31 MARCH 2013 QUARTERLY ACTIVITIES REPORT

30 April 2013

HIGHLIGHTS

WYOMING, USA – LANCE URANIUM PROJECTS

- Optimisation Study enhances Lance Economics
- NRC Safety Evaluation Report issued for Lance CPP & Ross Permit Area
- NRC issues draft SEIS for Lance CPP & Ross Permit Area
- Resource Upgrade adds 2.5Mlbs Measured and Indicated Resources

SOUTH AFRICA – KAROO URANIUM/MOLYBDENUM PROJECTS

- 50.1Mlbs maiden JORC Code-Compliant Resource
- Positive uranium results returned from drilling Ryst Kuil Channel extensions

CORPORATE

- Board enhanced with appointment of leading mining engineer
- Cash as at 31 March 2013 of $16.7m

ASX: PEN, PENOC

Peninsula Energy Limited
ABN 67 062 409 303

Directors
Gus Simpson - Executive Chairman
Alf Gillman - Technical Director
Michael Barton - Non Exec Director
Warwick Grigor - Non Exec Director
Neil Warburton – Non Exec Director

Management
Glenn Black - COO
Ralph Knode - CEO, Strata Energy Inc
Tony Allen - CFO

Jonathan Whyte – Co Secretary

Head Office
Unit 17, Level 2
100 Railway Road
Subiaco WA 6008
Telephone: +61 8 9380 9920
Facsimile: +61 8 9381 5064

Website
www.pel.net.au

Capital Structure
2,953 million shares
802 million options

Cash at 31 March 2013
$16.7 million

Market cap at 30 April 2013
$76.8million

For further information please contact:
info@pel.net.au

WYOMING, USA – LANCE PROJECTS
(Peninsula Energy 100%)

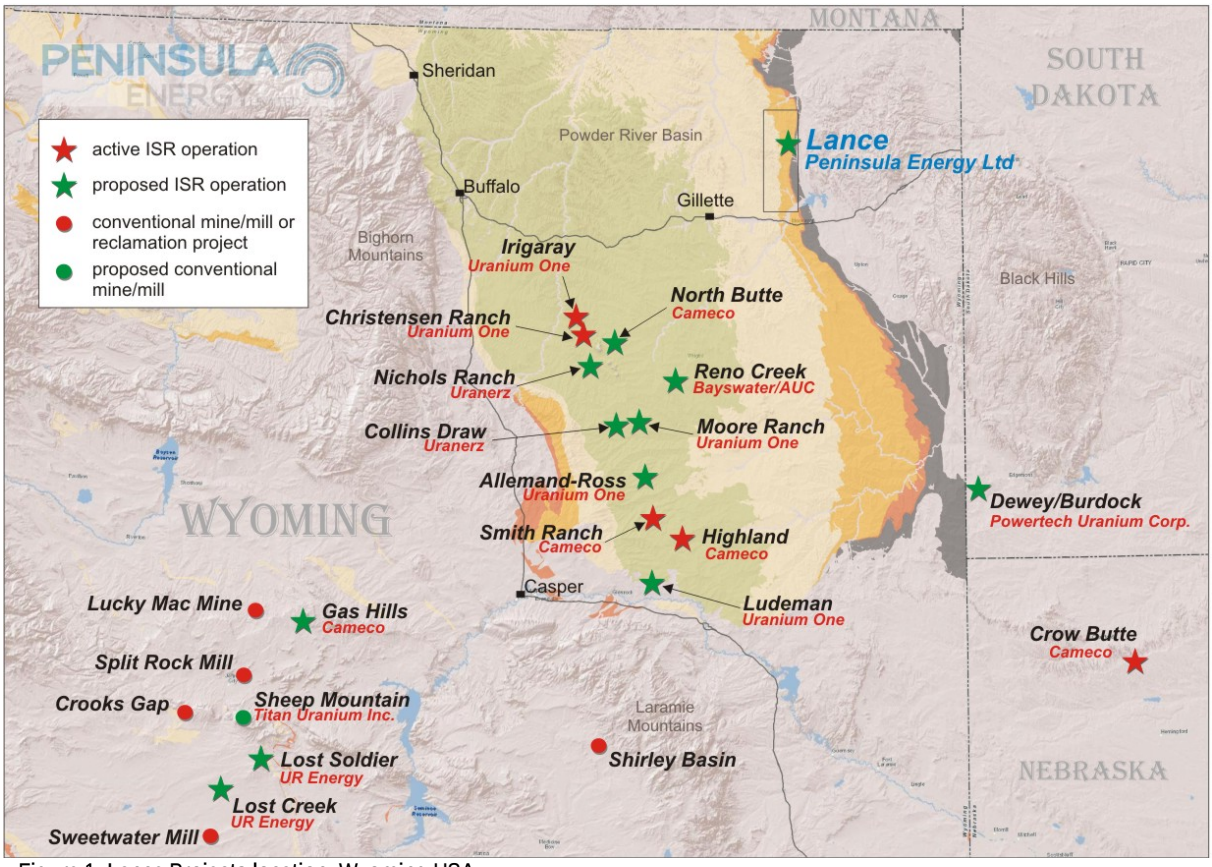

Figure 1: Lance Projects location, Wyoming USA

Optimisation Study Enhances Lance Economics

On 21 March 2013 Peninsula announced the completion of an extensive Optimisation Study (OS) of the May 2012 TREC Feasibility Study (FS) on the Lance Projects in Wyoming, USA. The OS delivered a substantial reduction in capital and operating costs which significantly enhance the economics of the project, resulting in a 15% increase in NPV to $305 million.

The OS was conducted over a period of 6 months by senior development and production staff at Strata Energy Inc (Strata). This production team includes geologists and engineers with extensive ISL process-well field design, plant construction and production experience. Ongoing oversight and technical input was provided by Wyoming based ISL engineering group TREC.

The OS involved a rigorous review of the engineering and operational aspects of FS whilst maintaining the key parameters applied to the Ross DFS and FS (updated to include the January 2013 JORC compliant resource statement), being the Ross, Kendrick and Barber Production Units feeding a Central Processing Plant (CPP) with a permitted capacity of up to 3.0mlbs per annum. The first production unit will be at Ross with a capacity of 750klbs per annum with the sequential inclusion of the Kendrick and Barber Production Units ramping up over several years to 2.2mlbs per annum steady-state production.

The OS utilised a discount rate at eight percent (8%) and has included contingencies relevant to the respective production units.

As with the FS, the OS assumes further production units are to be permitted at Kendrick and Barber and will follow Ross into production at consecutive intervals. This assumption includes the conversion of 21.9mlbs of the 36.5mlbs of the inferred U_3O_8 resources to indicated category or better.

The OS supplements the TREC May 2012 FS and together will form the basis for the ongoing evaluation of the Lance Projects.

The results of the OS included:

Steady State Production - Financial Metrics		US$ pa	US$/lb
Gross revenue		178m	62.33*
Royalties and indirect taxes		17m	7.83
Operating costs		18m	8.29
Restoration and closure costs		7m	3.41
Ongoing wellfield development costs		33m	15.27
Total operating costs		75m	34.80
EBITDA		103m	
Pre-tax NPV 8%	US$305m		
Pre-tax cashflow	US$852m	86m	
Positive cashflow	Year 3		
Payback	6.1 years		
IRR	28%		

The Lance Projects have 312 line kilometres of identified roll fronts and an exploration target of 104-163mlbs U_3O_8, which is in addition to the JORC-compliant resource. These roll fronts stretch over 50 kilometres north-south and are open to the north, south and west. The Company has explored only part of this area in the last five years and has successfully delineated over 53.7mlbs U_3O_8 JORC compliant resource.

NRC Safety Evaluation Report Issued for Lance CPP & Ross Permit Area

On 6 March 2013 Peninsula announced that the US Nuclear Regulatory Commission (NRC) had issued to Strata the Safety Evaluation Report (SER) for the Lance Projects Central Processing Plant and Ross Permit Area in Wyoming, USA. The SER document acknowledges compliance of the Ross license application technical report with US regulations surrounding the receipt, possession and use of uranium byproduct and source materials.

The SER represents the conclusion of NRC technical review of the safety aspects of the application including:

- Site characterization
- Facility and process design
- Effluent controls and waste management

- Radiation safety plans and programs
- Groundwater protection
- Facility decommissioning and reclamation
- Accident analysis

The SER includes NRC license conditions and Strata's agreement thereto, and reflects the NRC's completion of the Draft Source and 11(e).2 Byproduct Material License (SML).

NRC Issues Draft SEIS for Lance CPP & Ross Permit Area

On 25 March 2013 Peninsula announced that the NRC had issued the draft Supplemental Environmental Impact Statement (SEIS) to Strata for the Central Processing Plant and Ross Permit Area in Wyoming, USA. The draft SEIS presents the final conclusions of the NRC environmental review staff and cooperating agencies regarding the environmental impacts of the proposed project.

When finalized, the SEIS will constitute the fifth supplement to the NRC's Generic Environmental Impact Statement for In-Situ Leach (ISL) Uranium Milling Facilities, originally published in May 2009 as NUREG-1910.The GEIS assessed the potential environmental impacts from the construction, operation, aquifer restoration, and decommissioning of ISL uranium recovery facilities located in four specified geographic regions of the western United States. The GEIS provides a starting point for NRC analyses for site-specific license applications for new ISL facilities by identifying which potential impacts will be essentially the same for all ISL facilities and which will result in varying levels of impact for different facilities, thus requiring further site-specific information to determine potential impacts (SEIS). The draft SEIS documents the NRC evaluation of project-specific environmental aspects of the Ross project as required under the National Environmental PolicyAct (NEPA).

The draft SEIS is a comprehensive review of the environmental aspects and mitigation measures of the Ross project. At nearly 500 pages, the document includes NRC staff analysis that considers and weighs the environmental effects of the proposed action, the environmental impacts of alternatives to the proposed action, and mitigation measures to either reduce or avoid adverse effects. It also includes the NRC staff's preliminary recommendation regarding the proposed action.

In preparing the draft SEIS, NRC staff assessed the impacts of the Ross project and its alternatives on land use; historical and cultural resources; visual and scenic resources; climatology, meteorology and air quality; geology, minerals and soils; water resources; ecological resources; socioeconomics; environmental justice; noise; traffic and transportation; public and occupational health and safety; and waste management. Additionally, the draft SEIS analyzes and compares the benefits and costs of the Ross project.

The Ross draft SEIS is the first produced in Wyoming as a cooperative effort of the BLM and NRC under a 2010 Memorandum of Understanding. The environmental review was initiated in August 2011 with an extensive scoping effort by NRC and its contractors, including meetings with local officials including the Crook County Commission, conservation districts, school districts, and solid waste districts; multiple state regulatory agencies; the US Fish and Wildlife Service, Army Corps of Engineers and Bureau of Land Management; along with the Powder River Basin Resource Council.

Issuance of the final Source Material License is anticipated in early December 2013, in accordance with the NRC's public Application Review schedule.

Resource Upgrade adds 2.5Mlbs Measured and Indicated Resources

On 24 January 2013 Peninsula announced a further upgrade to the JORC-compliant Resource Estimate for the Lance Projects. This upgrade was achieved by the completion of an additional 676 rotary mud drill holes completed in the seven months subsequent to the March 2012 resource estimate.

The key objective of the 2011-12 drilling program was to increase the measured and indicated resources in preparation for commencement of mining operations at the Lance Projects. The revised JORC compliant resource estimate of 53.7Mlbs U_3O_8 includes a further 2.5Mlbs increase in Measured and Indicated Resource since the March estimate.

The 12 month period spanning October 2011 – October 2012 saw in excess of 5Mlbs inferred U_3O_8 resource converted to the measured an indicated categories. This is more than twice the planned annual steady state production levels for the Lance Projects.

The remainder of the 2012 year saw the drilling focused on completing aquifer monitoring wells that are part of the process to include the Kendrick Production Unit in the Permit Amendment process, as detailed below.

The resource has been calculated by applying a combined constraint of a grade thickness product (GT) of 0.2 contour and 200ppm eU_3O_8. These cut offs are considered to be appropriate for both calculating and reporting of in-situ recovery (ISR) resources at the Lance Project.

The measured, indicated and inferred resources are located in host sandstones that have demonstrated positive uranium recovery from test-work. Geological modelling of the extensive down-hole geophysical data has accurately defined the impermeable shale and mudstone horizons that form the confining horizons to the mineralised sandstones.

Table 1: Lance Project Classified Resource Summary (U_3O_8) December 2012

Resource Classification	Tonnes Ore (M)	U_3O_8 kg (M)	U_3O_8 lbs (M)	Grade (ppm U_3O_8)
Measured	4.1	2.1	4.5	495
Indicated	11.6	5.7	12.7	497
Inferred	35.5	16.6	36.5	467
Total	51.2	24.4	53.7	476

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

The revised JORC compliant resource estimate of 53.7Mlbs U_3O_8 includes a 17% increase in Measured and Indicated Resource since the previous estimate in March 2012

Within the Ross Production Unit there is a combined measured, indicated and inferred resource of 11.2Mlbs U_3O_8 with an average grade of 518ppm and an average GT of 0.47.

At Kendrick the combined measured and indicated resource totals 4.82Mlbs U_3O_8 at an average grade of 497ppm and an average GT of 0.47.

At Barber the combined measured and indicated resource totals 2.41Mlbs U_3O_8 at an average grade of 421ppm and an average GT of 0.42 (Table 2).

Table 2: Lance Project Classified Resource by Production Unit (U_3O_8) December 2012

Ross	Tonnes	Grade (ppm U_3O_8)	U_3O_8 lbs	Average Thickness (ft)	Average GT
Measured	2,824,571	500	3,112,029	10.0	0.50
Indicated	5,823,143	531	6,818,822	8.4	0.45
Inferred	1,145,377	497	1,253,762	10.5	0.52
Total	9,793,091	518	11,184,612	9.0	0.47

Kendrick	Tonnes	Grade (ppm U_3O_8)	U_3O_8 lbs	Average Thickness (ft)	Average GT
Measured	682,078	506	761,086	9.3	0.47
Indicated	3,706,808	496	4,056,866	9.4	0.47
Inferred	23,834,082	472	24,799,068	10.0	0.47
Total	28,222,968	476	29,617,020	9.9	0.47

Barber	Tonnes	Grade (ppm U_3O_8)	U_3O_8 lbs	Average Thickness (ft)	Average GT
Measured	636,302	461	647,045	9.5	0.44
Indicated	2,002,184	400	1,765,263	9.8	0.39
Inferred	10,498,574	452	10,460,284	9.7	0.44
Total	13,137,060	444	12,872,592	9.5	0.42

Total	Tonnes	Grade (ppm U_3O_8)	U_3O_8 lbs	Average Thickness (ft)	Average GT
Measured	4,142,951	495	4,520,159	9.8	0.49
Indicated	11,532,135	497	12,640,951	9.0	0.45
Inferred	35,478,033	467	36,513,114	9.79	0.46
Total	51,153,119	476	53,674,224	9.7	0.46

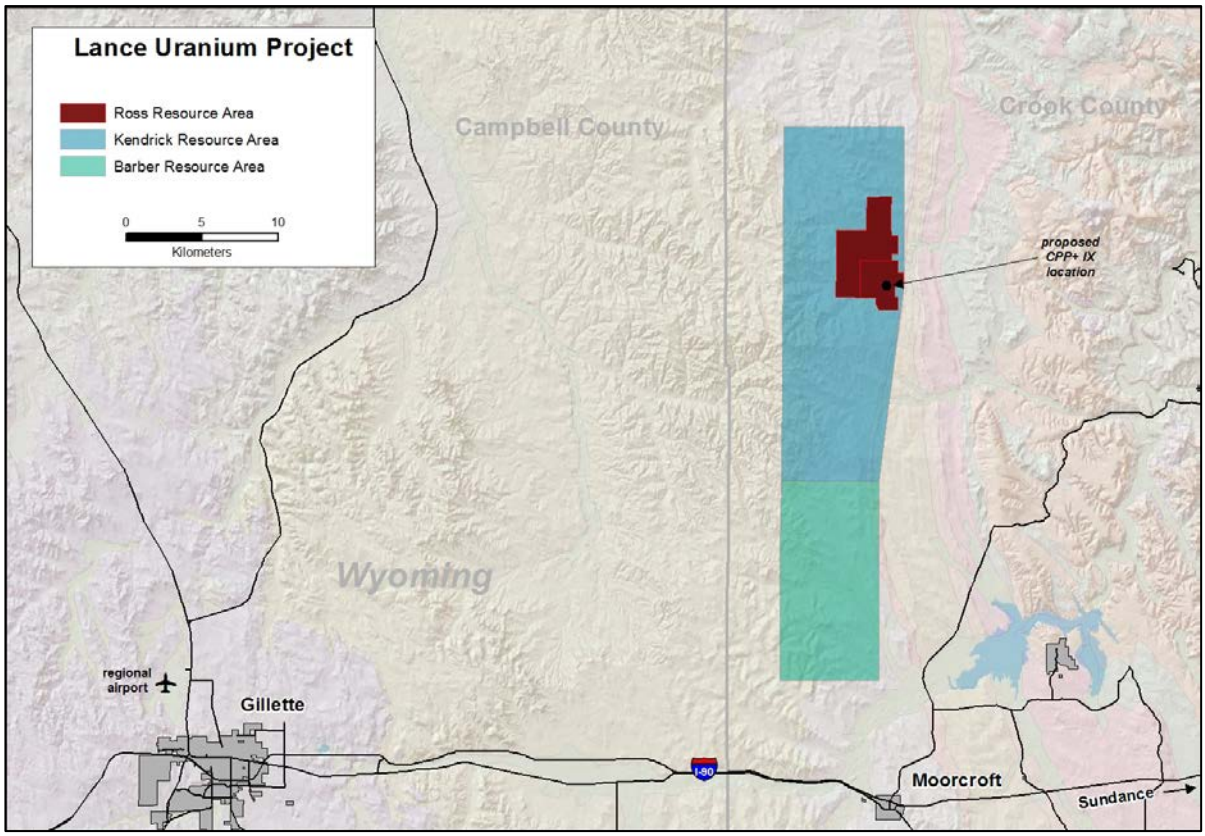

Figure 2: Resource Area Location Map

SOUTH AFRICA – URANIUM / MOLYBDENUM EXPLORATION

(Peninsula Energy 74% / BEE Group 26%)

50.1Mlbs Maiden JORC Code Compliant Resource at Karoo Projects

On 5 February 2013 Peninsula announced an initial JORC Code-compliant Mineral Resource estimate of 50.1Mlbs eU3O8 at the Karoo Projects in the Cape Provinces of South Africa (Figure 3). This estimate included an indicated resource of 15.7Mlbs grading 1,020ppm eU3O8 above a cut off of 600ppm eU3O8.

Previous exploration conducted by Esso Minerals Africa (Esso), JCI and Union Carbide at the Karoo Projects in the 1970s included 1.6 million metres of drilling together with trial open-cut and trial decline mining programs. Based on the results of these programs, the previous explorers estimated approximately 99Mlbs U3O8 and 61Mlbs molybdenum (Mo).

Peninsula has focussed on bringing approximately half of this total, for which drilling data is available, to a standard suitable for reporting under the Joint Ore Reserves Committee (JORC Code 2012) guidelines. The remainder, comprising up to 48Mlbs U3O8 in historical estimates, for which drilling data is not available, is being targeted in on-going exploration with the objective of converting as much as possible to JORC Code-compliant resources.

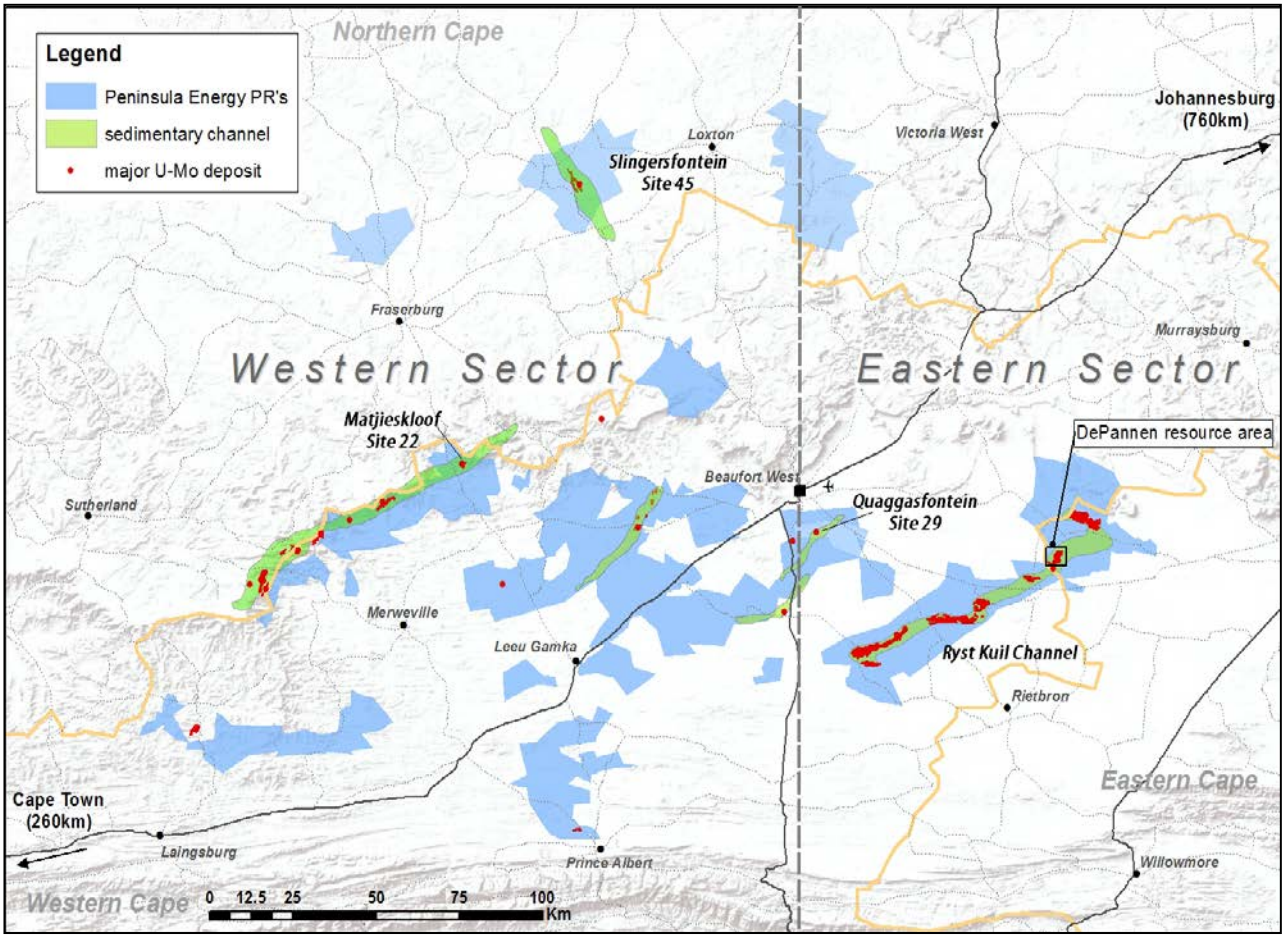

Figure 3: South Africa – Karoo Uranium /Molybdenum Project Area Locations

The initial resource estimate, as shown in Table 3, is based on a database comprising 7,163 drill holes together with 1,245 additional holes probed or drilled by Peninsula since 2011, including 16 diamond holes and 730 reverse circulation holes.

Table 3: JORC Code-Compliant Mineral Resource Estimate, Karoo Projects: eU3O8

Classification	eU_3O_8 (ppm) cut-off	Tonnes (millions)	eU_3O_8 (ppm)	eU_3O_8 (million lbs)
Indicated	600	6.9	1,020	15.7
Inferred	600	14.8	1,050	34.4
Total	600	21.7	1,040	50.1

An ordinary kriged grade estimate was undertaken by independent consultants Optiro Pty Ltd. Mineral Resources have been classified on the basis of confidence in geological and grade data using the drilling density, geological model, modelled grade continuity and conditional bias measures (kriging efficiency). Indicated Mineral Resources have been defined generally in areas of 50m by 50m drill spacing.

Inferred Mineral Resources have been defined in areas of 100 by 100 metre up to 400 by 400 metre drill spacing. A bulk density of 2.67 t/m3, (based on 1,425 representative determinations), was applied to derive the resource tonnage.

The historic and current drilling is distributed over two main areas – the Western and Eastern Sectors (Figure 4) - and includes results for more than 4,000 mineralised intervals. Drill-spacing varies from 100m by 100m to 25m by 25m with the majority of indicated resources drilled at an average spacing of 50m by 50m.The Eastern Sector covers the majority of the reported resources including the Ryst Kuil Channel and Quaggasfontein. The Western Sector encompasses the Maitjieskloof and Slingersfontein resources, together with the majority of the exploration targets.

Total resources by Sector are detailed below in Table 4.

Table 4: Detailed Classified JORC Code-Compliant Mineral Estimate, Karoo Projects: eU3O8

Classification	Sector	eU_3O_8 (ppm) CUT-OFF	Tonnes (millions)	eU_3O_8 (ppm)	eU_3O_8 (million lbs)
Indicated	Eastern	600	6.0	980	13.0
	Western	600	0.9	1,250	2.7
Inferred	Eastern	600	11.2	1,060	26.4
	Western	600	3.6	1,030	8.0
Total	Total	600	21.7	1,040	50.1

Note: Totals may not sum exactly due to rounding

As part of the data validation program, Peninsula has completed a detailed QAQC study comprising the confirmation of drillhole locations and verification of historic down-hole radiometric logging procedures and results. In addition, Peninsula has probed 1,245 holes, including 16 diamond holes and 730 reverse circulation holes drilled since 2011.

Positive Uranium Results Returned from Drilling Ryst Kuil Channel Extensions

On 24 April 2013 announce results from the initial drilling program along the Ryst Kuil channel in the Eastern Sector of its Karoo Projects.

The initial drilling program, conducted at the De Pannen resource area (refer Figure 3), commenced in February 2013 and to date Peninsula has completed 67 reverse circulation drill holes within the main mineralised channel for a total of 2,745 metres. A total of 17 holes intersected mineralisation >200ppm and 5 holes reported multiple intersections of stacked uranium with two holes reporting grades in excess of 1,000ppm eU3O8.

Table 5 lists intersections that exceed the equivalent of 200ppm over 1m.

The objectives of this drill program are to convert existing inferred resources to indicated resource classification and identify areas of additional mineralisation outside the current resource boundaries.

The results from the drilling program to date are consistent with the historic drilling results and confirm the presence of shallow uranium mineralisation (at depths mostly under 30m). Within the channel system, uranium and molybdenum mineralisation is localised within smaller-scale sedimentary features in the order of 1-2m in thickness and up to several hundred metres in length. The shallow nature of the mineralisation and resources are potentially amenable to open pit mining which would have highly favourable implications for the economics of the planned operations at Karoo.

As well as facilitating the conversion of existing inferred resources to indicated status, step out drilling beyond the historically mineralised zones has returned high grade intersections which are expanding the limits of the known mineralisation.

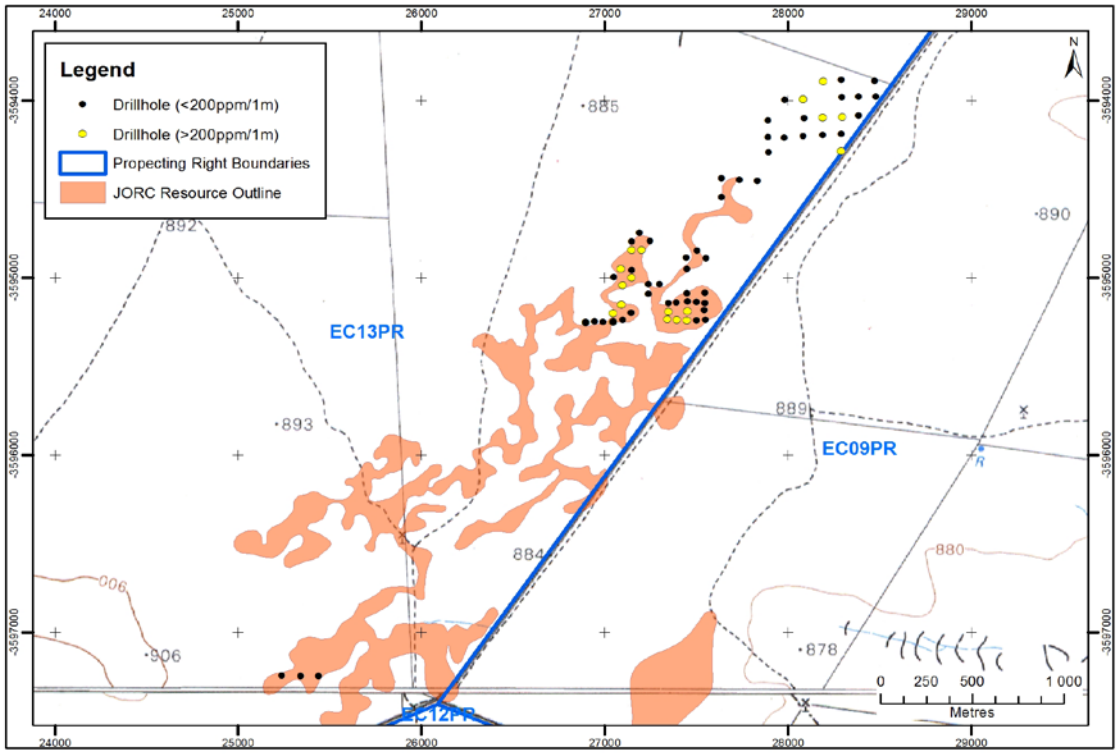

Figure 4: Karoo Projects – De-Pannen Drilling Map showing Location of Significant Results.

In addition to the above, Peninsula is continuing with a down-hole gamma logging program at Ryst Kuil to validate the historic results at the project. As part of the resource delineation process, Peninsula completed a detailed QAQC study comprising the confirmation of drillhole locations and verification of historic down-hole radiometric logging procedures and results. In total Peninsula has now probed 250 holes, including 77 more recently drilled diamond holes and 71reverse circulation holes, the remainder being historic holes drilled by Esso. The results have been successful in validating the historic data.

Table 5: Drilling Results De Pannen, South Africa (>200ppm over 1m equivalent cut off, gamma logging).

Hole-ID	Easting	Northing	RL	Hole Depth (m)	Azimuth	Dip	From (m)	To (m)	Interval (m)	Grade (ppm eU_3O_8)
DPN227RC	28193	-3593893	884	35	0	-90	22.70	23.30	0.60	1405
DPN229RC	28081	-3593993	880	40	0	-90	24.85	25.20	0.35	585
DPN229RC	28081	-3593993	880	40	0	-90	25.80	26.30	0.50	824
DPN234RC	28297	-3594093	886	40	0	-90	20.80	21.45	0.65	308
DPN235RC	28189	-3594095	882	40	0	-90	24.60	24.95	0.35	801
DPN235RC	28189	-3594095	882	40	0	-90	26.70	27.70	1.00	420
DPN239RC	28290	-3594285	890	40	0	-90	27.85	28.25	0.40	673
DPN259RC	27392	-3595238	888	30	0	-90	23.10	23.60	0.50	526
DPN260RC	27342	-3595234	884	30	0	-90	17.20	18.60	1.40	483
DPN261RC	27347	-3595192	886	30	0	-90	24.45	25.45	1.00	851
DPN262RC	27451	-3595187	884	35	0	-90	24.10	25.40	1.30	460
DPN271RC	27147	-3594998	888	35	0	-90	22.40	23.10	0.70	484
DPN273RC	27199	-3594844	883	30	0	-90	18.00	18.65	0.65	551
DPN273RC	27199	-3594844	883	30	0	-90	19.50	20.55	1.05	772
DPN277RC	27146	-3594844	887	35	0	-90	17.95	19.65	1.70	749
DPN278RC	27087	-3594951	885	35	0	-90	23.85	25	1.15	400
DPN280RC	27096	-3595042	885	35	0	-90	22.5	22.9	0.40	678
DPN280RC	27096	-3595042	885	35	0	-90	27	28.1	1.10	559
DPN281RC	27090	-3595152	892	35	0	-90	17.7	18.15	0.45	731
DPN281RC	27090	-3595152	892	35	0	-90	25.2	25.85	0.65	1252
DPN285RC	27045	-3595248	888	35	0	-90	19.35	19.85	0.50	401
DPN288RC	26895	-3595252	888	35	0	-90	19.6	20	0.40	579

Karoo Landholding

Peninsula has a 74% interest in a total of 42 prospecting rights (PR's) covering 7,800 km² of the main uranium-molybdenum bearing sandstone channels in the Karoo Basin (Figure 3). Completion of the acquisition of some of these prospecting rights is subject to conditions precedent as detailed in the previous Karoo announcement. The residual 26% interest remains with the BEE partners as required by South African law.

In the Eastern Sector, Peninsula has freehold ownership over an area of 322 km² which covers a significant proportion of the reported resource and allows unlimited surface access. Additional surface access rights have also been contracted on a further 153km² until 2021. This area is largely contiguous with the freehold land.

Karoo Projects – Exploration Target

The Karoo Projects cover a significant proportion of the Karoo Basin Permian sandstones, which are believed to represent an Exploration Target of between 250 and 350Mlbs U_3O_8. This Exploration Target, as shown in Table 6, is based on the total cumulative prospective strike length of about 200km that occurs within the PR's, together with the reported U_3O_8lbs/km along the modelled sections of the Eastern Sector channel sandstones. Further drilling will be required in order to define a resource estimated in accordance with the JORC code and there is no guarantee that a resource will be defined.

Table 6: Karoo Projects Total Exploration Target

Exploration Areas	Tonnes (M)		Grade ($ppmU_3O_8$)		eU_3O_8 (Mlbs)	
Range	From	To	From	To	From	To
Total	126	133	900	1200	250	350

CORPORATE

Leading Mining Engineer Appointed to the Board

On 28 February 2013 Peninsula announced the appointment of Mr Neil Warburton as a Non-Executive Director.

Mr Warburton has worked within the Mining Industry his entire career in roles ranging from underground miner through senior mining engineer to executive directorships managing large mining and contracting companies. He has over 33 years' experience in all areas of mining operation.

Over the period 2000-2012 Neil held senior positions with Barminco Limited culminating in being the Chief Executive Officer. He successfully grew Barminco into Australia and West Africa's largest underground mining contractor with revenues of more than $800m.

Prior to joining Barminco Neil held several senior corporate positions, this included serving as Managing Director of Coolgardie Gold NL.

Neil started his career with Western Mining Corporation as a graduate mining engineer and progressed to Manager of Open Pit and Underground Operations.

Neil is a graduate from the Western Australia School of Mines with an Associate Degree in Mining Engineering. He is a Fellow of the Australian Institute of Company Directors (FAICD) and Member of the Australian Institute of Mining and Metallurgy.

He currently serves as Executive Chairman of ASX Listed Red Mountain Mining Limited and is a Non-Executive Director of ASX Listed Australian Mines Limited. In conjunction with the corporate policy of moving to a majority of non-executive directors, Mr. Malcolm James retired from his position as a Director during the quarter.

Cash Position

The Company's cash position at the end of the quarter, including commercial bills, bonds and security deposits was $16.7million.

For further information please contact:

John Simpson
Executive Chairman
Telephone: +61 9380 9920

Competent Persons Statement

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 Jim Guilinger. 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 Guilinger is Principal of independent consultants World Industrial Minerals. 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 the report which relates to Mineral Resources at the Karoo Projects is based upon information compiled by Ian Glacken, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Ian Glacken is an employee of Optiro Pty Ltd and 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 to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ian Glacken consents to the inclusion in the report of a summary based upon his information in the form and context in which it appears.

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 George van der Walt. 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. Mr van der Walt 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 Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr van der Walt consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

Please note that in accordance with Clause 18 of the JORC (2004) Code, the potential quantity and grade of the "Mineralised Potential" in this report 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.

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.

Karoo Projects: Where eU3O8 results are reported, it relates to values obtained from radiometric logging of drillholes. eU3O8 grades were determined using a GeoVista gamma sonde measuring at 0.05m (5cm) intervals. Raw gamma counts per second were converted to eU3O8 by applying the formula eU3O8 (ppm) = (Gamma (CPS) / (1 - Gamma (CPS) * Deadtime)) * K-Factor. The logging protocol, formula and gamma sonde calibrations (calibrated at the IAEA accepted Pelindaba Calibration facility) used by Peninsula were supplied by Geotron (Pty) Ltd, an independent geophysical logging consultancy based in Potchefstroom, South Africa. Daily calibration checks were done in selected Control Holes at the drilling area to check for drift and instrument error.

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.

Cautionary Statements – Optimisation Study (OS)

The OS has adopted a metallurgical recovery of 64% and for the Ross, Kendrick and Barber Production Units. 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.

The Company is also continuing the drilling program at Kendrick and Barber with the aim of upgrading a minimum 65% of the inferred resources into a measured or indicated category to provide the feedstock for the expanded project.

It should be noted that the FS and OS contain assumptions relating to quantities of Inferred resources being converted to Indicated within the Lance Projects and has had the operational, production and financial parameters from the Ross DFS applied to them.