21 December 2011

Companies Announcement Office
Via Electronic Lodgement

DEFINITIVE FEASIBILITY AND EXPANDED ECONOMIC STUDIES CONFIRM THE VIABILITY OF THE LANCE ISR PROJECTS

Highlights

- **The Ross Definitive Feasibility Study (DFS) and the Lance Expanded Economic Study (EES) have confirmed the technical and economic viability of the Lance in-situ recovery (ISR) uranium projects in the Powder River Basin Wyoming, USA**
- **Ross Definitive Feasibility Study NPV US$46 million**
- **Lance Expanded Economic Study NPV US$207 million with an initial capital requirement of US$79 million including the capital cost of the Central Processing Plant (CPP)**
- **Steady state total production cost of US$31.55 per pound U_3O_8 including indirect taxes, royalties and ongoing well-field development (C1 cash costs of US$11.93 per pound)**
- **Planned steady state annual production rate of 2.19mlbs U_3O_8 per annum from three production units within three years of start-up with initial mine plan based on 17.2mlbs recovered U_3O_8**
- **Extensive exploration potential remains within the Lance projects area**
- **WDEQ Permit to Mine anticipated grant Q1 2012 and project development funding is being progressed**

Peninsula Energy Limited (**the Company**) is pleased to announce the completion of the Ross project Definitive Feasibility Study (**DFS**) and the Lance projects Expanded Economic Study (**EES**) on three production units planned at Ross, Kendrick and Barber.

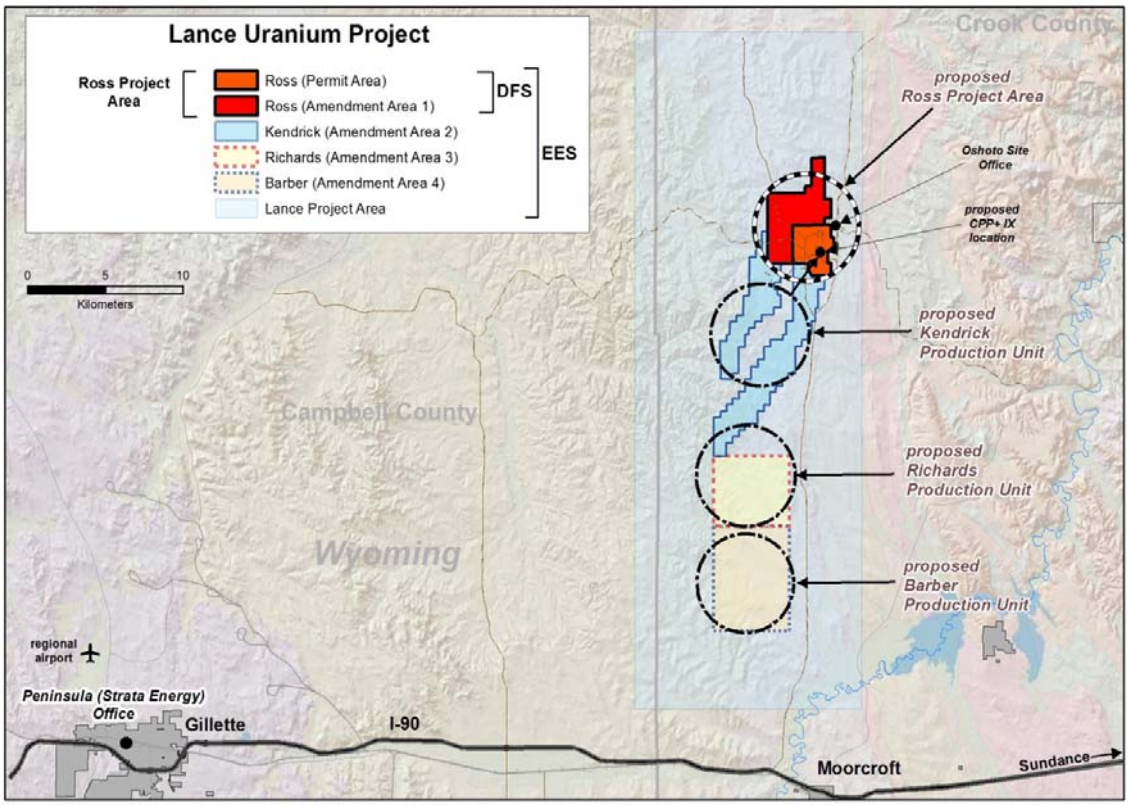
The DFS has been completed by Lyntek Inc. (Denver based engineers) on the June 2011 measured and indicated resources of 8.8mlbs U_3O_8 at the Ross production unit only and has established the operating costs, well-field parameters and development costs which in the EES are applied to all three production units.

Rockbury Capital FZ LLC and the Company have then applied these parameters to the EES which includes a total 23.3mlbs of U_3O_8. This number assumes the conversion of a 12.1mlbs of the 30.1mlbs of inferred U_3O_8 resources that are currently delineated at the Lance projects to indicated category or better.

The EES anticipates the expanded project including Ross, Kendrick and Barber production units feeding a Central Processing Plant (**CPP**) with an expandable capacity of up to 3.0mlbs per annum. The CPP evaluation was included in the Lyntek Scope of Work and as such is to a DFS level of accuracy.

In the EES the first production unit will be at Ross with a capacity of 750klbs per annum and production ramping up over 3 years to 2.19mlbs per annum steady-state production with the inclusion of the Kendrick and Barber production units.

Figure 1: Lance Uranium Project: Wyoming USA



DFS Project Description

The DFS was completed on the Ross production unit which will produce 750klbs U_3O_8 per annum for a 10 year minimum life from the JORC-compliant measured and indicated resources contained within the original Ross project permit application and an area containing further measured and indicated resources that is an extension of the Ross permit area (see figure 1).

The DFS assumes a network of well units, each containing four injection wells, one extraction (production) well, gathering station and monitor wells. On a standalone basis, the Ross production unit has a **NPV of US$46 million[1].**

The DFS includes US$46.1 million initial capital expenditure for the setup of Ross, all variable costs associated with production from Ross (including the variable costs of processing in the CPP) and all labour related fixed costs of operating Ross. The DFS excludes, however, the capital cost of the CPP, the fixed costs of operating the CPP and decommissioning costs as, in practice, these costs will spread across multiple production units within Lance (as illustrated in the EES) over an extended period of time. The DFS also assumes no revenue is generated from the vanadium resource.

[1] Pre-tax, 8% discount rate, Lyntek price deck (see Revenue section)

EES Description

The Lance projects have 312 line kilometres of identified roll fronts, 13 zones of drill-determined mineralisation and an exploration target of 95-150mlbs U_3O_8. These roll fronts and mineral zones stretch over 50 kilometres north-south and are open to the north, south and west. The Company has explored a small part of this area in the last four years and has successfully delineated over 41mlbs of U_3O_8 JORC compliant resources.

The EES has been completed to demonstrate the potential of the broader Lance projects. Realisation of this potential will be dependent on continued exploration and permitting success. In the EES further production units are assumed to be permitted for development at Kendrick and Barber and to follow Ross into production at 12 month intervals feeding the CPP.

The economic evaluation of these production units conducted as part of the EES yield standalone NPVs of US$111 million[2] at Ross, US$75 million[2] at Kendrick and US$64 million[2] at Barber. The expanded project producing 2.19mlbs per annum U_3O_8 has an estimated **NPV of US$207 million[2]** including all capital and operating costs associated with the CPP.

The EES differs from the DFS in that the Company has retained the uranium recovery level it used in the PFS (PFS 76%; DFS 72.5%). This 76% was derived from metallurgical test work which yielded recoveries greater than 80%. It should be noted that prior determination of mineral recoveries for in-situ mining operations is complicated by the need to approximate in-ground conditions during the laboratory testing process.

A further difference is that the EES has included four deep disposal wells (DDW) at each production unit rather than five as in the DFS (the fifth in the DFS is for redundancy purposes only). Finally the EES includes a vanadium recovery circuit which it assumes will generate income from product sales whereas the DFS does not (see revenue section).

It should be noted that the EES is not to the same level of certainty as the DFS, however these estimates are based on the existing JORC compliant resources within the Lance projects and have had the operational, production and financial parameters generated by the DFS applied to them. The Company and its advisors consider this to be appropriate due to the homogeneity of the mineralisation and operating environment.

The Company is also continuing the drill program at Kendrick and Barber with the aim of upgrading a minimum 40% of the inferred resources into a measured or indicated category to provide the feedstock for the expanded project. The Company last reported a resource upgrade at the Lance projects in June 2011 and with the continued drilling success of the last two quarters will complete a recalculation of the resource estimates before the end of March 2012.

Central Processing Plant Description

The CPP has been designed with the capacity to produce up to 3.0mlbs U_3O_8 per annum. It has a modular design that will allow expansion of up to four 750klbs per annum production units.

The CPP will house the initial ion exchange (**IX**) circuit and will see an additional IX circuit installed with the commissioning of the second production unit planned for Kendrick located in close proximity to the CPP.

[2] Pre-tax, 6% discount rate, Ux Consulting price deck (see Revenue section)

Additional IX circuits for remote satellite production units will not be housed at the CPP but at locations near the remote production units. Loaded resin from these facilities will be transported to the CPP for further processing into yellow cake.

The cost of the CPP (initial 1.5mlbs pa capacity) is estimated by Lyntek Inc. at US$38m (excluding the IX circuits but inclusive of a vanadium circuit, ancillaries and mobile equipment) and will be operational for all phases of the Lance projects. Prior to the commissioning of the Barber production unit an additional US$8m capital investment will be required to expand CPP capacity to 2.25mlbs per annum. Lyntek estimates the fixed operating costs[3] of the CPP to be US$4.1 million per annum, which will be spread across all production units operating at that point in time. As such, fixed CPP operating costs are excluded from the Ross DFS, but included in the EES.

Figure 2: Central Processing Plant: Ion Exchange Vessels (left), Elution circuit (right)

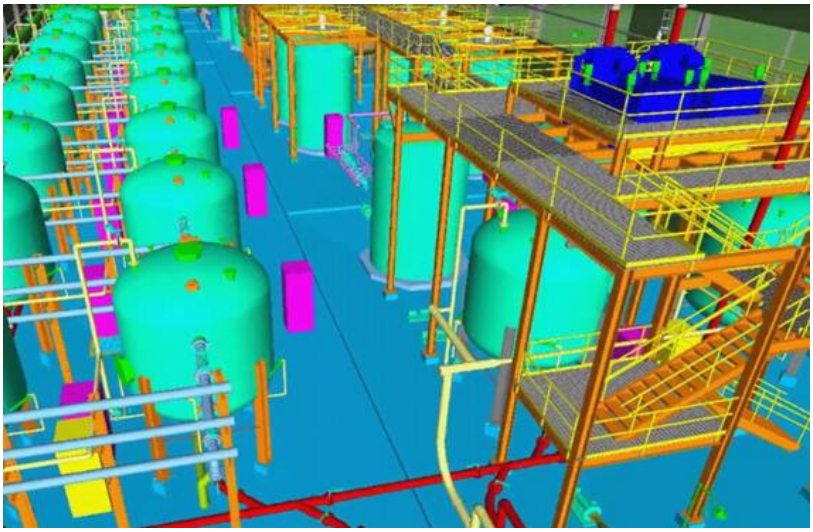
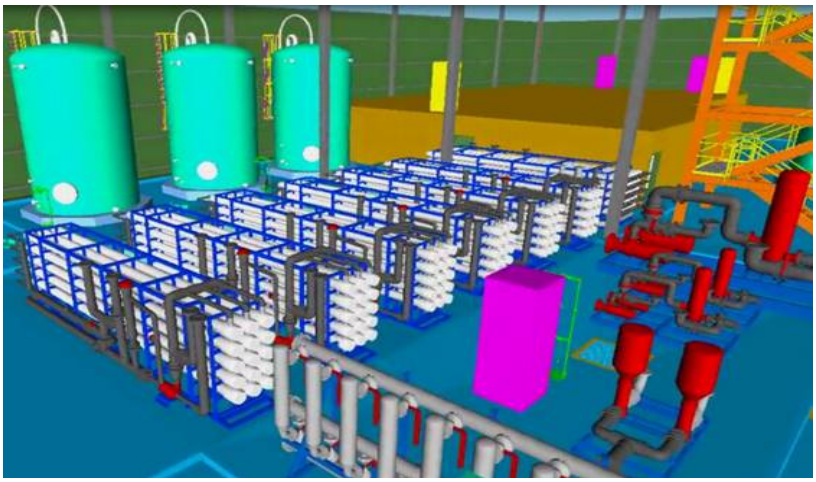
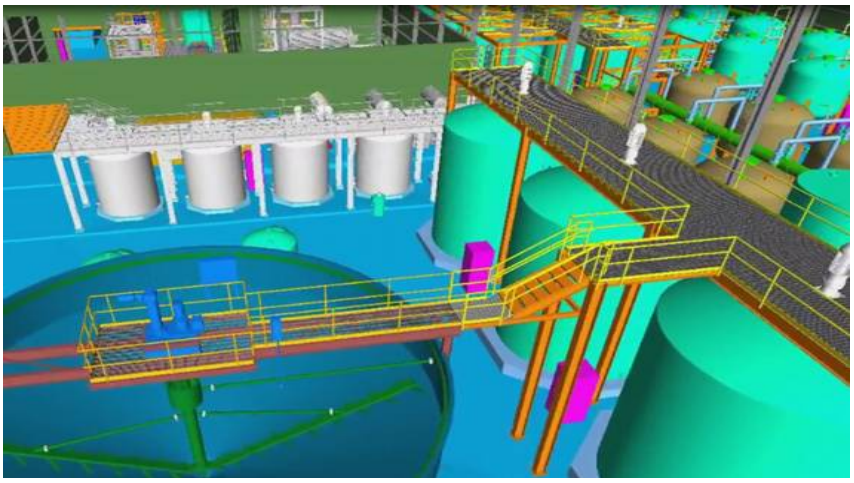


Figure 3: Central Processing Plant: Reverse Osmosis System, Brine Tanks (rear)



[3] Fixed operating costs include fixed labor, general and administrative and staff costs of the CPP

Figure 4: ***Central Processing Plant: Concentrate Thickener and Yellowcake precipitation (foreground), Vanadium Precipitation Tanks (rear)***

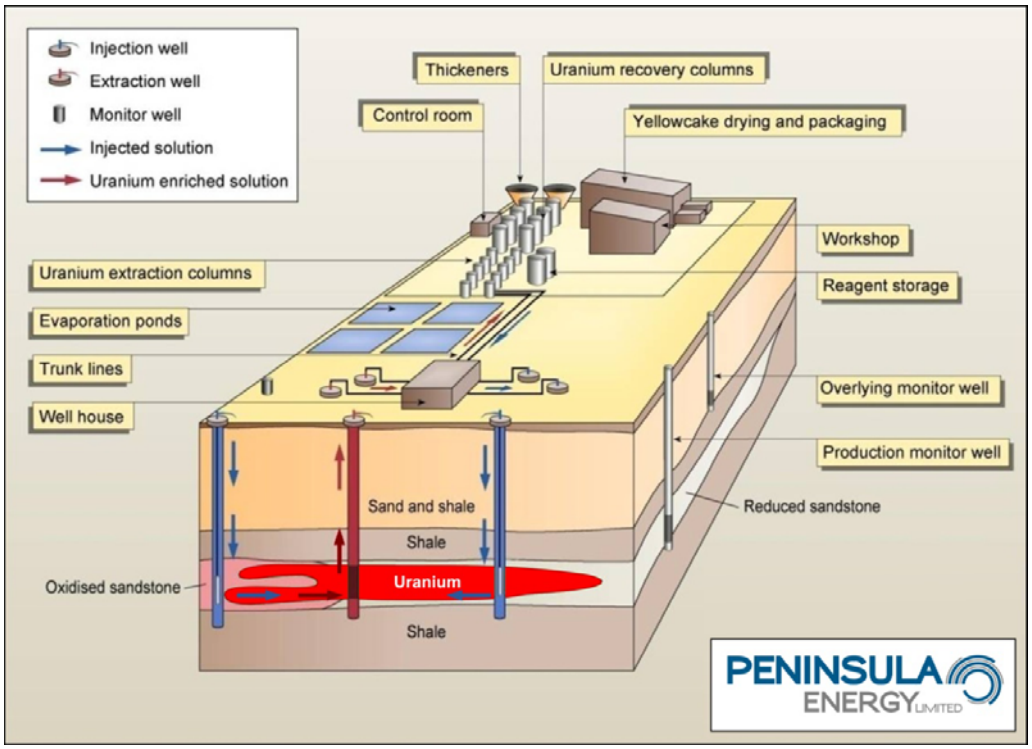


MINING

ISR mining is a form of solution mining where uranium is removed from sandstone formations by the same chemical process that deposited it there in the first place. Currently the in-situ process is the single largest producer of U_3O_8 globally accounting for approximately 41% of all primary production.

ISR mining and processing of uranium consists of two steps: recovering uranium from the mineralised sandstone host via the cycling of recovery solutions through it and the processing of this uranium-rich solution into yellowcake.

Figure 5: ISR Mining Process



Recovery of uranium complexes from the ore body is accomplished by oxidation and dissolution. A recovery solution comprising native groundwater, an oxidant and carbon dioxide (lixiviant) is injected into the ore-bearing sandstone formation through a series of injection wells. As the recovery solution moves through the formation and contacts the ore, uranium is oxidised and then mobilised. The pregnant recovery solution is then transported by the production wells and pumped via pipeline to the CPP**.**

Typically, the wells will be arranged in a five spot pattern consisting of four injection wells and one production well. Injection and recovery fluids are transferred between the well fields and module buildings and between the module buildings and CPP in buried pipelines.

ISR has several advantages over conventional mining:

- There is minimal surface disturbance from the removal of uranium;
- There is no overburden, stripping or solid waste (tailings);
- Lower capital and operating costs, allowing economic recovery of lower grades;
- Shorter development time; and
- Minimal radiation and environmental impacts (from airborne emissions).

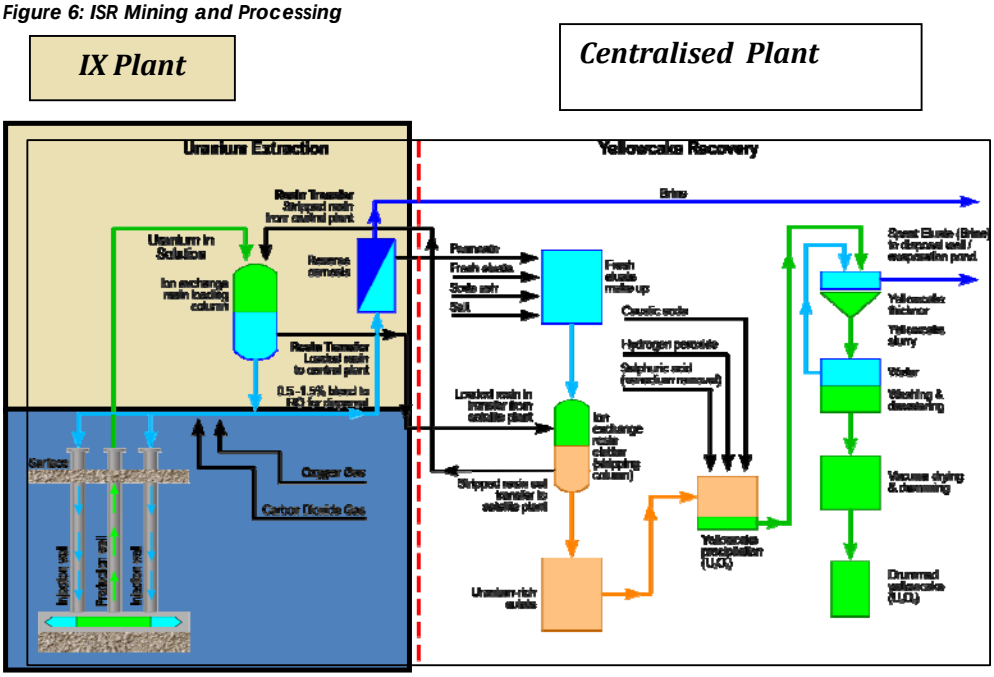
Processing

In the CPP the recovery fluid or pregnant lixiviant is transferred to ion exchange columns where uranium-specific resin will strip the uranium complexes from the lixiviant. The loaded resin is then conveyed to the elution circuit where a concentrated brine solution is used to remove the uranium and regenerate the resin. The resultant eluate then runs through a precipitation circuit where hydrogen peroxide is added to precipitate uranium as uranium oxide slurry. The slurry is then thickened, filtered, dried, and packaged as dry yellowcake in sealed containers for shipment. The CPP will also include a separate vanadium recovery circuit.

Each IX exchange circuit will be designed to handle a flow rate up to 7,500 gpm and process approximately 750klbs of U_3O_8 per annum. The CPP will have the capacity to process up to 3mlbs of U_3O_8 per annum from the Lance projects, resin from future ISR satellite facilities and/or any tolling agreements.

During recovery of the lixiviant from the production wells, more lixiviant will be recovered than is injected. The difference between the recovered and injected lixiviant is referred to as the production bleed and will establish a hydraulic gradient toward the production wells. The gradient will reduce the risk of excursions and provide greater hydraulic control of the well fields.

Figure 6: ISR Mining and Processing



Source: Lyntek Inc – Lakewood, CO, US

Based on ore zone agitation leach tests and the Nubeth pilot plant data, the mobilisation of vanadium in significant concentrations along with uranium during the oxidation and dissolution process is expected. Metallurgical tests indicate that the removal and processing of vanadium will be economically viable. The CPP will therefore include a circuit to separate and package vanadium oxide through a precipitation process.

Restoration activities on well fields where mining has been completed will be conducted concurrently with active mining at the project.

Vanadium Precipitation

The overflow solution from the uranium precipitation thickeners is pumped to the vanadium precipitation feed surge tank. From the surge tank the solution flows to an agitated precipitation conversion tank. Ammonia and steam are added to this tank under vigorous agitation to convert the vanadium in solution to a form better suited to precipitation. The converted vanadium solution is pumped to one of four vigorously agitated precipitation tanks.

Ammonium sulfate is added to each precipitation tank to precipitate the vanadium as ammonium metavanadate.

The precipitate slurry is pumped to a horizontal vacuum belt filter, which removes the solution from the precipitated ammonium metavanadate. The solid ammonium metavanadate is also washed on the filter. The filter cake is transferred into a rotary hearth furnace for drying and removal of the ammonia. The filtrate from the belt filter contains primarily sodium sulfate and is transferred to waste water disposal or recycled for reagent mixing.

The vanadium precipitation tanks are vented to a wet off-gas scrubber to recover the ammonia and ammonium sulfate from the gas before it exhausts to the atmosphere. The captured ammonia and ammonium sulfate is pumped to the waste disposal surge tank.

GEOLOGY

The uranium deposits present in the Lance projects are either roll front or tabular in nature and are hosted in stacked permeable mineralised sandstone units separated by impermeable mudstones/siltstones.

The best mineralisation in terms of grade and thickness typically occurs in clean, relatively thick sandstones belonging to either the Lower Fox Hills Formation or the overlying Lance Formation. Zones of consistent mineralisation are characterised by broad widths of clean sandstone bounded above and below by shale beds. This configuration is ideal for in-situ recovery of uranium.

In the Lance projects multiple mineralised horizons have been identified within a complex system of roll fronts that extend for over 312 line kilometres (194 miles). The primary elements associated with the uranium are Mo, Se, and V. Uranium is generally in the form of uraninite, coffinite or pitchblende; vanadium as vanadenite or carnotite; molybdenum as molybdenite and selenium as ferro-selenite. The average depth of mineralisation is from 528 to 530 feet (161-162m) below surface.

Mineral Resource Estimates – June 2011

Table 1: Lance Projects Resource Estimate – June 2011

Total	Tonnes	Grade (ppm U_3O_8)	U_3O_8 (lbs)
Measured	3,565,167	479	3,768,733
Indicated	7,834,767	433	7,481,037
Inferred	33,103,793	414	30,178,789
Total	**44,503,727**	**422**	**41,428,559**

(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.

Based on the delineation of the production areas the JORC compliant resource estimate for each project is as contained in Table 2. For the purposes of the EES the inferred resources at the Kendrick and Barber have been modelled at a 40% conversion factor to indicated classification.

Table 2: Lance Projects Resource Estimate – By Project

Ross	Tonnes	Grade (ppm U_3O_8)	U_3O_8 (lbs)
Measured	2,928,865	483	3,121,688
Indicated	5,832,583	445	5,715,774
Inferred	109,000	500	120,000
Total	**8,870,448**	**458**	**8,957,462**
Kendrick	**Tonnes**	**Grade (ppm U_3O_8)**	**U_3O_8 (lbs)**
Inferred	19,154,600	408	17,235,709
Total	**19,154,600**	**408**	**17,235,709**
Barber	**Tonnes**	**Grade (ppm U_3O_8)**	**U_3O_8 (lbs)**
Measured	636,302	461	647,045
Indicated	2,002,184	400	1,765,263
Inferred	13,840,192	420	12,823,080
Total	**16,478,678**	**419**	**15,235,388**

(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.

The resource has been calculated by applying a combined constraint of a grade thickness product (GT) of 0.2 contour and 200ppm U_3O_8. These 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, (a requirement for ISR mine permitting) which have demonstrated positive uranium recovery from test-work. Geological modelling of the extensive downhole geophysical data has accurately defined the impermeable shales and mudstones that form the confining seals to the mineralised aquifers.

Vanadium Resource

In early 2011 the Company completed a representative diamond drilling and core sampling program over the permit area in order to obtain sufficient data to define a vanadium resource. Based on 90 chemical assays and a U:V ratio of 2.6:1 the vanadium resource for the permit area was estimated and is included in Table 3 below.

Table 3: Vanadium Resource – June 2011

Permit Area	Tonnes	Grade (ppm V_2O_5)	V_2O_5 (lbs)
Measured	2,246,296	196	968,973
Indicated	3,051,466	196	1,316,296
Inferred	108,328	196	46,729
Total	**5,406,089**	**196**	**2,331,998**

Cautionary and Inferred Resources Notices

The DFS completed on the Ross production unit includes measured and indicated resources within the Ross project area, excluding vanadium. The EES includes measured and indicated resources within the remainder of the Lance projects including an assumed resource conversion of 40% (inferred to indicated or greater) and vanadium in accordance with the ratio of 2.6:1 U_3O_8 to V_2O_5 mineralisation identified within the permit area.

The EES is based on various assumptions, including homogeneity of the delineated ore body contained within the Lance projects. This is considered reasonable by Company's technical consultants, competent persons and independent external consultants.

The purpose of the EES was to demonstrate the Lance projects continued economic viability and robustness over an extended life beyond the Ross production unit - which is limited to measured and indicated resources of 6.2mlbs recovered U_3O_8.

In accordance with the relevant regulations governing the disclosure of mineral projects, readers are cautioned that mineable resources based on inferred resource material are considered too speculative geologically to enable them to be classified as reserves.

INFRASTRUCTURE

The Lance projects are located in north-eastern Wyoming, about 32 kilometres north of Moorcroft and adjacent to the ranching community of Oshoto. Moorcroft lies adjacent to the I-90 Interstate highway. From the Interstate turn off there is approximately 8 kilometres of paved road followed by approximately 48 kilometres of graded roads.

Within the project areas, existing land uses include: livestock grazing, oil production, fodder crop production, communication, power lines and a road transportation network.

Infrastructure within the project area includes roads, utilities, oil wells and activities associated with agriculture (including livestock and hay production). There are several maintained roads and three power lines that pass through the project area.

CAPITAL EXPENDITURE

Table 4: Initial Capital Requirement as per DFS

Capital Costs	Total US$m Including Contingency	US$ Per lb U_3O_8 Including Contingency
Ross IX, RO, 1st DDW & WF infrastructure	18.6	2.99
Capitalised Operating Costs	1.2	0.20
Capitalised Wellfield Dev. Costs	19.1	3.08
Working Capital Requirements	2.8	0.46
Intangible Costs	4.4	0.71
Total	**46.1**	**7.45**

Table 5: Initial Capital Requirement as per EES

Capital Costs	Total US$m Excluding Contingency	US$ Per lb U_3O_8 Excluding Contingency
Central Plant	17.3	1.00
Ancillaries – Plant	5.0	0.29
Ancillaries – Site	5.7	0.33
Vanadium Circuit	3.0	0.18
Mobile Equipment	2.9	0.17
Indirect Capital	4.0	0.23
Sub-total CPP	**38.0**	**2.21**
Ross IX, RO, 1st DDW & WF infrastructure	21.8	1.27
Capitalised Operating Costs	3.3	0.18
Capitalised Wellfield Dev. Costs	15.2	0.88
Working Capital Requirements	0.6	0.03
Total	**78.9**	**4.58**

CASH OPERATING EXPENDITURE

Table 6: Steady-State Operating Costs as per EES

Cash Operating Cost	US$m Per Annum	US$ Per lb U_3O_8
Operating Costs	26.1	11.93
Royalties / Indirect Taxes	23.6	10.80
Wellfield Development	19.3	8.82
Total	**69.0**	**31.56**

REVENUES

Sales of U_3O_8 are predominantly contracted on a long term basis with prices determined by a pre-set formulae linked to the reported term and/or spot prices. In the DFS, Lyntek has used a price forecast of US$63.31-79.50 per pound for the 2013-2022 period of operations. For EES modeling purposes the Company has adopted a price forecast based on a UX Consulting Inc. (**UxC**) independent report on the long term uranium market for the period 2013-2030. The EES assumes U_3O_8 production is sold at a contract price of US$62.58 per pound, 2011 base escalated at an average 2.6% per annum.

The Company commissioned UxC to prepare an independent report on the uranium market for the period 2013-2030. This report is included in the EES and is the basis for a range of U_3O_8 projected prices used in the EES financial model. The following is an extract from the UxC report:

> *"Following the Fukushima accident, there still remains a deficit of supply from the perspective that current production levels are insufficient to meet required future demand given the expected continued growth of nuclear power and the decline in inventory supplies such as HEU that have recently been supplying the market.*
>
> *Given the need for increased production, the midpoint of our composite spot price forecast in-creases from $60 in 2013 to $83 in 2025, the last year for which we provide a forecast. Although we do not project long-term prices, we can note that these historically have commanded a premium over the spot price, a premium which is higher when the spot is lower, but declines as the spot price increases.*
>
> *Given the existence of this premium and the potential for spot prices during the 2025-2030 period to average $85 or higher, it is not unreasonable to expect that the long-term price corresponding to the midpoint of our composite price forecast will average $80 over the 2013-30."*

No vanadium production or sales are included in the DFS. In the EES a constant vanadium price of US$10 per pound V_2O_5 has been adopted. The Company considers this price to be conservative.

PERMITTING AND PROJECT DEVELOPMENT TIMELINE

The Company has submitted technical and environmental applications to the Wyoming Department of Environmental Quality (WDEQ) for the Permit to Mine and the Nuclear Regulatory Commission (NRC) for the Source Materials License. These submissions have been accepted as technical/environmental complete for review by both agencies. The quality of the submissions has provided the Company with the basis to submit amendments to bring on the further production units in a timely and efficient manner.

The WDEQ has finalised its technical and environmental reviews and the Company has completed the submission on the request for further information. **The WDEQ has advised that subject to the Company lodging the appropriate restoration and reclamation bonds, and finalizing the acquisition of land for the CPP, the Permit to Mine will be issued for public comment.**

The NRC is continuing its technical and environmental review and has advised that request for further information will be issued to the Company in December 2011. The Company is well advanced in collating additional information that may be required (based on precedent). The NRC has also advised that it will complete the draft supplemental environmental impact statement (**DSEIS**) by no later than December 2012.

Based on the quality of the applications submitted by the Company it is anticipated that the DSEIS will be released prior to the timeline indicated by the NRC.

Following a recent review of the permitting strategy the Company is confident in finalising permitting. In addition all new project areas are being designed so they are contiguous with the Ross permit area and as such will be deemed to be amendments to the Ross Permit (once issued) rather than standalone applications. This strategy will significantly reduce the permitting process and timing going forward.

Table 6: Permitting Status – Major Permits

Permit	Submitted	Status
Source Material License (NRC)	December 2010	Accepted as complete with technical and environmental review - ongoing
Permit to Mine (WDEQ)	January 2011	All information provided with two issues outstanding – bonding (to be completed Q1 2012), and acquisition of CPP land
Plan of Operations (BLM)	January 2011	BLM Cooperating Agency with the NRC – reduces duplication. Review ongoing.
Deep Disposal Well Permit (WDEQ)	June 2010	**Granted** April 2011
Air Quality Permit (WDEQ)	July 2011	**Granted** September 2011

PROJECT DEVELOPMENT FUNDING

In addition to the significant progress on permitting the Company is well advanced in structuring and implementing the funding plan for the development of the operation. It is anticipated that funding will be sourced from a combination of debt and equity. Current cash position is in excess of $20m.

In conjunction with Rockbury Capital FZ LLC and Boswell Capital Corporation, the Company has executed Non Disclosure Agreements with several international banking and uranium industry groups. These groups are currently reviewing the Company's electronic data room with a view to proposing a financing arrangement, or part thereof. In several cases this will be combined with U_3O_8 sale and purchase arrangements.

PATH FORWARD

The Lance ISR uranium projects are ready to be progressed to development stage following relevant permitting and project funding factors which are all well advanced. Total construction time is estimated at six months and first commercial U_3O_8 production remains on track for late 2012 (subject to permitting), ramping up over 2013. This timeline to first commercial U_3O_8 production is subject to final Board approval which is expected before March 2012.

The Company is now working towards detailed design and engineering and to awarding an EPCM contract for the projects ahead and the commencement of site preparation works. In addition, the Company is assembling a highly experienced team to successfully transition from explorer to producer and have the financial capacity to fast track the project implementation where possible.

The Company's Executive Chairman Gus Simpson commented: "The successful outcome of the Lance projects economic evaluation represents one of the final pre-development stages and moves Peninsula considerably closer to becoming a significant supplier of uranium in the short term."

Yours sincerely

John Andrew Simpson (Gus)
Executive Chairman
Peninsula Energy Limited

For further information, please contact our office on +61 (0)8 9380 9920 during normal business hours.

Competent Person

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves 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. Guilinger 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. Gillman is General Manager Project Development and Technical Director and is a Competent Person under the definition of the 2004 JORC Code. 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 Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Both Mr. Gillman and Mr. Guilinger consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Certain disclosures in this release, including estimates of resources, constitute forward-looking statements that are subject to numerous risks, uncertainties and other factors, which may cause future results to differ materially from those expressed or implied in such forward-looking statements. Such risks include, but are not limited to, fluctuations in uranium prices and currency exchange rates, uncertainties of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return, continuity and grade of mineral deposits, as well as political and operational risks and governmental and judicial outcomes and general market conditions.

Please note that in accordance with Clause 18 of the JORC (2004) Code, the potential quantity and grade of the "Mineralised Potential" in this announcement must be considered conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Disequilibrium Explanatory Statement: eU_3O_8 refers to the equivalent U_3O_8 grade. This is estimated from gross gamma down hole measurements corrected for water and drilling mud in each hole. Geochemical analysis may show higher or lower amounts of actual U_3O_8, the difference being referred to as disequilibrium.

Disequilibrium factors were calculated using the Peninsula PFN database and categorized by area and lithological horizon. Specific disequilibrium factors have been applied to the relevant parts of the resource based on comparative studies between PFN and gamma data. There is an average positive 11% factor applied. All eU_3O_8 results above are affected by issues pertaining to possible disequilibrium and uranium mobility.