralisation identified by Peninsula in potentially stacked sandstone units (effectively increasing the prospective strike length) have increased the resource potential. The historic RystKuil mine owned by Areva NC has a previously published target of 64Mlbs (Uranium 2007) and is in close proximity to Peninsula's projects.

Previous exploration for uranium was conducted over the Karoo region through the late 1960's and into the early 1980's. Many sandstone-hosted uranium deposits and prospects were identified but little analysis was carried out for the associated molybdenum due to prevailing low prices for that metal. Private exploration in the region ceased in the early 1980's after the worldwide fall in the demand for uranium, but the South African Government Geological Survey completed a broad spaced airborne radiometric survey and then conducted surface sampling of radioactive anomalies located by the airborne survey. The government identified significant uranium and molybdenum mineralisation at each of the six project areas through surface rock samples but there has been no follow-up work conducted on these projects since the Geological Survey work was undertaken.

Peninsula commissioned a detailed airborne radiometric survey covering the Karoo Projects by Fugro Airborne Surveys during early 2008 covering the total project area of 1,985km², with flight lines at a spacing of 100m and a nominal 25m flight height. The closer line spacing, lower sensor height and improved instrument sensitivity resulted in the identification of a large number of areas at all sites with an elevated uranium response (best response was 52 times background).

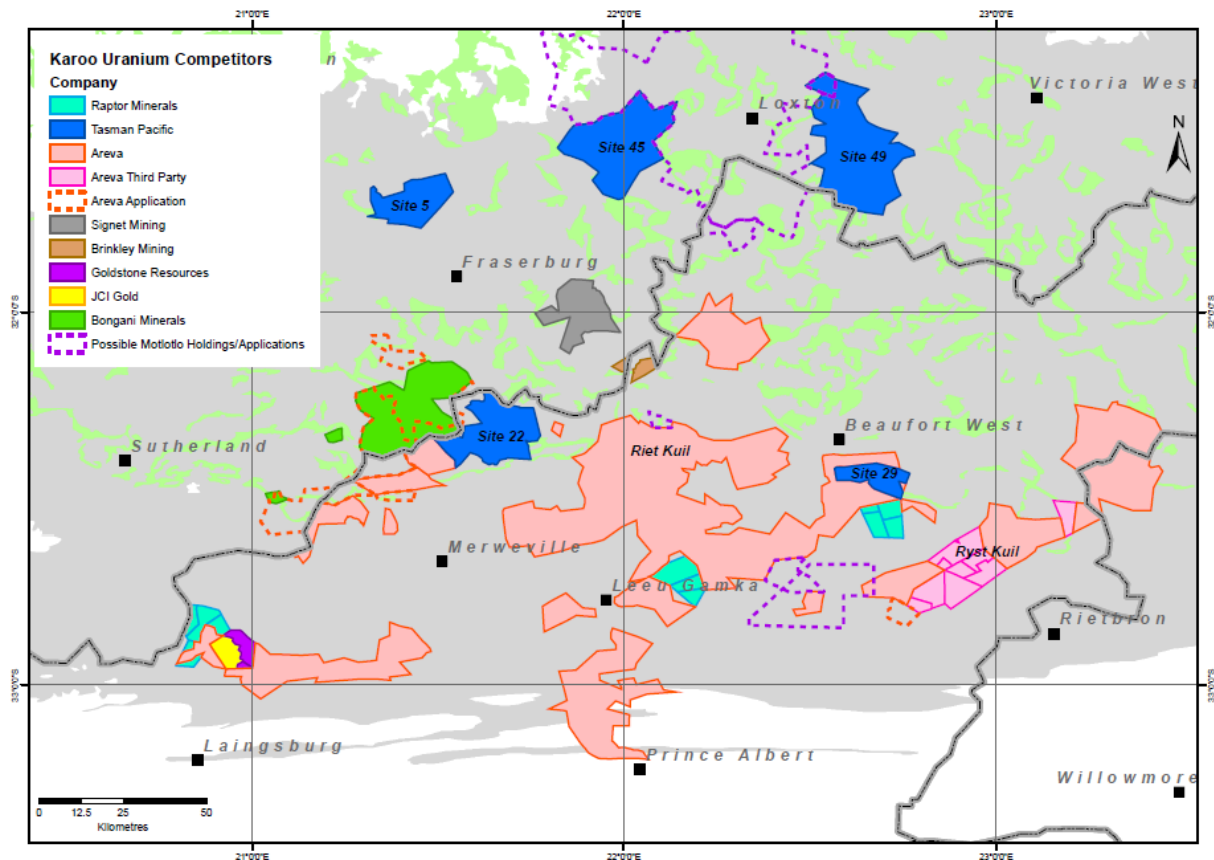


Figure 6: Uranium Activity in the Karoo, South Africa

Current Program – Site 22

Site 22 is located below an escarpment approximately 45km south of Fraserburg (see Figures 6 & 7). As previously reported on 19 February 2011 Peninsula commenced a program comprising the re-opening and logging of the historic JCI boreholes. In conjunction with the logging Peninsula began a program of RC drilling designed to provide samples for Uranium and Molybdenum geochemical analysis and to establish the correlation between Uranium and Molybdenum. Historic reports suggest a high ratio of Molybdenum to Uranium within these areas of the Karoo.

To date, a total of 159 historic boreholes, 123 newly-drilled RC holes and 5 new diamond boreholes have been logged. This comprehensive program has produced a total of 272 intersections that exceed 200ppm eU_3O_8 . A total of 1,699 RC samples have also been collected for assay. These assay results confirm a widespread distribution of Molybdenum in association with the Uranium.

In addition to validating the high grade Uranium reported from the down-hole gamma logging program, the high grade of the associated Molybdenum is particularly encouraging as it has the potential to add significantly to the economics of any future mineral extraction from this area. Peninsula has also completed several diamond holes at Site 22 and is now completing analysis to determine the ratio of Molybdenum to Uranium and to determine any disequilibrium factor from the pending diamond core assays. The results from the initial program at Site 22 suggest that there is potential to delineate a significant level of Molybdenum with very favourable implications for the economics of the project.



Figure 7: 2011 Drill Program in the Karoo, South Africa

Highlights of the RC drilling at Site 22 included:

- DH 06F0051RC which intersected 3.3ft @ 4,535ppm U_3O_8 and 408ppm Mo from 67.3ft;
- DH 06F0866RC which intersected 4.9ft @ 4,022ppm U_3O_8 and 1,313ppm Mo from 205.1ft;
- DH 06F0101RC which intersected 6.6ft @ 3,625ppm U_3O_8 and 2,560ppm Mo from 68.9ft;
- DH 06F0473RC which intersected 6.6 ft @ 3,102ppm U_3O_8 and 2,549ppm Mo from 32.8ft; and
- DH 06F0102RC which intersected 1.6 ft @ 1,972ppm U_3O_8 and 4,308ppm Mo from 49.2ft.

In addition to the numerous high-grade Uranium and Molybdenum assays several holes reported mineralised thicknesses in excess of 10ft with a maximum thickness of 13.1ft (grading 920ppm U_3O_8 and 1,003 Mo) returned from DH 06F0065RC. The highest Uranium intersection received to date is from DH 06F0151RC which reported 1.6 ft grading 8,420ppm U_3O_8 .

Current Program - Site 29

Site 29 is located some 10 km south-east of the town Beaufort West in the Western Cape Province, South Africa Since the commencement of exploration on Site 29 in January 2011, Peninsula has completed the re-logging of 167 historic Union Carbide holes, drilled 99 RC holes and 3 diamond drill holes.

Highlights of the RC drilling at Site 29 included:

- QFN0027DD which intersected 6.89 ft @ 1,313ppm eU_3O_8 from 40.03 ft;
- QFN0341RC which intersected 8.20 ft @ 811ppm eU_3O_8 from 38.39 ft;
- QFN0034RC which intersected 6.9ft @ 1,363ppm eU_3O_8 from 35.93 ft;
- QFN0109RC which intersected 13.3ft @ 529ppm eU_3O_8 from 11.48 ft; and
- QFN0159RC which intersected 2.13 ft @ 2,137ppm eU_3O_8 from 23.46 ft.

The average depth of confirmed mineralisation is between 40' (12m) and 43.6' (13.3m) from surface. To date, 424 samples have been submitted to a laboratory in Cape Town and Molybdenum assays results for the samples are awaited.

Molybdenum

Molybdenum assays received to date from Site 22 are particularly encouraging and tend to show a positive correlation between uranium and molybdenum mineralisation with selected intervals returning up to 2,549 ppm Mo over 6.6ft (06F0473RC) and 6,160ppm Mo over 1.6ft (06F0866RC). Additional work is required at Site 29 to fully gauge the relationship between uranium and molybdenum.

Karoo Projects – Exploration Potential

In addition to the existing resource drilling areas, a total of ten high ranking drill targets distributed across all six of the Company's Project Areas have been prioritised from the 392 uranium occurrences generated by the 2008 helicopter-borne radiometric and magnetic surveys. This process has included site mapping, ground sampling and aerial extent studies of the project areas conducted by Peninsula over the last 3 years.

Further targets have been identified following recent acquisition and review of exploration reports compiled by Union Carbide during the 1970s and early 1980s. Peninsula obtained these reports from the South African Nuclear Energy Corporation during the September 2010 quarter.

Preliminary geological studies have estimated a combined exploration potential in the Karoo of 30-60m tonnes @ 700 – 1,400ppm eU_3O_8 for 90 – 150Mlbs eU_3O_8 .

The Company's target over the next 18 months is to delineate 30Mlbs of eU_3O_8 (15-25m tonnes @ 700–1,400ppm eU_3O_8). The source of this material may include the historic mineral occurrences, their extensions and new exploration targets. If this target is achieved a conceptual study has suggested that this quantity of uranium would support the development of a central processing facility near Site 29.

RAKI RAKI GOLD PROJECT – FIJI

(Peninsula Energy 50%, Geopacific Resources 50%)

The RakiRaki Gold Project is located in the north of VitiLevu, the largest of the Fijian islands and consists of three main gold prospects (Qalau, 4300E and Tataliya Ridge).

During mid to late 2010 Geopacific Resources NL (GPR), through Geotech Ltd (Geotech), carried out a helicopter-borne geophysical survey over several areas of Fiji including the RakiRaki project area. The ZTEM method employed utilized an AFMAG Z-axis Tipper electromagnetic sensor. The ZTEM system is state-of-the-art technology which is able to map resistivity contrasts associated with structure and alteration that are typically associated with porphyry copper systems and other large mineral deposits to great depths, exceeding 1-2 kilometres. ZTEM has only recently become commercially available in Australia and Geopacific will be the first to use ZTEM in Fiji.

Preliminary and final data processing, including generation of final digital data and map products were undertaken at the offices of Geotech in Aurora, Ontario. Further processing and interpretation of the data was undertaken by Southern Geoscience Consultants Pty Ltd of Perth.

The RakiRaki survey area consists of 42 survey lines oriented in a northwest direction and covering an area of 173 km² with 400m line spacing. Six conductive trends have been interpreted by Geotech, with potential correlation of these conductive trends with known structural features.

The total Survey areas includes a minimum 1,121 line-km survey (including 132 line-km of test lines) in the first phase with a possible 1,671 line-km infill for the second phase based on the results of the first phase. The project area of the RakiRaki joint venture with Peninsula is scheduled to be undertaken in the first phase of work. Coverage of 227km² with 400m line spacing for total line length of 579km is planned at RakiRaki using the ZTEM system.

Further assessment of the ZTEM is required prior to field follow-up of target areas.

WESTERN AUSTRALIAN EXPLORATION PROJECTS

No major exploration work was conducted on the Company's West Australian properties during the year.

The Company surrendered the following tenements in Western Australia during the year due to their limited geological potential and material expenditure commitments – E09/1301, E20/605, E21/124, P28/207, MLA28/1172 and E58/303.

CORPORATE

\$32m Placement to Cornerstone Resources Fund and Institutional Investors

On 16 December 2010 Peninsula announced that it had entered into agreements to raise up to A\$31.6 million through a placement of A\$21.6 million to specialist resources fund Pala Investments Holdings Limited (Pala) and a further A\$10 million to European, Asian and Australian institutions and sophisticated investors. The first tranche of this Placement was completed in December 2010 and the final tranche was completed in February 2011.

Subscription Agreement with Pala

Under the Subscription Deed executed with Pala, approximately A\$21.6 million was raised pursuant to the placement of up to 288,317,976 ordinary shares to Pala at an issue price of 7.5 cents per share, together with one free attaching listed option exercisable at 3 cents on or before 30 June 2012 (PENOA) for every two (2) new shares subscribed (Cornerstone Placement).

Equity Facility with Pala

In addition to the Cornerstone Placement, Peninsula secured a A\$100 million Equity Facility with Pala (Equity Facility). This facility adds considerably to Peninsula's funding flexibility going forward.

Under the Equity Facility, Peninsula may, at its discretion, over a period of 5 years, draw down on this facility in part or whole, subject to Pala's approval of the use of funds. Shares issued to Pala as consideration for draw down will be priced at the Company's 20 day volume weighted average price (VWAP) prior to the drawdown date and will include one attaching two year option with a strike price 20% above the share price for every two drawdown shares issued.

Institutional Placement

In addition to the above, on 20 December 2010 Peninsula raised a further A\$10 million pursuant through a placement of 133,333,334 ordinary shares at an issue price of 7.5 cents per share, together with one free attaching listed (PENOA) option exercisable at 3 cents on or before 30 June 2012 for every two (2) new shares subscribed to institutions in Australia, Asia and Europe (Institutional Placement). Hartleys Limited and BGF Equities acted as brokers and lead managers to the Institutional Placement.

\$15m Share Placement and Strategic Alliance

On 23 June 2011 Peninsula announced that it had executed a Term Sheet with NuCore Energy LLC, a North American company focused on the commercial nuclear fuels market and services sector, for a \$15,000,000 share placement.

The Placement is priced at a 50% premium to the 10 day VWAP (with a floor price of \$0.075 and a cap of \$0.095) in the period immediately following publication of the results of the Company's Definitive Feasibility Study (DFS) at the Lance Projects and includes one free attaching listed option exercisable at 3 cents on or before 31 December 2015 (PENOC) for every share subscribed.

Executive Director – Sales and Marketing

Under the terms of the Share Placement, Peninsula will appoint Mr Jim Cornell to the Board as Executive Director–Sales and Marketing. Mr Cornell is a founding Director and CEO of NuCore and an experienced nuclear industry executive. Mr Cornell has over 24 years of experience in the nuclear industry. He joined Nukem Inc. in 1987 and became President and Chief Executive Officer of the company in 1997. During his tenure Nukem grew into one of the largest suppliers of nuclear fuel worldwide.

Strategic Alliance

NuCore is a North American Company that focuses on the commercial nuclear fuels market and services sector. NuCore was formed by Mr Cornell with the financial backing of Cadent Energy Partners (Cadent), a Connecticut (USA) based private equity fund that invests in companies operating across the energy sector. Cadent currently has over \$750 million under management and includes amongst its investor base blue chip institutions such as large charitable foundations and college endowments.

Peninsula has also entered into an agreement with Toronto based corporate advisory firm Boswell Capital Corporation (Boswell) and affiliated companies which have an ongoing advisory role with several large utilities and Uranium suppliers. NuCore has an ongoing teaming arrangement with Boswell and this alliance provides Peninsula with broad based benefits that include focused investment support, greater access to North American markets, Uranium sales and marketing expertise, acquisition, growth strategy/execution and exposure to strong relationships with utilities and other key groups within the USA and global nuclear industry.

DIRECTORS REPORT

\$4m Option Entitlement Issue

On 3 September 2010 Peninsula announced a non-renounceable pro-rata option entitlement issue on the basis of one (1) Option for every four (4) Shares held at an issue price of 1 cent per Option to raise approximately \$4,074,388 (Entitlement Issue). The Options were listed (PENOC) options exercisable at 3 cents on or before 31 December 2015. The Entitlement Issue was fully underwritten by Hartleys Limited and sub-underwritten by two of the Directors (or their nominees) and was completed on 20 October 2010.

Changes to Senior Management and the Board

Mr Michael Barton was appointed to the Board as a non-executive director during the quarter, with effect from 20 December 2010. Mr Barton is currently Senior Vice President of Pala Investments AG, the exclusive advisor to Pala Investments Holdings Limited. Mr Barton's full bio is disclosed on page 21 of this Directors Report.

In January 2011 the Company appointed Mr Malcolm James as Director for Finance and Operations. Mr James was an existing Non-Executive Director of the Company.

Admission to S&P/ASX All Ordinaries Index

On 18 March 2011 Peninsula was included in the S&P/ASX All Ordinaries Index. The admission will serve to raise the profile of Peninsula within a broader range of investors.

Change of Company Name

Following approval received from shareholders at the Annual General Meeting held on 4 November 2010, the Company's name changed from Peninsula Minerals Limited to Peninsula Energy Limited.

FINANCIAL POSITION

The net assets of the consolidated group have increased by \$22,735,142 from 30 June 2010 to \$70,627,612 in 2011. The increase has largely resulted from the successful capital raisings during the current year, in particular the \$31.6m placement to Pala Investments Holdings Limited (\$21.6m) and other institutional investors (\$10m). In addition to the reported cash reserves at 30 June 2011, at the time of this report Peninsula has access to \$100 million in funding through the Equity line Facility with Pala, and has announced a placement of \$15,000,000 to be completed following release of the DFS results.

The Directors believe the consolidated group is in a strong and stable financial position to meet its stated objectives.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

- On 13 April 2011 Peninsula, through its wholly owned subsidiary Strata, received approval from the WDEQ for the construction and testing of Underground Injection Control Class 1 wells at the Lance ISR Project. This Deep Disposal Well license is the first of three main licenses the Company requires to be granted for it to commence mining operations at Lance, the others being the Permit to Mine and the Combined Source and Byproduct Material License. The financial year saw significant advancement of all three key permits with submission and now formal acceptance of the Permit to Mine and Source and Byproduct Material License applications and more recently the Air Quality Permit Application.
- On 15 February 2011 Peninsula signed a long term sale agreement to supply 1,150,000 lbs of uranium oxide (U₃O₈) from the Lance Projects. The agreement secured the sale of U₃O₈ from Lance at escalated fixed price, quantity and term. The weighted average contract pricing over the term of the contract is consistent with the average term price used in the PFS. The terms of the sale agreement will see Peninsula supply U₃O₈ over a period of 7 years.
- On 17 June 2011 Peninsula announced a further upgrade to the JORC-compliant Resource Estimate for the Lance uranium projects in Wyoming, USA. The revised JORC compliant resource estimate of 41.4Mlbs U₃O₈ represents a 25% increase to the previous total resource estimate including a 7% increase in Measured and Indicated Resource since the previous upgrade in February 2011. These upgrades followed the initial JORC-Compliant Resource Estimate of 15.1Mlbs U₃O₈ for the Lance Projects released 13 April 2010.
- During the year Peninsula commenced and completed its initial drilling program at the Karoo Projects sites 22 and 29. The initial assay results received were very encouraging, particularly at Site 22 where assays have confirmed a widespread distribution of high grade Molybdenum in association with high grade Uranium.

DIRECTORS REPORT

- On 16 December 2010 Peninsula announced that it had entered into agreements to raise up to A\$31.6 million through a placement of A\$21.6 million to specialist resources fund Pala Investments Holdings Limited and up to a further A\$10 million to European, Asian and Australian institutions and sophisticated investors. The first tranche of this Placement was completed in December 2010 and the final tranche, which required shareholder approval, was completed in February 2011.
- On 3 September 2010 Peninsula announced a non-renounceable pro-rata option entitlement issue on the basis of one (1) Option for every four (4) Shares held at an issue price of 1 cent per Option to raise approximately \$4,074,388. The Options were listed (PENOC) options exercisable at 3 cents on or before 31 December 2015 and the entitlement issue was completed on 20 October 2010.

DIVIDENDS PAID OR RECOMMENDED

The Directors of the parent entity do not recommend the payment of a dividend in respect of the current financial year ended 30 June 2011.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Likely future developments in the operations of the consolidated group are referred to in the Annual Report. Other than as referred to in this report, further information as to likely developments in the operations of the consolidated group and expected results of those operations would, in the opinion of the directors, be speculative and prejudicial to the interests of the consolidated group and its shareholders.

ENVIRONMENTAL ISSUES

The consolidated group's operations are subject to significant environmental regulation under international legislation in relation to its conduct of evaluation of uranium deposits. The Directors are of the opinion that sufficient procedures and reporting processes have been established to enable the consolidated group to meet its responsibilities and that the consolidated group's other business segment operations are not subject to any significant environmental regulations under Australian Law and International Legislation where applicable.

INFORMATION ON DIRECTORS

The names and details of the Directors of Peninsula in office during the financial year and until the date of this report are as follows:

Mr John Simpson **Executive Chairman**

Mr Simpson has over 20 years of experience in the management of listed and unlisted mining companies with international operations. He also has extensive experience in corporate finance and equity funding within the resources industry. Previously held positions include Executive Chairman of Etchell Capital Pty Ltd, Olea Australis Limited and Executive Director of Tanganyika Gold Limited, Panorama Resources NL and Australian Mineral Sands Limited. Mr Simpson brings an extensive range of corporate and commercial expertise to the Company. Mr Simpson has the following interest in Shares and Options in the Company as at the date of this report – 28,012,399 ordinary shares, 8,878,100 listed options exercisable at 3 cents on or before 30 June 2012, 7,003,101 listed options exercisable at 3 cents on or before 31 December 2015 and 17,000,000 Performance Shares expiring 30 June 2014.

Mr Malcolm James B.Bus, FAICD, MAusIMM **Executive Director– Finance & Operations**

Mr James is a business graduate of RMIT University in Melbourne, Australia with over 30 years experience in merchant banking, engineering, manufacturing, resources and financing. Over the last 20 years he has played an active role in identifying, exploring, financing and developing a number of significant natural resource projects in Australia, the former Soviet Union, the Middle East, Africa and Asia. To date he has been involved in raising in excess of AUD \$3 billion in debt and equity capital. Mr James was previously the Chairman of ASX listed Lefroy Resources Limited and is also a non-executive director of AIM listed Alecto Minerals plc. Mr James is also currently a director of Resource and Capital Management. Mr James has the following interest in Shares and Options in the Company as at the date of this report – 13,085,857 ordinary shares, 3,410,714 listed options exercisable at 3 cents on or before 30 June 2012, 3,271,464 listed options exercisable at 3 cents on or before 31 December 2015 and 3,000,000 Performance Shares expiring 30 June 2014.

Mr Warwick Grigor B.Ec, LLB, MAusIMM, FAICD

Non-Executive Director

Mr Grigor is a highly respected and experienced mining analyst, with an intimate knowledge of all market related aspects of the mining industry. He is a graduate of the Australian National University having completed degrees in law and economics. His association with mining commenced with a position in the finance department of Hamersley Iron, and from there he moved to Jacksons, Graham, Moore and Partners to become Australia's first specialist gold mining analyst. Having established Jacksons as a leading research stockbroker, Mr Grigor left to be the founding research partner at Pembroke Securities and then the Senior Analyst at County NatWest Securities. He retired from County in 1991 to found Far East Capital Limited that was established as a specialist small mining company financier and corporate adviser. Mr Grigor is also a founding partner and Executive Chairman of BGF Capital Group ("BGF"). BGF are an Australian owned independent stockbroking organisation with offices in Melbourne, Sydney and Hong Kong. Mr Grigor's research knowledge and market intelligence gives Peninsula a strong strategic direction. Mr Grigor has the following interest in Shares and Options in the Company as at the date of this report – 3,818,184 ordinary shares, 3,579,547 listed options exercisable at 3 cents on or before 30 June 2012, 11,462,060 listed options exercisable at 3 cents on or before 31 December 2015 and 3,000,000 Performance Shares expiring 30 June 2014.

Dr Alan Marlow

Non-Executive Technical Director

Dr Marlow is a geologist with over 30 years experience in the minerals exploration industry, and is a long-standing member of the AusIMM. Dr Marlow has been contracting and consulting to mining companies and government departments and agencies in Southern Africa since 1973, and to ASX listed companies in Australia since 1984. Dr Marlow was involved in the uranium boom of the late 1970's-early 1980's when he worked as a senior geologist for Gencor based in their Johannesburg office. He subsequently moved to Namibia where he completed his doctorate on the genesis of uranium mineralisation in the Damaran belt. Dr Marlow has undertaken consulting services, independent reviews, and tender proposals for a number of ASX and TSX listed companies on projects in Australia, Namibia, South Africa, Chile, Peru and the United States. He has reviewed and been involved in the assessment of calcrete hosted uranium deposits in Namibia, Chile, Eritrea and Western Australia giving him the knowledge to provide technical expertise with this style of mineralisation. Dr Marlow has the following interest in Shares and Options in the Company as at the date of this report – 3,915,585 ordinary shares, 5,228,896 listed options exercisable at 3 cents on or before 30 June 2012, 603,897 listed options exercisable at 3 cents on or before 31 December 2015 and 1,500,000 Performance Shares expiring 30 June 2014.

Mr Michael Barton

Non-Executive Director

Mr Barton is currently Senior Vice President of Pala Investments AG, the exclusive advisor to Pala Investments Holdings Limited. Mr Barton is currently a Director of WDS Ltd (ASX:WDS), Peninsula Energy Limited (ASX:PEN), Sierra Rutile Ltd (AIM:SRX), Dumas Contracting Ltd and Tercon Investments Limited. In addition to his involvement in many of Pala's largest transactions, including Pala's investments in Anatolia Minerals Development Corporation, Avoca Resources Limited, Dumas Contracting Limited and Norcast Wear Solutions, Mr Barton led Pala's investments in Peninsula and Tercon.

Prior to joining Pala, Mr Barton was at Hatch Corporate Finance, a company specializing in the metals and mining industry. Mr Barton worked on a broad spectrum of transactions in the sector, including Rio Tinto's investment in Ivanhoe Mines, the disposal of EnterTad's steel distribution business, seed financing of RecovCo, a start-up aluminum recycler, negotiation of a major debt facility for Cambrian Mining, appraisal of and investment in metallurgical coal prospects for Tata Steel, and the development of several early-stage mining projects through partnership agreements, including Crew Minerals with Jilin Jien Nickel and Western Canadian Coal with Anglo American. Mr Barton began his career with Deloitte & Touche where he was involved with numerous clients, transactions and projects in the mining sector. Mr Barton is a qualified chartered accountant (ACA) and a fellow of the Securities and Investment Institute.

COMPANY SECRETARY

The following person held the position of Company Secretary at the end of the financial year:

Jonathan Whyte B.Com, CA

Mr Whyte is a Chartered Accountant with experience in corporate accounting and investment banking sectors, having worked for Credit Suisse First Boston and Barclays Capital Plc in London over a period of 6 years. Previously Mr Whyte worked in the advisory services division of Deloitte in Perth over a period of 4 years. Mr Whyte was previously Company Secretary of ASX listed Lefroy Resources Limited and is Company Secretary of several unlisted resource based companies. Mr Whyte has the following interest in Shares and Options in the Company as at the date of this report – 3,000,000 ordinary shares, 1,500,000 listed options exercisable at 3 cents on or before 30 June 2012, 2,500,000 listed options exercisable at 3 cents on or before 31 December 2015 and 4,000,000 Performance Shares expiring 30 June 2014.

DIRECTORS REPORT

Meetings of Directors

During the financial year four meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors Meetings		Committee Meetings			
			Audit Committee		Remuneration Committee	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
<i>Non Executive Directors</i>						
Warwick Grigor	4	4	2	2	1	1
Alan Marlow	4	2	-	-	-	-
Michael Barton	2	2	-	-	-	-
<i>Executive Directors</i>						
John Simpson	4	4	-	-	-	-
Malcolm James	4	4	2	2	1	1

Options

At the date of this report, the unissued ordinary shares of Peninsula under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number Under Option
Various	30/06/2012	\$0.03	406,538,244
Various	31/12/2015	\$0.03	465,451,409
01/10/2010	18/09/2012	\$0.05	4,000,000
01/10/2010	18/09/2012	\$0.10	4,000,000
01/10/2010	18/09/2012	\$0.125	4,000,000
18/09/2010	18/09/2013	\$0.072	4,000,000
18/09/2010	18/09/2013	\$0.09	4,000,000
Various	31/12/2015	\$0.04	8,000,000

Option holders do not have any rights to participate in any issue of shares or other interests in the Company or any other entity.

There have been no unissued shares or interests under option of any controlled entity within the consolidated group during or since reporting date.

For details of options issued to Directors and Executives as remuneration, refer to the Remuneration Report.

During the year ended 30 June 2011, the following ordinary shares of Peninsula were issued on the exercise of options granted. A further 6,362,189 shares have been issued since that date on the exercise of options. No amounts are unpaid on any of the shares.

Grant Date	Date of Expiry	Exercise Price	Number of Shares Issued
Various	30/06/2010	\$0.10	69,746
Various	30/06/2012	\$0.03	9,901,927
Various	31/12/2015	\$0.03	13,084,508
18/09/2010	18/09/2013	\$0.036	4,000,000

No person entitled to exercise the options had or has any rights by virtue of the option to participate in any share issue of any other body corporate.

DIRECTORS REPORT

Performance Shares

At the date of this report there are 44,500,000 Performance Shares on issue as follows:

Grant Date	Date of Expiry	Number on Issue
Class A	30/06/2014	6,000,000
Class B	30/06/2014	20,000,000
Class C	30/06/2014	18,500,000
Total		44,500,000

The Performance Shares were issued to Directors and Senior Management during the previous financial year and each class is convertible into fully paid ordinary shares upon the satisfaction of various criteria, as set out in the terms of the Performance Shares contained in Schedule 1 of the Notice of Annual General Meeting lodged on ASX on 29 October 2009 and the Remuneration Report. The purpose of the Performance Shares is to link part of the consideration paid to the key personnel of the Company to certain significant performance criteria.

Indemnifying Directors and Officers

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has entered into an agreement to indemnify all the Directors and Officers against any liability arising from a claim brought by a third party against the Company. The Company has paid premiums to insure each Director against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was \$25,000 to insure the Directors and Officers of the Company.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-audit Services

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid to the external auditors during the year ended 30 June 2011:

Service	\$
Corporate Services	250
Total	250

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 29 of the Directors' Report.

ASIC Class Order 98/100 Rounding of Amounts

The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest dollar.

REMUNERATION REPORT - AUDITED

Remuneration Policy

The Remuneration Policy of Peninsula has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated group's financial results. The Board of Peninsula believes the Remuneration Policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the consolidated group, as well as create goal congruence between Directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the consolidated group is as follows:

- The Remuneration Policy, setting the terms and conditions for the key management personnel, was developed by the Remuneration Committee in conjunction with the Board after seeking professional advice from independent external consultants where necessary;
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits where applicable, options and performance incentives;
- Incentives paid in the form of options or rights are intended to align the interests of the directors and Company with those of the shareholders. In this regard, key management personnel are prohibited from limiting risk attached to those instruments by use of derivatives or other means; and
- The Remuneration Committee reviews key management personnel packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed with each executive and is based predominantly on shareholder value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may however, exercise its discretion in relation to the approval of incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9% and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Remuneration Committee determines payments to Non-Executive Directors and reviews their remuneration annually, based on market price, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Key management personnel are also entitled and encouraged to participate in the employee share and option arrangements to align Directors' interests with shareholder interests.

Key management personnel who are subject to the arrangement are subject to a policy governing the use of external hedging arrangements. Such personnel are prohibited from entering into hedge arrangements, ie put options, on unvested shares and options which form part of their remuneration package. Terms of employment signed by such personnel contain details of such restrictions.

Relationship between Remuneration Policy and Company Performance

The Remuneration Policy has been tailored to increase goal congruence between shareholders, directors and executives. The Board have issued options and performance rights to all of the directors and executives to encourage the alignment of personal and shareholder interests.

Employment Details of Members of Key Management Personnel and Other Executives

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the consolidated group and to the extent different, among the five group executives or company executives receiving the highest remuneration. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options, shares or performance rights.

DIRECTORS REPORT

Group Key Management Personnel	Position held at 30 June 2011	Proportions of Elements of Remuneration Related to Performance			Proportions of Elements of Remuneration not Related to Performance	
		Non-Salary Cash Based Incentives %	Shares %	Options/ Rights %	Fixed Salary/Fees %	Total %
John Simpson	Executive Chairman	-	19.78	-	80.22	100.00
Malcolm James	Director (Executive)	-	28.52	-	71.48	100.00
Warwick Grigor	Director (Non-Executive)	-	68.54	-	31.46	100.00
Alan Marlow	Technical Director (Non-Executive)	-	68.54	-	31.46	100.00
Michael Barton	Director (Non-Executive)	-	-	-	100.00	100.00
Anthony Simpson	Chief Operating Officer	-	26.42	-	73.58	100.00
Alf Gillman	General Manager – Project Development	-	14.81	-	85.19	100.00
Jonathan Whyte	Company Secretary	-	20.93	-	79.07	100.00

The employment terms and conditions of key management personnel and consolidated group executives are formalised in contracts of employment. Terms of employment require that the relevant group entity provide an executive contracted person with a minimum one month notice prior to termination of contract. Key Contracts are for an average duration of one to three years, to a maximum of three years. A contracted person deemed employed on a permanent basis may terminate their employment by providing at least one months notice. Termination payments are not payable on resignation or under circumstances of unsatisfactory performance.

Remuneration Details for the Year Ended 30 June 2011

The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the consolidated group and also the group executives and company executives receiving the highest remuneration:

Table of Benefits and Payments for the Year Ended 30 June 2011

		Short-term Benefits		Post-Employment Benefits	Equity Settled Share-based Payments			
Group	Key Management Personnel	Salary & Fees \$	Other \$	Super-annuation \$	Shares ^(d) \$	Options \$	Termination Benefits \$	Total \$
Non-Executive Directors								
Warwick Grigor	2011	36,000	-	3,240	85,500	-	-	124,740
	2010	36,000	-	3,240	85,500	-	-	124,740
Alan Marlow	2011	36,000	-	3,240	85,500	-	-	124,740
	2010	-	36,000	3,240	85,500	-	-	124,740
Michael Barton ^(c)	2011	19,065	-	-	-	-	-	19,065
	2010	-	-	-	-	-	-	-
Executive Directors								
John Simpson	2011	625,046	68,182	-	171,000	-	-	864,228
	2010	464,858	-	-	171,000	-	-	635,858
Malcolm James ^(a)	2011	211,000	-	3,240	85,500	-	-	299,740
	2010	36,000	-	3,240	85,500	-	-	124,740

DIRECTORS REPORT

		Short-term Benefits		Post-Employment Benefits	Equity Settled Share-based Payments			
Group/Key Management Personnel		Salary & Fees \$	Other \$	Super-annuation \$	Shares ^(d) \$	Options \$	Termination Benefits \$	Total \$
Other Executives								
Anthony Simpson	2011	317,500	-	-	114,000	-	-	431,500
	2010	245,031	-	-	114,000	-	-	359,031
Alf Gillman	2011	379,599	-	-	66,000	-	-	445,599
	2010	163,113	-	-	66,000	-	-	229,113
Melvin Campbell ^(b)	2011	114,450	-	-	123,500	-	-	237,950
	2010	30,883	-	-	-	-	-	30,883
Jonathan Whyte	2011	215,275	-	-	57,000	-	-	272,275
	2010	163,497	-	-	57,000	-	-	220,497
Total	2011	1,953,935	68,182	9,720	788,000	-	-	2,819,837
	2010	1,139,382	36,000	9,720	664,500	-	-	1,849,602

(a) Mr Malcolm James was appointed Executive Director of Finance and Operations on 1 January 2011.

(b) Mr Melvin Campbell was appointed as Chief Financial Officer on 10 May 2010. He resigned effective 31 December 2010.

(c) Mr Michael Barton was appointed as a Non-Executive Director on 20 December 2010.

(d) The fair value of the ordinary shares issued during the year was ascertained as the market bid price at grant date.

Securities Received that are not Performance Related

No members of key management personnel are entitled to receive securities which are not performance-based as part of their remuneration package.

Shares and Performance Rights Granted

Group Key Management Personnel	Grant Details			For the Financial Year Ended 30 June 2011			Overall		
	Date	Number	Value \$	Exercised No. ^(a)	Exercised \$	Vested No.	Vested %	Unvested %	Lapsed %
Performance Rights^(a)									
<i>Non-Executive Directors</i>									
Warwick Grigor	30/11/09	3,000,000	171,000	-	-	1,500,000	50.00	50.00	-
Alan Marlow	30/11/09	3,000,000	171,000	1,500,000	85,500	1,500,000	50.00	50.00	-
Michael Barton	n/a	-	-	-	-	-	-	-	-
<i>Executive Director</i>									
John Simpson	30/11/09	17,000,000	969,000	-	-	3,000,000	17.65	82.35	-
Malcolm James	30/11/09	3,000,000	171,000	-	-	1,500,000	50.00	50.00	-
<i>Executives</i>									
Anthony Simpson	30/11/09	11,000,000	627,000	2,000,000	114,000	2,000,000	18.18	81.82	-
Alf Gillman	12/04/10	8,500,000	374,000	1,500,000	66,000	1,500,000	17.65	82.35	-

DIRECTORS REPORT

Group Key Management Personnel	Grant Details			For the Financial Year Ended 30 June 2011			Overall		
	Date	Number	Value \$	Exercised No. ^(a)	Exercised \$	Vested No.	Vested %	Unvested %	Lapsed %
Jonathan Whyte	30/11/09	5,000,000	285,000	1,000,000	57,000	1,000,000	20.00	80.00	-
Total		50,500,000	2,768,000	6,000,000	322,500	12,000,000	23.76	76.24	-
<i>Ordinary Shares</i>									
<i>Non Executive Directors</i>									
Warwick Grigor	n/a	-	-	-	-	-	-	-	-
Alan Marlow	n/a	-	-	-	-	-	-	-	-
Michael Barton	n/a	-	-	-	-	-	-	-	-
<i>Executive Director</i>									
John Simpson	n/a	-	-	-	-	-	-	-	-
Malcolm James	n/a	-	-	-	-	-	-	-	-
<i>Executives</i>									
Anthony Simpson	n/a	-	-	-	-	-	-	-	-
Alf Gillman	n/a	-	-	-	-	-	-	-	-
Jonathan Whyte	n/a	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-

- a) The Performance Shares were valued for accounting purposes at the market bid price of 5.7 cents at date of independent valuation, with the exception of Mr Alf Gilman's performance shares which were valued at the market bid price of 4.4 cents at date of grant. The performance hurdles that the Company must achieve in order for the Performance Shares to vest are as follows:

Class A Performance Shares

The Class A Performance Shares became convertible into fully paid ordinary shares in the capital of the Company on 1 July 2010, which was the earliest date they could become convertible after the Company defined 7.5Mlbs U₃O₈ JORC inferred resource at the Lance Projects.

Class B Performance Shares

The Class B Performance Shares became convertible into fully paid ordinary shares in the capital of the Company on 1 July 2011, which was the earliest date they could become convertible after the Company defined 15Mlbs U₃O₈ JORC inferred resource at the Lance Projects.

Class C Performance Shares

The Class C Performance Shares will become convertible into fully paid ordinary shares in the capital of the Company upon the later of:

- The Company deciding to commence commercial mining operations in respect of the Lance Project, and
- 1 July 2012.

The expiry date of the Class A, B and C Performance Shares is 30 June 2014.

Cash Bonuses, Performance-related Bonuses and Share-based Payments

No cash bonuses or performance related bonuses were granted as remuneration to key management personnel and other executives during the year.

End of Audited Section

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.



Malcolm James (Executive Director)
Dated this 21st day of September 2011

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves at the Lance Projects is based on information compiled by Mr Alf Gillman and Mr Jim Guilinger. Mr Gillman is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Gillman is General Manager Project Development and is a Competent Person under the definition of the 2004 JORC Code. MrGuilinger is a Member of a Recognised Overseas Professional Organisation included in a list promulgated by the ASX (Member of Mining and Metallurgy Society of America and SME Registered Member of the Society of Mining, Metallurgy and Exploration Inc). Mr Guilinger is Principal of independent consultants World Industrial Minerals. Both Mr Gillman and Mr Guilinger have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in this report that relates to Exploration Results and Exploration Potential at Peninsula's Karoo projects is based on information compiled by Mr Alf Gillman and Mr George van der Walt. Mr Gillman is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Gillman is General Manager Project Development and is a Competent Person under the definition of the 2004 JORC Code. Mr van der Walt is a member of a Recognised Overseas Professional Organisation included in a list promulgated by the ASX (The South African Council of Natural Scientific Professions, Geological Society of South Africa). Mr van der Walt is a Director of Geoconsult International. Both Mr Gillman and Mr van der Walt have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in this report that relates to Exploration Results and Exploration Potential at the RakiRaki Project in Fiji is based on information compiled by Dr Ian Pringle, Member of the Australasian Institute of Mining and Metallurgy. Dr Pringle is Managing Director of Geopacific Resources NL. Dr Pringle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Gillman, MrGuilinger, Mr van der Walt and Dr Pringle consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.



AUDITOR'S INDEPENDENCE DECLARATION

To those charged with governance of Peninsula Energy Limited

As auditor for the audit of Peninsula Energy Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) No contravention of any applicable code of professional conduct in relation to the audit.

Somes & Cooke

Nicholas Hollens

Perth

21 September 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
Continuing Operations			
Interest revenue	2	806,559	184,561
Other income	2	24,965	88,571
Employee benefits expense		(3,162,953)	(1,030,900)
Share based payments expense	20	(2,423,000)	(1,699,388)
Impairment of available-for-sale-financial asset		-	(9,787)
Write-off of capitalised exploration expenditure	10	(247,667)	(155,825)
Depreciation and amortisation expense		(91,135)	(46,300)
General and administrative expenses		(1,082,036)	(703,545)
Foreign exchange loss		(190,685)	(110,553)
Other expenses		(852,363)	(261,417)
Loss Before Income Tax		(7,218,315)	(3,744,583)
Income tax expense	4	-	-
Loss From Continuing Operations		(7,218,315)	(3,744,583)
Other Comprehensive Income:			
Exchange differences on translating foreign controlled entities		(8,115,163)	-
Total Comprehensive Income for the Year		(15,333,478)	(3,744,583)
Basic loss per share (cents per share)	21	(0.39)	(0.27)
Diluted loss per share (cents per share)	21	(0.39)	(0.27)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Notes	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	5	26,723,024	7,089,031
Trade and other receivables	6	1,241,438	2,366,835
TOTAL CURRENT ASSETS		27,964,462	9,455,866
NON-CURRENT ASSETS			
Financial assets	7	7,069	13,594
Property, plant and equipment	9	603,891	602,966
Mineral exploration expenditure	10	43,572,238	39,922,312
TOTAL NON-CURRENT ASSETS		44,183,198	40,538,872
TOTAL ASSETS		72,147,660	49,994,738
CURRENT LIABILITIES			
Trade and other payables	12	1,510,721	2,091,294
Financial liabilities	13	-	8,471
Short-term provisions	14	9,327	2,503
TOTAL CURRENT LIABILITIES		1,520,048	2,102,268
TOTAL LIABILITIES		1,520,048	2,102,268
NET ASSETS		70,627,612	47,892,470
EQUITY			
Issued capital	15	97,847,017	64,507,526
Reserves	16	(2,455,134)	930,900
Accumulated losses		(24,764,271)	(17,545,956)
TOTAL EQUITY		70,627,612	47,892,470

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2011

	Notes	Share Capital Ordinary \$	Accumulated Losses \$	Option Reserve \$	Foreign Currency Translation Reserve \$	Total \$
Balance at 1 July 2009		46,582,034	(16,313,087)	2,407,726	-	32,676,673
Shares issued during the year	15	18,208,897	-	-	-	18,208,897
Transaction costs		(1,071,581)	-	-	-	(1,071,581)
Share based payment expense	20	664,500	-	1,034,888	-	1,699,388
Adjustment to share based payment for lapsed options	20	-	2,511,714	(2,511,714)	-	-
Exercise of options		123,676	-	-	-	123,676
Change in fair value of available- for-sale financial assets		-	-	-	-	-
Loss for the year		-	(3,744,583)	-	-	(3,744,583)
Balance at 30 June 2010		64,507,526	(17,545,956)	930,900	-	47,892,470
Shares issued during the year	15	31,630,083	-	-	-	31,630,083
Option entitlement issue		-	-	4,074,388	-	4,074,388
Transaction costs		(626,138)	-	(273,259)	-	(899,397)
Share based payment expense	20	1,495,000	-	928,000	-	2,423,000
Exercise of options		840,546	-	-	-	840,546
Foreign currency translation		-	-	-	(8,115,163)	(8,115,163)
Loss for the year		-	(7,218,315)	-	-	(7,218,315)
Balance at 30 June 2011		97,847,017	(24,764,271)	5,660,029	(8,115,163)	70,627,612

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(5,108,083)	(1,916,495)
Interest received		806,559	184,562
Other receipts		1,049,334	10,830
Net cash (used in) operating activities	29	(3,252,190)	(1,721,103)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for mineral exploration and evaluation		(11,795,728)	(11,567,443)
Payments for mineral exploration performance bonds		-	(1,971,430)
Purchase of property, plant and equipment		(92,060)	(591,560)
Net cash (used in) investing activities		(11,887,788)	(14,130,433)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		30,995,473	7,252,444
Proceeds from rights issues		3,801,129	7,995,884
Proceeds from exercise of options		840,546	132,147
Net cash provided by financing activities		35,637,148	15,380,475
Net increase/(decrease) in cash Held		20,497,170	(471,061)
Cash at the beginning of financial year		7,089,031	7,560,092
Effects of exchange rate fluctuations on cash held		(863,177)	-
Cash at the end of financial year	5	26,723,024	7,089,031

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of Peninsula Energy Limited and controlled entities (consolidated group).

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*.

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. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Peninsula Energy Limited at the end of the reporting period. A controlled entity is any entity over which Peninsula Energy Limited has the power to govern the financial and operating policies of so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights is considered.

Where controlled entities have entered or left the consolidated group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 8 of the Notes to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

(b) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit and loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on a cost basis.

The carrying amount of plant and equipment is reviewed 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 asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use.

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

Buildings	20 years
Plant and Equipment	3-5 years
Motor Vehicles	6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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 of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Mineral Exploration and Evaluation Expenditure

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Notwithstanding the fact that a decision not to abandon an area of interest has been made, based on the above, the exploration and evaluation expenditure in relation to an area may still be written off if it is considered appropriate to do so.

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of the mine's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(f) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the consolidated group commits itself to either the purchase or sale of the asset (ie, trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through the profit or loss', in which case transaction costs are expensed to profit and loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair Value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised Cost is calculated as:

- a) the amount at which the financial asset or financial liability is measured at initial recognition;
- b) less principal repayments;
- c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- d) less any reduction for impairment.

The consolidated group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit and loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in the profit and loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the consolidated group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period (all other investments are classified as current assets.) If during the period the consolidated group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Available-for-sale financial assets include non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the consolidated group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

De-recognition

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

(g) Impairment of Assets

At the end of each reporting period, the consolidated group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including, where applicable, dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisitions profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value

in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(h) Interests in Joint Ventures

The consolidated group's share of the assets, liabilities, revenue and expenses of jointly controlled assets have been included in the appropriate line items of the consolidated financial statements. Details of the consolidated group's interests are shown at Note 11.

The consolidated group's interests in joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements.

(i) Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the consolidated group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the consolidated group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in Other Comprehensive Income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

(j) Employee Benefits

Provision is made for the consolidated group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Defined Superannuation Schemes

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

Equity-settled Compensation

The consolidated group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity in which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares or performance shares is ascertained as the market bid price. The fair value of options is ascertained independently using a Binomial Model and cross checked using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(k) Provisions

Provisions are recognised when the consolidated group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(l) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(m) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

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

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be measured reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

(n) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the consolidated group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(o) Share Based Payment Transactions

Under AASB 2 Share Based Payments, the consolidated group must recognise the fair value of options granted to directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the statement of comprehensive income with a corresponding adjustment to equity.

The consolidated group provides benefits to employees (including directors) of the Group in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees (including directors) is measured by reference to fair value at the date they are granted. The fair value is determined using the Black Scholes option pricing model.

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(r) Comparative Figures

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

When the consolidated group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in the financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(s) Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest dollar.

(t) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated group.

Key Estimates

Impairment

The consolidated group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the consolidated group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Judgements

Exploration and Evaluation Expenditure

The consolidated group capitalises expenditure relating to exploration and evaluation where it is considered to be likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

The future recoverability of capitalised exploration expenditure is dependent on a number of factors, including whether the consolidated group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

Such capitalised exploration and evaluation expenditure is carried at reporting date at \$43,572,238.

(u) **Changes in Accounting Policies**

The consolidated group has adopted the following revisions and amendments to AASB's issued by the Australian Accounting Standards Board and IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the group's financial statements for the annual period beginning 1 July 2010:

- Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project – AASB 2009-5: The amendment requires that leases are classified as finance or operating by applying the general principles of AASB 117. The group has assessed that none of its leases require reclassification.
- Improvements to IFRS – AASB 2010-03: Most of these amendments become effective in annual periods beginning on or after 1 July 2010 or 1 January 2011. The 2010 improvements amend certain provisions of AASB 3, clarify presentation of the reconciliation of each of the components of other comprehensive income and clarify certain disclosure requirements for financial instruments. The 2010 improvements did not have a material impact on the group's financial statements.

An overview of standards, amendments and interpretations to IFRS's and AASB's issued but not effective is given in note 'v' below.

(v) **Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the consolidated group**

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the group. Management anticipates that all of the relevant pronouncements will be adopted in the group's accounting policies for the first period beginning after the effective date of the pronouncement. The new standards and interpretations are not expected to have a material impact on the group's financial statements.

2. REVENUE AND OTHER INCOME

	2011 \$	2010 \$
Revenue from continuing operations		
Interest received	806,559	184,561
	<u>806,559</u>	<u>184,561</u>
Other income		
Rental income ^(a)	23,442	18,903
Other Income	1,523	69,668
	<u>24,965</u>	<u>88,571</u>
Total revenue and other Income from continuing operations	<u>831,524</u>	<u>273,132</u>

- (a) Rental Income consists of rental income for the year from Merric Capital Pty Ltd, an unlisted Proprietary company that sub-leases an office and administrative facilities from the consolidated group.

3. LOSS FOR THE YEAR

	2011 \$	2010 \$
Loss before income tax includes the following specific expenses:		
Depreciation of plant and equipment	91,135	46,300
Write-off of capitalised mineral exploration expenditure	247,667	155,825
Employee Benefits Expense		
- defined contribution superannuation expense	26,169	20,862
Impairment of Available-for-sale financial asset	-	9,787
Rental expense on operating leases		
- minimum lease payments	63,015	69,918

4. INCOME TAX

	2011 \$	2010 \$
(a) The major components of income tax expense comprise:		
Income Statement		
Current income tax	-	-
Current income tax charge/(benefit)	-	-
Deferred Income Tax		
Relating to origination and reversal of timing differences	-	-
(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to income tax as follows:		
Accounting loss before income tax	(7,218,315)	(3,744,583)
At the group's statutory income tax rate of 30%	(2,165,495)	(1,123,375)
Add tax effect of:		
Mineral exploration written Off	74,300	46,747
Share based payments	726,900	509,816
Mineral exploration expenses incurred	(3,344,874)	(3,998,068)
	(4,709,169)	(4,564,880)
Benefit of tax losses not brought to account as an asset	4,709,169	4,564,880
Income tax (benefit)/expense	-	-
(c) As at 30 June 2011, the consolidated entity has estimated tax losses of approximately \$42,685,677 (2010: \$26,988,447), which may be available to be offset against taxable income in future years. The availability of these losses is subject to satisfying Australian taxation legislative requirements. The deferred tax asset attributable to tax losses has not been brought to account in these financial accounts because the directors believe it is not presently appropriate to regard realisation of the future income tax benefits as probable.		

5. CASH AND CASH EQUIVALENTS

	2011 \$	2010 \$
Cash at bank and in hand	6,099,798	1,557,160
Short-term bank deposits	20,623,226	5,531,871
	26,723,024	7,089,031
Bank bills and other money market investments are typically held for 30 to 90 days and earn interest at the prevailing rates.		
Reconciliation of Cash	2011 \$	2010 \$
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	26,723,024	7,089,031
	26,723,024	7,089,031

6. TRADE AND OTHER RECEIVABLES

	2011 \$	2010 \$
CURRENT		
Sundry receivables	161,874	84,348
GST receivables	-	100,306
Other receivables ^(a)	1,079,564	2,182,181
	1,241,438	2,366,835

(a) Consists of Environmental Performance Bonds for the current drill program at the Ross and Barber projects in Wyoming, USA.

No receivables are past due or impaired.

7. FINANCIAL ASSETS

	Note	2011 \$	2010 \$
NON-CURRENT			
Available-for-sale financial assets	7(a)	7,069	13,594
Total Non-Current Assets		7,069	13,594

(a) Available for sale financial asset comprise

Listed Investments, at fair value - shares in listed corporations	7,069	13,594
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Current available-for-sale financial assets as at 30 June 2011 comprised a holding of 543,750 shares in the Terrain Minerals Limited (ASX:TMX). There were no fixed returns or fixed maturity date attached to these investments. The price of Terrain ordinary shares as at 30 June 2011 was \$0.013 per share giving a market value as at 30 June 2011 of \$7,069.

8. CONTROLLED ENTITIES

a) Controlled Entities Consolidated

	Country of Incorporation	Percentage Ownership (%)	
		2011	2010
Parent Entity			
Peninsula Energy Limited	Australia		
Subsidiaries of Peninsula Energy Limited			
Tasman Pacific Minerals Limited	Australia	100%	100%
PM Prospecting Pty Ltd*	Australia	100%	100%
RCM (SA) Pty Ltd	Australia	100%	100%
Trove Resources Pty Ltd	Australia	100%	100%
Imperial Mining (Fiji) NL	Australia	100%	100%

* PM Prospecting Pty Ltd holds the entire issued share capital of PM Energy Pty Ltd which in turn holds the entire issue share capital of Strata Energy Inc (a Delaware company incorporated in the USA).

b) Acquisition and Disposal of Controlled Entities

The parent entity did not acquire or dispose of any entities during the financial year.

c) Controlled Entities with Ownership Interest of 50% or Less

The parent entity's ownership of all controlled entities is 100%.

9. PROPERTY, PLANT & EQUIPMENT

	Consolidated Group	
	2011	2010
	\$	\$
Plant and Equipment		
- At cost	420,556	331,221
- Accumulated depreciation	(140,429)	(69,384)
Total Plant and Equipment	280,127	261,837
Land and Buildings		
- At cost	348,245	348,245
- Accumulated depreciation	(24,481)	(7,116)
Total Land and Buildings	323,764	341,129
Total Property, Plant and Equipment	603,891	602,966

	Plant and Equipment \$	Land and Buildings \$	Total \$
a) Movements in Carrying Amounts			
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year			
Balance at the beginning of the year	261,837	341,129	602,966
Additions	92,060	-	92,060
Depreciation expense	(73,770)	(17,365)	(91,135)
Carrying amount at the end of the year	280,127	323,764	603,891

The groups land and buildings were valued by independent valuer immediately prior to the time of purchase, being 14 January 2010. The valuation was made on the basis of open market value.

10. OTHER ASSETS – MINERAL EXPLORATION EXPENDITURE

	2011	2010
	\$	\$
Balance at the beginning of the financial year	39,922,312	26,751,244
Exploration expenditure capitalised – mineral exploration and evaluation phases	11,149,580	13,326,893
Exploration expenditure written off	(247,667)	(155,825)
Foreign exchange translation	(7,251,987)	-
Total mineral exploration expenditure	43,572,238	39,922,312

Recoverability of the carrying amount is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

The consolidated groups operations are subject to significant environmental regulation under international legislation in relation to its conduct of evaluation of uranium deposits. The Directors are of the opinion that sufficient procedures and reporting processes have been established to enable the consolidated group to meet its responsibilities.

11. JOINT VENTURES

Interest in Joint Ventures

2011
\$ **2010**
\$

The consolidated group's share of assets employed in the joint ventures are as follows

Geopacific(Fiji) Joint Venture

Peninsula Energy has a 50% interest in the Geopacific Resources NL Joint Venture, whose principal activity is gold exploration.

NON-CURRENT ASSETS

Exploration development expenditure	1,865,360	1,865,360
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Uranium/Molybdenum (RSA) Joint Venture

Peninsula Energy has a 74% interest in the Uranium/Molybdenum Joint Venture, whose principal activity is uranium/molybdenum exploration in the Karoo region of the Republic of South Africa. BEE partner Makau Mining (Pty) Ltd holds a 26% interest

NON-CURRENT ASSETS

Exploration development expenditure	6,075,023	4,341,993
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The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

12. TRADE AND OTHER PAYABLES

2011
\$ **2010**
\$

CURRENT

Trade payables	1,484,401	2,087,389
GST payable	22,510	-
Sundry payables and accrued expenses	3,810	3,905
Total Trade and Other Payables	1,510,721	2,091,294

Trade and other payables are non-interest bearing and generally settled on 30 day terms. Due to their short-term nature, their carrying amount is assumed to approximate their fair value.

13. FINANCIAL LIABILITIES

2011
\$ **2010**
\$

CURRENT

Funds held in Trust – Options Exercised applicants ^(a)	-	8,471
Total Financial Liabilities	-	8,471

(a) Balance in prior year related to funds banked for the exercise of options prior to 30 June 2010 which were subsequently exercised and issued in July 2010.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

14. PROVISIONS

	2011 \$	2010 \$
Employee Entitlements		
Annual Leave	9,327	2,503
Total Provisions	9,327	2,503

15. ISSUED CAPITAL

	2011 \$	2010 \$
A reconciliation of the movement in capital and reserves for the consolidated group can be found in the Statement of Changes in Equity		
2,095,337,752 fully paid ordinary shares (2010: 1,628,130,261)	97,847,017	64,507,526

(a) Ordinary Shares

	2011	2010
At the beginning of the reporting year	1,628,130,261	1,070,715,061
<i>Shares Issued During the year</i>		
- Share Placement ⁽ⁱ⁾	421,651,310	-
- Entitlement Issue July 2009	-	160,115,460
- Entitlement Issue April 2010	-	125,106,128
- Share Placement July 2009	-	126,015,000
- Share Placement April 2010	-	125,000,000
- Exercise of Options (various dates)	27,056,181	4,088,612
- Conversion of Performance Shares (various dates)	6,000,000	-
- Other Shares Issued ⁽ⁱⁱ⁾	12,500,000	17,090,000
Total at the end of the year	2,095,337,752	1,628,130,261

(b) Ordinary Shares

	2011 \$	2010 \$
At the beginning of the reporting year	64,507,526	46,582,034
<i>Shares Issued During the year</i>		
- Share Placement ⁽ⁱ⁾	31,623,848	-
- Entitlement Issue July 2009	-	4,483,233
- Entitlement Issue April 2010	-	5,004,245
- Share Placement July 2009	-	3,528,420
- Share Placement April 2010	-	5,000,000
- Exercise of Options (various dates)	840,546	123,675
- Share Based Payments	1,495,000	664,500
- Other Shares	6,235	193,000
Less Transaction Costs/Other	(626,138)	(1,071,581)
Total at the end of the year	97,847,017	64,507,526

- (i) On 16 December 2010 Peninsula announced that it had entered into agreements to raise up to A\$31.6 million through a placement of A\$21.6 million to specialist resources fund Pala Investments Holdings Limited and up to a further A\$10 million to European, Asian and Australian institutions and sophisticated investors.

Under the Subscription Deed executed with Pala, approximately A\$21.6 million was raised pursuant to the placement of up to 288,317,976 ordinary shares to Pala at an issue price of 7.5 cents per share, together with one free attaching listed option exercisable at 3 cents on or before 30 June 2012 (PENOA) for every two (2) new shares subscribed.

In addition to the above, on 20 December 2010 Peninsula raised a further A\$10 million pursuant to a placement of 133,333,334 ordinary shares at an issue price of 7.5 cents per share, together with one free attaching listed (PENOA) option exercisable at 3 cents on or before 30 June 2012 for every two (2) new shares subscribed to institutions in Australia, Asia and Europe. The total shares issued under the placements were 421,651,310.

- (ii) Peninsula issued 8,000,000 shares during the year under an Investor Relations Agreement. In addition, Peninsula issued 4,500,000 ordinary shares to key management personnel and employees during the year.

c) Options and Performance Rights

- (i) The total number of options on issue is 899,989,653. In addition to the 29,097,257 listed (PENOA) options disclosed in Note 20 Share-based payments there are a further 377,440,987 listed PENOA options on issue exercisable at 3 cents on or before 30 June 2012, 465,451,409 listed PENOC options on issue exercisable at 3 cents on or before 31 December 2015, 4,000,000 unlisted options exercisable at 5 cents on or before 18 September 2012, 4,000,000 unlisted options exercisable at 10 cents on or before 18 September 2012, 4,000,000 unlisted options exercisable at 12.5 cents on or before 18 September 2012, 8,000,000 unlisted options exercisable at 4 cents on or before 31 December 2015, 4,000,000 unlisted options exercisable at 7.2 cents on or before 18 September 2013 and 4,000,000 unlisted options exercisable at 9 cents on or before 18 September 2013. There are 44,500,000 Performance Rights on issue with expiry date 30 June 2014.

A reconciliation of the total options on issue as at 30 June 2011 is as follows:

	PENOA	PENOC	UNLISTED
At the beginning of the year	200,906,915	-	12,000,000
Issued during the year	215,533,256	478,535,917	20,000,000
Expired during the year	-	-	-
Exercised during the year	(9,901,927)	(13,084,508)	(4,000,000)
Total at the end of the year	406,538,244	465,451,409	28,000,000

- (ii) For information relating to share options and performance rights issued to key management personnel during the financial year, refer to Note 20 Share-based payments.

d) Capital Management

Management controls the capital of the consolidated group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the consolidated group can fund its operations and continue as a going concern. The consolidated group currently has no long term debt and there are no externally imposed capital requirements.

Management effectively manages the consolidated group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the consolidated group since the prior year.

Equity Line Facility

As part of the A\$21.6 million placement to Pala Investments Holdings Limited, Peninsula secured a A\$100 million Equity Facility with Pala. Under the Equity Facility, Peninsula may, at its discretion, over a period of 5 years, draw down on this facility in part or whole, subject to Pala's approval of the use of funds. Shares issued to Pala as consideration for draw down will be priced at the Company's 20 day volume weighted average price prior to the draw date and will include one attaching two year option with a strike price 20% above the share price for every two drawdown shares issued.

On 18 September 2009 Peninsula announced that it had put in place a A\$50 million Equity Line Facility (Facility) with YA Global Master SPV Ltd, an investment fund managed by US-based Yorkville Advisors, LLC. The Company terminated this facility on 28 July 2011.

16. RESERVES

(a) Option Reserve

The option reserve records items recognised as expenses on valuation of employee share options. In addition, net funds raised through the 2010 Option Entitlement Issue have been recorded in the option reserve.

(b) Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign operations.

Refer to the Statement of Changes in Equity for a reconciliation of movements in the Option Reserve and Foreign Currency Translation Reserve during the year.

17. AUDITORS' REMUNERATION

	2011 \$	2010 \$
Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report	35,000	32,010
- Taxation services	10,671	-
- Other services	250	300
Total Auditors' Remuneration	45,921	32,310

18. KEY MANAGEMENT PERSONNEL COMPENSATION

- (a) Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are :

Key Management Person	Position
John Simpson	Chairman (Executive)
Malcolm James	Director (Executive)
Warwick Grigor	Director (Non-Executive)
Alan Marlow	Director (Non-Executive Technical)
Michael Barton	Director (Non-Executive) (appointed 20 December 2010)
Anthony Simpson	Chief Operating Officer
Melvin Campbell	Chief Financial Officer (resigned effective 31 December 2010)
Alf Gillman	General Manager Project Development
Jonathan Whyte	Company Secretary

Refer to the Remuneration Report contained in the Report of the Directors for details of the remuneration paid or payable to each member of the consolidated group's key management personnel for the year ended 30 June 2011.

The totals of remuneration paid to Key Management Personnel of the Company and the consolidated group during the year are as follows:

	2011 \$	2010 \$
Short-term employee benefits	2,022,117	1,175,382
Post-employment benefits	9,720	9,720
Share-based payments	788,000	664,500
	2,819,837	1,849,602

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

(b) Options and Rights Holdings

Number of Options Held by Key Management Personnel 30 June 2011

	Balance at 1 July 2010	Granted as Remuneration	Other Changes	Net Change Other ⁽ⁱ⁾	Balance at 30 June 2011	Total Vested
Malcolm James	3,410,714	-	-	3,271,464	6,682,178	6,682,178
Warwick Grigor	3,579,547	-	-	11,462,060	15,041,607	15,041,607
John Simpson	8,878,100	-	-	7,003,101	15,881,201	15,881,201
Alan Marlow	5,228,896	-	-	603,897	5,832,793	5,832,793
Michael Barton	N/A	-	-	-	-	-
Anthony Simpson	5,000,000	-	(4,999,558)	3,500,000	3,500,442	3,500,442
Melvin Campbell	-	-	-	-	N/A	N/A
Alf Gillman	-	-	(900,000)	1,775,000	875,000	875,000
Jonathan Whyte	3,000,000	-	-	1,000,000	4,000,000	4,000,000
Total	29,097,257	-	(5,899,558)	28,615,522	51,813,221	51,813,221

(i) All Peninsula directors took up their full entitlement in the Option Entitlement Issue which closed 7 October 2010. In addition, two directors sub-underwrote a portion of the Entitlement Issue.

Number of Options Held by Key Management Personnel 30 June 2010

	Balance at 1 July 2009	Granted as Remuneration	Options Exercised	Net Change Other ⁽ⁱ⁾	Balance at 30 June 2010	Total Vested
Malcolm James	12,813,000	-	-	(9,402,286)	3,410,714	3,410,714
Warwick Grigor	12,000,000	-	-	(8,420,453)	3,579,547	3,579,547
John Simpson	28,000,000	-	-	(19,121,900)	8,878,100	8,878,100
Alan Marlow	20,000,000	-	-	(14,771,104)	5,228,896	5,228,896
Andrew Ford (ii)	20,000,000	-	-	(20,000,000)	N/A	N/A
Anthony Simpson	20,000,000	-	-	(15,000,000)	5,000,000	5,000,000
Melvin Campbell	-	-	-	-	-	-
Alf Gillman	-	-	-	-	-	-
Jonathan Whyte	14,000,000	-	(1,000,000)	(10,000,000)	3,000,000	3,000,000
Total	126,813,000	-	(1,000,000)	(96,715,743)	29,097,257	29,097,257

- (i) Majority of movement related to the expiry of 87,000,000 unlisted options held by Key Management Personnel. The options were exercisable at 6 cents, 10 cents and 15 cents and expired on 30 June 2010. This movement was partially offset by options acquired by Key Management Personnel under the Placement and Entitlement Issue in 2009 and the Entitlement issue in 2010.
- (ii) Mr Ford resigned from the group on 4 November 2009.

(c) Shareholdings

Number of Shares Held by Key Management Personnel 30 June 2011

	Balance at 1 July 2010	Received as Compensation	Options Exercised	Net Change Other ⁽ⁱ⁾	Balance at 30 June 2011
Malcolm James	13,085,857	-	-	-	13,085,857
Warwick Grigor	3,818,184	-	-	-	3,818,184
John Simpson	28,012,399	-	-	-	28,012,399
Alan Marlow	2,415,585	-	-	1,500,000	3,915,585
Michael Barton	N/A	-	-	-	-
Anthony Simpson	2,000,000	-	-	2,000,000	4,000,000
Melvin Campbell	-	3,500,000	-	-	N/A
Alf Gillman	1,500,000	-	-	1,500,000	3,000,000
Jonathan Whyte	2,000,000	-	-	1,000,000	3,000,000
Total	52,832,025	3,500,000	-	6,000,000	58,832,025

- (i) Net Change Other refers to Performance Shares Class A that were converted into ordinary shares during the year. 20,000,000 Performance Shares Class B vested on 1 July 2011. A total of 3,000,000 Performance Shares Class A and 13,000,000 Performance Shares Class B were converted into ordinary shares on 28 July 2011.

Number of Shares Held by Key Management Personnel 30 June 2010

	Balance at 1 July 2009	Received as Compensation	Options Exercised	Net Change Other ⁽ⁱ⁾	Balance at 30 June 2010
Malcolm James	9,943,000	1,500,000	-	1,642,857	13,085,857
Warwick Grigor	-	1,500,000	-	2,318,184	3,818,184
John Simpson	17,500,000	3,000,000	-	7,512,399	28,012,399
Alan Marlow	-	1,500,000	-	915,585	2,415,585
Anthony Simpson	-	2,000,000	-	-	2,000,000
Melvin Campbell	-	-	-	-	-
Alf Gillman	-	1,500,000	-	-	1,500,000
Andrew Ford	-	-	-	-	N/A
Jonathan Whyte	-	1,000,000	1,000,000	-	2,000,000
Total	27,443,000	12,000,000	1,000,000	12,389,025	52,832,025

(i) Net Change Other refers to securities received, purchased or sold during the financial year (includes Entitlement Issue shares/options).

Other Key Management Personnel Transactions

Key Management Personnel were issued Performance Shares during the previous financial year. A percentage of these vested during the current year. For further details, refer to the Remuneration Report.

All equity transactions with specified directors and specified executives have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

19. EVENTS AFTER THE BALANCE SHEET DATE

Class B Performance Shares granted to key management personnel in 2009 and 2010 became convertible into fully paid ordinary shares in the capital of the company on 1 July 2011. As a result \$1,101,000 was debited to the Statement of Comprehensive Income on this date.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

20. SHARE BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2011:

Ordinary Shares Granted to Key Management Personnel are as follows:

On 14 July 2010 and 14 September 2010 1,500,000 and 2,000,000 ordinary fully paid shares respectively were granted to key management personnel of the Company.

Grant Date	Number
14 July 2010	1,500,000
14 September 2010	2,000,000
Total	3,500,000

The weighted average fair value of those equity instruments, determined independently by reference to market price at the time of issue, was \$123,500. In addition 12,000,000 Performance Shares Class vested during the current financial year and the weighted average fair value of those equity instruments, determined by reference to market price at the time of issue, was \$664,500. These shares were issued as compensation to key management of the consolidated group. Further details are provided in the Directors' Report.

Performance Shares Granted to Key Management Personnel are as follows:

On 30 November 2009 42,000,000 performance shares were granted to directors and key management personnel of the Company and on 12 April 2010 8,500,000 performance shares were granted to key management personnel of the Company, as follows:

Grant Date	Class	Granted	Vested at 30 June 2011	Converted to Ordinary Shares during year	Balance at 30 June 2011
30 November 2009	A	10,500,000	10,500,000	(4,500,000)	6,000,000
12 April 2010	A	1,500,000	1,500,000	(1,500,000)	-
30 November 2009	B	17,000,000	-	-	17,000,000
12 April 2010	B	3,000,000	-	-	3,000,000
30 November 2009	C	14,500,000	-	-	14,500,000
12 April 2010	C	4,000,000	-	-	4,000,000
Total		50,500,000	12,000,000	(6,000,000)	44,500,000

The weighted average value of those equity instruments, determined by reference to market price, was \$2,768,000. This share based payment expense will be recognised as and when the performance milestones are met and the performance shares vest. While the number of Performance Shares issued and the Share Price are known variables, the probability assigned to the achievement of the Performance Milestones attaching to these Performance Shares are highly subjective and ultimately effected by a broad range of factors. Rather than make an assessment of the probability factor, a probability factor of 100% has been used to disclose the maximum value of the Performance Shares should all the Performance Milestones be met. These shares were issued as compensation to key management of the consolidated group. Further details are provided in the Remuneration Report.

Options Granted to Key Management Personnel are as follows:

There were no options granted to key management personnel during the year ended 30 June 2011.

A summary of the movements of options granted as compensation to Key Management Personnel is as follows:

	Number	Weighted Average Exercise Price
Options outstanding at 30 June 2009	154,672,183	\$0.083
Granted	-	
Forfeited	-	
Exercised	(3,500,000)	
Other	(5,000,000)	
Expired	(117,074,926)	
Options outstanding at 30 June 2010	29,097,257	\$0.03
Granted	-	
Forfeited	-	
Exercised	-	
Other	-	
Expired	-	
Options outstanding at 30 June 2011	29,097,257	\$0.03

All options granted to key management personnel are for ordinary shares in Peninsula Energy Limited, which confer a right of one ordinary share for every option held. There were no options granted to key management personnel during the year.

There were no options that were exercised by key management personnel (including key management personnel longer employed at Peninsula) during the year ended 30 June 2011.

All options granted and outstanding to key management personnel are listed (PENOA) options exercisable at \$0.03 per share expiring on 30 June 2012. Therefore the weighted average remaining contractual life of options at year end was one year.

Included under share based payment expense in the income statement is \$2,423,000 which relates to equity-settled share-based payment transactions (2010: \$1,699,788).

21. LOSS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

a) Reconciliation of earnings to loss	2011	2010
	\$	\$
Loss	(7,218,315)	(3,744,583)
Earnings used to calculate basic and dilutive EPS	(7,218,315)	(3,744,583)

b) Weighted average number of ordinary shares outstanding during the year	2011	2010
	No.	No.
Weighted average number of ordinary shares used in calculating basic and dilutive EPS	1,851,916,838	1,401,025,555

22. CAPITAL AND LEASING COMMITMENTS

a) Operating Lease Commitments	Consolidated Group	
	2011	2010
	\$	\$
<i>Non-cancellable operating leases contracted for but not capitalised in the financial statements</i>		
Payable – minimum lease payments (not later than one year)	-	62,661

The previous property lease was a non-cancellable lease with a three year term, with rent payable monthly in advance. The company purchased and moved to new business premises in July 2011, therefore all operating lease commitments have been extinguished.

b) Exploration Tenement Leases		
	2011	2010
	\$	\$
Payable - Exploration Tenement Leases (not later than one year)	1,933,087	1,509,556

The consolidated group has certain obligations with respect to mining tenements and minimum expenditure requirements on areas held. For exploration licence expenditures, commitments are only expected for the following year. Financial commitments for subsequent periods are contingent upon future exploration results and cannot be estimated.

23. FINANCIAL RISK MANAGEMENT

The consolidated group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts receivable and payable, loans to subsidiaries, bills and leases.

Financial Risk Management Policies

The consolidated group manages its exposure to a variety of financial risks, market risk (including currency risk, commodity price risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk in accordance with the Risk and Audit Committee Charter and specific approved group policies. These policies are developed in accordance with the consolidated groups operational requirements. The consolidated 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 and foreign exchange risk and assessment of prevailing and forecast interest rate and foreign exchange rates. The consolidated group manages credit risk by only dealing with recognised, creditworthy third parties and liquidity risk is managed through the budgeting and forecasting process.

Specific Financial Risk Exposures and Management

The main risks the consolidated group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and equity price risk.

a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the consolidated group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for approval, granting and removal of credit limits, regular monitoring of exposures against such limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from invoice date.

Risk is also minimised by investing surplus funds in financial institutions that maintain a high credit rating.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The consolidated group has no significant concentration of credit risk with any single counterparty or group of counterparties. However, on a geographical basis, the consolidated group has significant credit risk exposures to the United States, South Africa and Australia given the substantial operations in those regions. Details with respect to credit risk of Trade and Other Receivables are provided in Note 6. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 6.

Credit risk related to balances with banks and other financial institutions are managed in accordance with approved Board policy. The consolidated group's current investment policy is aimed at maximising the return on surplus cash with the aim of outperforming the benchmark, within acceptable levels of risk return exposure and to mitigate the credit and liquidity risks that the consolidated group is exposed to through investment activities.

The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	2011 \$	2010 \$
Cash and Cash Equivalents		
- A Rated	16,764,462	4,456,822
- Unrated	9,958,562	2,632,209
	<u>26,723,024</u>	<u>7,089,031</u>

b) Liquidity Risk

Liquidity risk arises from the possibility that the consolidated group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The consolidated group manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The consolidated group's liquidity needs can be met through a variety of sources, including the issue of equity instruments and short or long term borrowings. The consolidated group also has access to a A\$100 million Equity Line Facility, as detailed in Note 5.

Alternative sources of funding in the future could include project debt financing and equity raisings, and future operating cash flow. These alternatives will be evaluated to determine the optimal mix of capital resources.

The following table details the consolidated group's non-derivative financial instruments according to their contractual maturities. The amounts disclosed are based on contractual undiscounted cash flows. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Financial Asset and Financial Liability Maturity Analysis

Financial Assets	Within 1 Year		1-5 Years		Over 5 Years		Totals	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Cash Assets & cash equivalents	26,723,024	7,089,031	-	-	-	-	26,723,024	7,089,031
Trade, term and loan receivables	1,241,438	2,366,835	-	-	-	-	1,241,438	2,366,835
Investments	-	-	7,069	13,594	-	-	7,069	13,594
Total Financial Assets	27,964,462	9,455,866	7,069	13,594	-	-	27,971,531	9,469,460
Financial Liabilities								
Trade and other payables	1,510,721	2,091,299	-	-	-	-	1,510,721	2,091,299
Other financial liabilities	9,327	10,974	-	-	-	-	9,327	10,974
Total Financial Liabilities	1,520,048	2,102,273	-	-	-	-	1,520,048	2,102,273

There are no financial assets pledged as security for debt as at 30 June 2011.

c) Market Risk

(i) Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The consolidated group does not use derivatives to mitigate these exposures.

At balance date, the details of outstanding contracts are as follows:

Maturity of Amounts	Effective Average Fixed Interest Rate			
	2011 %	2010 %	2011 \$	2010 \$
Less than 1 year	6.32	5.88	20,623,226	5,300,000
1 to 2 years	-	-	-	-
2 to 5 years	-	-	-	-
Total Financial Assets			20,623,226	5,300,000

(ii) Foreign Exchange Risk

The consolidated group is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the consolidated group's measurement currency. Any exposure to movements in US dollar currency is mitigated through the maintenance of a US dollar denominated position. The consolidated group has no hedging contracts in place as at the date of this report.

A 10.00% strengthening of the AUD against the following currencies at 30 June 2011 would have increased (decreased) equity and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2010.

	Equity \$	Profit or loss \$
2011		
USD	(3,980,078)	-
2010		
USD	(3,164,023)	-

A 10.00% weakening of AUD against the above currencies at 30 June 2011 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(iii) Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors of commodities. The consolidated group is also exposed to securities price risk on investments held for trading or for medium or longer terms. The value of the consolidated group's investments, as detailed in Note 7, is not material enough to be considered a risk at the reporting date.

Fair Value

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

- Cash and short-term investments: the carrying amount approximates fair value because of their short term to maturity;
- Trade receivables and trade creditors: the carrying amount approximates fair value;
- Listed investments: for financial instruments traded in organised financial markets fair value is the current quoted market bid price for an asset adjusted for transaction costs necessary to realise the asset; and
- Other assets and liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

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).

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below:

2011

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets				
Available-for-sale financial assets:				
- Listed investments	7,069	-	-	7,069
Total Financial Assets	7,069	-	-	7,069

2010

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets				
Available-for-sale financial assets:				
- Listed investments	13,594	-	-	13,594
Total Financial Assets	13,594	-	-	13,594

Included in Level 1 of the hierarchy are listed investments. The fair value of these financial assets have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

24. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

Ultimate Parent Entity

Peninsula Energy Limited is the ultimate parent entity. The parent entity has related party transactions with its subsidiaries whereby the parent funds and pays for the exploration and evaluation expenses, and general and administrative expenses incurred by its subsidiaries. These expenses are charged to the subsidiaries through inter-company loans.

The parent entity has incurred the following exploration and evaluation and other expenses on behalf of its subsidiaries:

	2011 \$	2010 \$
Tasman Pacific Minerals Limited	4,622,211	2,965,582
PM Prospecting Pty Ltd	27,621,035	17,228,035
	32,243,246	20,193,617

Service Agreement

Peninsula Energy Limited charged its wholly owned subsidiary, Strata Energy Inc, a management fee for the provision of corporate, financial management, administration and other services during the year. The total management fee charged was \$3,110,356.

Option Entitlement Issue - Sub-Underwriting Fees to Directors

As detailed in the Directors Report, on 20 October 2010 Peninsula completed a non-renounceable pro-rata option entitlement issue on the basis of one (1) Option for every four (4) Shares held at an issue price of 1 cent per Option to raise approximately \$4,074,388. The Options were listed (PENOC) options exercisable at 3 cents on or before 31 December 2015. The Entitlement Issue was fully underwritten by Hartleys Limited and sub-underwritten by two of the Directors. Entities associated with Mr John Simpson and Mr Warwick Grigor, directors of the Company, agreed to sub-underwrite 200,000,000 options and each entity was paid an underwriting fee of \$40,000 each (total sub-underwriting fee was \$80,000).

25. OPERATING SEGMENTS

The consolidated group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors and Chief Executive Officer (chief operating decision makers) in assessing performance and determining the allocation of resources. Segments are identified on the basis of area of interest. Financial information about each segment is provided to the chief operating decision makers on at least a monthly basis.

The consolidated group has four reportable operating segments as follows:

- Lance Uranium Projects, Wyoming USA;
- Karoo Uranium Projects, South Africa;
- RakiRaki Gold Project, Fiji; and
- Australia.

Basis of accounting for purposes of reporting by operating segments

a) Accounting Policies adopted

Unless otherwise stated, all amounts reported to the Board of Directors and Chief Executive Officer, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the consolidated group.

b) Inter-segment transactions

Corporate charges are allocated to reporting segments based on an estimation of the likely consumption of certain head office expenditure that should be used in assessing segment performance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

c) Segment Assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives the majority asset economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

d) Segment Liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of that segment. Borrowings and tax liabilities are generally considered to relate to the consolidated group as a whole and are not allocated. Segment liabilities include trade and other payables.

e) Unallocated items

The following items of revenue, expenditure, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Net gains on disposal of available-for-sale financial investments
- Impairment of assets and other non-recurring items of revenue and expense
- Other financial liabilities
- Retirement benefit obligations.

Segment Performance

30 June 2011	Lance Projects Wyoming, USA \$	Karoo Projects South Africa \$	RakiRaki Fiji \$	Australia \$	Total \$
Revenue					
External sales	802	721	-	23,442	24,965
Inter-segment sales:	-	-	-	3,110,356	3,110,356
Interest revenue:	18,118	168	-	788,273	806,559
Total Segment Revenue	18,920	889	-	3,922,071	3,941,880
Inter-segment elimination	-	-	-	(3,110,356)	(3,110,356)
Total Segment Revenue	18,920	889	-	811,715	831,524

Unallocated

Employee benefits expense	(3,162,953)
Share based payments expense	(2,423,000)
Impairment of available-for-sale financial assets	-
Write-off of exploration expenditure	(247,667)
Depreciation and amortisation	(91,135)
General and administrative expenses	(1,082,036)
Foreign exchange loss	(190,685)
Other expenses	(852,363)
Loss after Income Tax	(7,218,315)

Segment Assets

Segment operating assets	36,845,005	6,110,784	1,865,360	-	44,821,149
Unallocated assets					
Cash					26,609,143
Receivables					106,408
Available-for-sale financial assets					7,069
Property, plant and equipment					603,891
Total Assets					72,147,660

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

30 June 2010	Lance Projects Wyoming, USA \$	Karoo Projects South Africa \$	RakiRaki Fiji \$	Australia \$	Total \$
External sales	-	58,564	-	30,007	88,571
Inter-segment sales:	-	-	-	300,283	300,283
Interest revenue:	8,956	1,450	-	174,155	184,561
Total Segment Revenue	8,956	60,014	-	504,445	573,415
Inter-Segment elimination	-	-	-	(300,283)	(300,283)
Total Segment Revenue	8,956	60,014	-	204,162	273,132

Unallocated

Employee benefits expense	(1,030,900)
Share based payments expense	(1,699,388)
Impairment of available-for-sale financial assets	(9,787)
Write-off of exploration expenditure	(155,825)
Depreciation and amortisation	(46,300)
General and administrative expenses	(703,545)
Foreign exchange loss	(110,553)
Other expenses	(261,417)
Loss after Income Tax	(3,744,583)

Segment Assets

Segment operating assets	35,859,754	4,377,937	1,865,360	234,261	42,337,312
Unallocated assets					
Cash					6,889,169
Receivables					151,697
Available-for-sale financial assets					13,594
Property, plant and equipment					602,966
Total Assets					49,994,738

26. PARENT ENTITY INFORMATION

	2011	2010
	\$	\$
Current Assets	26,715,552	7,053,384
Total Assets	83,558,371	48,949,102
Current Liabilities	560,487	342,824
Total Liabilities	560,487	342,824
Issued Capital	97,847,017	64,507,526
Accumulated Losses	(20,509,162)	(16,832,148)
Option Reserve	5,660,028	930,900
Total Equity	82,997,884	48,606,278
Loss of Parent Entity	(3,677,331)	(3,274,092)
Other Comprehensive Income	-	-
Total Comprehensive loss of the Parent Entity	(3,677,331)	(3,274,092)

27. CONTINGENT LIABILITIES

The Board is not aware of any circumstances or information which leads them to believe there are any material contingent liabilities outstanding as at 30 June 2011.

28. RETIREMENT BENEFIT OBLIGATIONS

a) Superannuation

The parent contributes to a non-company sponsored or controlled superannuation fund. Contributions are made to an accumulation fund and are at least the minimum required by law. There is no reason to believe that funds would not be sufficient to pay benefits as vested in the event of termination of the fund on termination of employment of each employee.

29. CASH FLOW INFORMATION

a) Reconciliation of Cash Flow from Operations with Profit after Income Tax	2011	2010
	\$	\$
Loss after income tax	(7,218,315)	(3,744,583)
Non-cash flows in profit:		
Write-off of capitalised expenditure	247,667	155,825
Depreciation	91,135	46,300
Impairment of available-for-sale financial asset	-	9,787
Share options expensed	2,423,000	1,699,388
Change in assets and liabilities		
Decrease/(increase) in trade and other receivables	1,125,397	(19,180)
(Decrease)/increase in trade and other payables	(580,573)	131,360
Movement in trade and other payables relating to investment activities	659,499	-
Cash Flow from Operations	(3,252,190)	(1,721,103)

b) Acquisition and Disposal of Entities

During the financial year the Company did not acquire or dispose of any entities.

DIRECTORS DECLARATION FOR THE YEAR ENDED 30 JUNE 2011

In accordance with a resolution of the Board of Directors, I state that:

In the opinion of the Directors:

- (1) (a) the financial statements, comprising the Statement of comprehensive income, Statement of financial position, Statement of cash flows, Statement of changes in equity, and accompanying notes are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated group's financial position at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the consolidated group will be able to pay its debts as and when they become due and payable; and
- (c) the audited remuneration disclosures set out in the Remuneration Report of the directors' report for the year ended 30 June 2011 comply with section 300A of the Corporations Act 2001.
- (2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2011.
- (3) The consolidated group has included in the notes to the financial statements and explicit and unreserved statement of compliance with International Financial Reporting Standards.

On behalf of the Board

A handwritten signature in dark ink, consisting of a large, stylized 'M' and 'J' intertwined, with a horizontal line extending to the right.

Malcolm James
Executive Director

Perth, 21 September 2011

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Independent Auditor's Report To the members of Peninsula Energy Limited

Report on the Financial Report

We have audited the accompanying financial report of Peninsula Energy Limited, which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated 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. Those 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 of the financial report that gives a true and fair view 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 opinion.

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 Peninsula Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

INDEPENDENT AUDIT REPORT

Opinion

In our opinion:

- (a) the financial report of Peninsula Energy 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 2011 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 included in pages 24 to 27 of the directors' report for the year ended 30 June 2011. 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 in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Peninsula Energy Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.



Somes and Cooke



Nicholas Hollens
21 September 2011
Perth

ASX ADDITIONAL INFORMATION

a) Distribution of Shareholders (as at 20 September 2011)

Spread of Holdings	Number of Ordinary Shareholders	Number of Shares
1 - 1,000	270	87,196
1,001 - 5,000	591	1,935,387
5,001 - 10,000	941	7,592,867
10,001 - 100,000	4,849	219,144,121
100,001 - and over	2,770	1,888,430,872
TOTAL	9,421	2,125,490,443

b) Top Twenty Shareholders (as at 20 September 2011)

Name	Number of Ordinary Shares held	%
Citicorp Nominees Pty Limited	342,187,545	16.10
JP Morgan Nominees Australia Limited <Cash Income A/C>	47,372,380	2.23
HSBC Custody Nominees (Australia) Limited	26,829,928	1.26
HSBC Custody Nominees (Australia) Limited – A/C 3	20,000,001	0.94
Giralia Resources NL	19,563,504	0.92
Geohen Investments Pty Ltd	16,216,667	0.76
Mr David Eric Bartley & Ms Sarah Jane Mitchell	15,394,231	0.72
JP Morgan Nominees Australia Limited	15,124,308	0.71
National Nominees Limited	14,300,366	0.67
Mr Graham Edward Dunjey & Mrs Linda Mary Dunjey	13,737,424	0.65
Mr Wally Michael Yuryevich	10,000,000	0.47
Etchell Capital Pty Ltd	8,477,924	0.40
General Research GMBH	8,000,000	0.38
Maryfields Farming Pty Ltd	7,836,365	0.37
Simner Pty Ltd <Simon McDonnell Family A/c>	7,500,000	0.35
Ms Jennie Colleen James	6,193,000	0.29
Breamlea Pty Ltd <J&E MacDonald A/C>	5,938,009	0.28
Ms Sarah Jane Mitchell	5,630,000	0.26
Mr Keith Punch	5,528,867	0.26
ABN Amro Clearing Sydney Nominees Pty Ltd	5,427,083	0.26
Total Top 20	601,257,602	28.29
Other Shareholders	1,524,232,841	71.71
Total Ordinary Shares on Issue	2,125,490,443	100.00

The number of shareholders holding less than a marketable parcel of shares is 1,940, totalling 11,096,428 ordinary shares.

c) Unlisted options:

There are 4,000,000 unlisted options over unissued shares on issue, in the class exercisable at 10 cents per share on or before 18 September 2012. There is 1 holder in this class of option. There are 4,000,000 unlisted options over unissued shares on issue, in the class exercisable at 12.5 cents per share on or before 18 September 2012. There is one holder in this class of option. There are 4,000,000 unlisted options over unissued shares on issue, in the class exercisable at 7.2 cents per share on or before 18 September 2013. There is 1 holder in this class of option. There are 4,000,000 unlisted options over unissued shares on issue, in the class exercisable at 9 cents per share on or before 18 September 2013. There is 1 holder in this class of option. There are 8,000,000 unlisted options over unissued shares on issue, in the class exercisable at 4 cents per share on or before 31 December 2015. There is 1 holder in this class of option.

d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

ASX ADDITIONAL INFORMATION

e) Schedule of Interests in Mining Tenements:

Location/Project Name	Tenement	Percentage Held
<u>South Africa (Tasman Pacific Minerals Limited)</u>		
Karoo Uranium, South Africa	PR (WC) 168	74%
Karoo Uranium, South Africa	PR (WC) 170	74%
Karoo Uranium, South Africa	PR (EC) 28	74%
Karoo Uranium, South Africa	PR (NC) 330	74%
Karoo Uranium, South Africa	PR (NC) 331	74%
Karoo Uranium, South Africa	PR (NC) 347	74%
<u>Fiji</u>		
Raki Raki (Geopacific JV)	SPL 1231	50%
Raki Raki (Geopacific JV)	SPL 1373	50%
Raki Raki (Geopacific JV)	SPL 1436	50%

Location/Project Name	Tenement	Location
<u>Wyoming, USA (Strata Energy Inc)</u>		
Private Land (FEE) – Surface Access Agreement	Approx 15,270 acres	Crook County
Private Land (FEE) – Mineral Rights	Approx 7,313 acres	Crook County
Federal Mining Claims – Mineral Rights	Approx 8,201 acres	Crook County
State Leases – Mineral Rights	Approx 10,849 acres	Crook County