



ANNUAL FINANCIAL REPORT

30 JUNE 2013

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Directors	John Simpson Executive Chairman Alfred Gillman Executive Technical Director Warwick Grigor Non-Executive Director Michael Barton Non-Executive Director Neil Warburton Non-Executive Director
Chief Operating Officer	Glenn Black
Chief Financial Officer	David Coyne
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: 1300 554 474 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 PENOC – Listed Options

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 2013.

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, or who have served as a Director during the year, are:

- | | | |
|---|----------------|---|
| ▪ | John Simpson | Executive Chairman |
| ▪ | Alfred Gillman | Executive Technical Director |
| ▪ | Warwick Grigor | Non-Executive Director (Independent) |
| ▪ | Michael Barton | Non-Executive Director |
| ▪ | Neil Warburton | Non-Executive Director (Independent - appointed 27 February 2013) |
| ▪ | Malcolm James | Executive Director (resigned 27 February 2013) |

The Directors believe that having an Executive Chairman is in the best interests of the shareholders whilst the Company is in pre-production stage. Because this is a departure from Corporate Governance Recommendations, the matter is reviewed annually. The Company has also departed from Corporate Governance Recommendations in not having a majority of independent Directors.

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.

Diversity

The Board has adopted a Diversity Policy as per the recommendations. The Diversity Policy addresses equal opportunities in the hiring, training and career advancement of directors, officers and employees. The Diversity Policy outlines the processes by which the Board will set measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity within the Company.

The Company is committed to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees and is utilised to enhance the Company's performance.

The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives.

CORPORATE GOVERNANCE STATEMENT

Gender Diversity

The Company is focusing on the participation of women on its Board and within senior management. The Board will determine appropriate measurable objectives for achieving gender diversity prior to the commencement of production from its first mining operation.

Women Employees, Executives and Board Members

The Company and its consolidated entities have eight (8) female employees/executives:

- 2 accountants
- an executive assistant
- a personal assistant
- a wellfield construction supervisor
- a land administrator
- a land access officer
- an office administrator

whom represent approximately 32% of the total employees, executives and/or board members of the Company and its consolidated entities. There are currently no female members on the Board of the Company.

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

Given the size of the entity and Board composition, the Audit Committee consists of two Non-Executive Directors, a departure from the ASX Corporate Governance Council recommendations, but appropriate given the 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 Chief Financial Officer 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, performance rights and option arrangements.

The amount of remuneration for all key management personnel of the Group, including all monetary and non-monetary components, is detailed in the Remuneration Report within the Directors Report. Shares given to key management personnel are valued at the market price of those shares. Options are valued independently using a binomial model and cross checked using the Black-Scholes methodology. Performance Rights with market based vesting conditions are valued

CORPORATE GOVERNANCE STATEMENT

independently using a hybrid employee share option pricing model that simulates the share price of Peninsula as at the expiry date using a Monte-Carlo model.

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 (or “Peninsula”), being the Company and its controlled entities, for the financial year ended 30 June 2013.

DIRECTORS

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

- John Simpson
- Alfred Gillman
- Warwick Grigor
- Michael Barton
- Neil Warburton (appointed 27 February 2013)
- Malcolm James (resigned 27 February 2013)

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 2013 amounted to \$14,563,655 (2012: \$7,142,145).

REVIEW OF OPERATIONS 2013

Peninsula is an emerging uranium producer, with the Company's primary focus on the near term production at the Lance uranium projects in Wyoming USA (Lance Projects), as well as the Karoo uranium/molybdenum projects in the Republic of South Africa (Karoo Projects).

An overview of the parent entity's operations during the year is as follows:

WYOMING, USA – LANCE URANIUM PROJECTS

(Peninsula Energy 100%)

Background

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 meters. A proprietary database of the historic drilling and pilot plant data was acquired by Peninsula in 2007, defining a then relatively unknown uranium district of which Peninsula is now the dominant mineral rights holder.

The Lance Projects have 312 line kilometres of identified roll fronts and an exploration target of 104-163mlbs U₃O₈, 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 U₃O₈ JORC compliant resource.

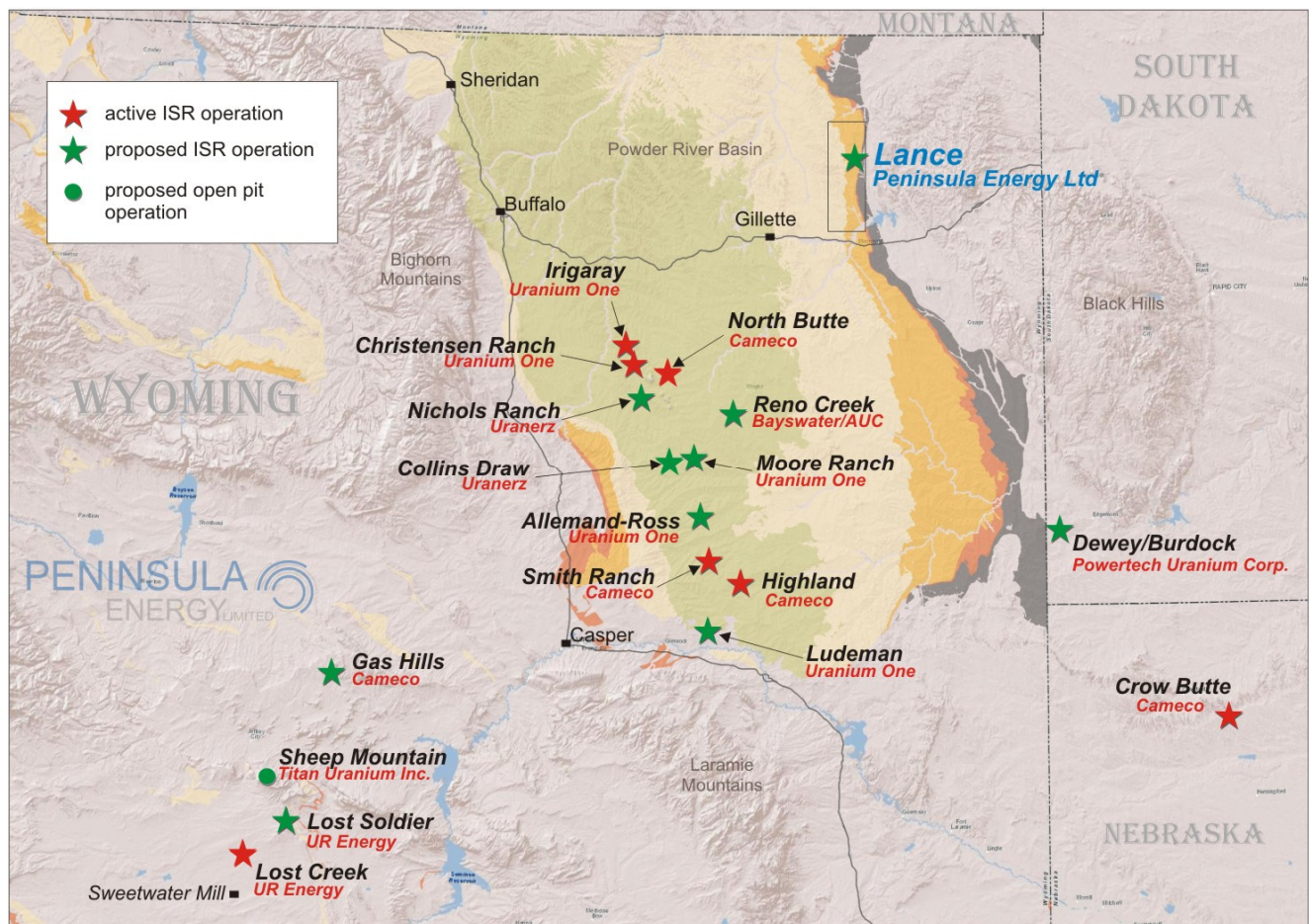


Figure 1: Lance Project Location, Wyoming, USA

Optimisation of Lance Projects

On 9 September 2013, Peninsula announced the completion of the Lance Wellfield Optimisation Study (WOS) which follows the Lance Central Processing Plant (CPP) Optimisation Study (OS) completed in March 2013. The WOS and OS were both undertaken as part of Peninsula's detailed engineering in preparation for the Lance Projects construction.

The OS delivered significant capital cost savings in the CPP while the WOS has delivered a significant reduction in wellfield capital and operating costs along with an increased rate of wellfield production. The combined effect of this optimisation process adds substantial economic value to the project.

The operating parameters modelled in the WOS are the same as those applied to the OS and May 2012 Feasibility Study (FS), namely the Ross, Kendrick and Barber Production Units feeding a CPP with a permitted capacity of up to 3.0mlbs per annum. The first production unit will be at Ross with a capacity of up to 1.25mlbs per annum followed by the inclusion of the Kendrick Production Unit, ramping up over several years to a total of 2.3mlbs per annum steady-state production.

The WOS focused on the detailed wellfield design for the first mining unit within the Ross Production Area. The parameters derived from the review were then applied over the total resource base. This resulted in a reduction in the total number of wells to be developed decreasing both the wellfield capital and wellfield closure costs.

Whilst undertaking the value engineering on the CPP the Company completed further metallurgical test work to optimise the lixiviant solution that is to be cycled through the injection wells. These test results have demonstrated that the pregnant lixiviant can be extracted with a higher head grade than previously forecast. The revised head grade is consistent with other mature ISR operations in the Powder River Basin and provides the following benefits to the project:

- Enables a faster rate of mineral extraction from the ore body, decreasing the overall life of mine by 4 years whilst maintaining life of mine production at over 28mlbs (based on the existing JORC compliant resources only);
- Enables the project to achieve a steady-state production rate of 2.3mlbs per annum from two production units concurrently, as opposed to three previously; and
- Allows the inclusion of the Barber Production Unit to be deferred until 2020 when the Ross Production Unit commences its stage of natural decline, deferring significant capital expenditure at the Barber Production Unit.

Using this updated information, Peninsula has re-run its economic analysis for the Lance Projects.

DIRECTORS REPORT

The WOS and OS were conducted by senior development and production staff at Peninsula's wholly owned subsidiary Strata Energy Inc. (Strata), in conjunction with the engineering and construction contractor TREC Inc. (TREC). This production team includes geologists and engineers with extensive ISR process-well field design, plant construction and production experience.

The WOS supplements the March 2013 OS and the TREC May 2012 FS, and together will form the basis for securing the required financing for the Lance Projects.

Pre-SML Construction Programme

During the period April 2013 to June 2013 Peninsula's wholly owned subsidiary Strata completed 20 monitoring wells and 23 delineation holes for a total of 20,635 feet at the Lance Projects, the majority of the holes being within and around the planned first production unit at the Ross Permit area.

A total of 20 monitoring wells in 13 clusters have been completed in Mine Unit 1 of the Ross Permit area and will be used for correlations and base line studies of the Mine Unit 1 water quality. These monitoring wells are helping further refine site specific geological and hydrological parameters which is enhancing Strata's overall understanding of the ore body and extraction rates. Delineation drilling is also being conducted to optimise the well field patterns and design within this first production unit.

In addition several of the drillholes provided the additional benefit of intersecting significant mineralisation, some of which is outside of the existing resource boundaries.

The Company has also conducted a 3 core hole drilling program within planned Mine Unit 1 to provide information on recoveries and to refine the most efficient leach agent chemistry for the Ross ore body. Review of this core is currently in progress and will provide material for porosity/permeability samples as well as "Leach Test" samples that are being selected and prepared for laboratory analysis. The core drilling is also providing more definitive information on expected uranium concentrations during mining. These cores were recently used for leach testing that further supported the increased head grade uranium concentrations used in the WOS.

In addition to providing the information above, the core drilling has also intersected strong uranium mineralisation, some of which is outside the existing resource boundaries. A total of 15 holes reported Grade Thickness (GT) intersections exceeding 0.2 (refer Table 1).

The results from the delineation well drilling generally reconcile well against the previous exploration drilling results.

Table 1: Pre-Production Drilling Results – Lance Projects, Wyoming USA

Drilling	Hole_ID	Easting	Northing	Depth	From Ft	Interval Ft	Grade ppm	GT
Monitor Well	MU1-OZ6	503995	4936535	490	443.5	7.5	950	0.71
Delineation	RMR2721	504025	4936636	520	417.5	8.0	760	0.61
Monitor Well	MU1-OZ9	504094	4936524	470	379.0	6.0	1000	0.60
Core	RMRD0038	504197	4936675	500	361.0	10.0	580	0.58
Monitor Well	MU1-DM2	503955	4936565	560	436.5	7.0	650	0.46
Core	RMRD0037	504094	4936630	500	450.0	10.5	400	0.42
Monitor Well	MU1-DM1	503856	4936599	570	418.0	7.5	550	0.41
Monitor Well	MU1-DM3	504054	4936600	570	434.5	3.5	1010	0.35
Monitor Well	MU1-OZ13	504015	4936455	470	369.0	5.0	690	0.35
Core	RMRD0039	504098	4936517	480	373.5	7.0	500	0.35
Delineation	RMR2720	504069	4936502	480	371.5	9.5	350	0.33
Monitor Well	MU1-OZ7	504140	4936665	490	432.0	9.5	290	0.28
Delineation	RMR2740	504201	4936623	520	380	9.5	270	0.26
Monitor Well	MU1-OZ4	504160	4936585	460	388.5	5.5	400	0.22
Monitor Well	MU1-OZ1	503856	4936592	510	421.0	4.5	480	0.22

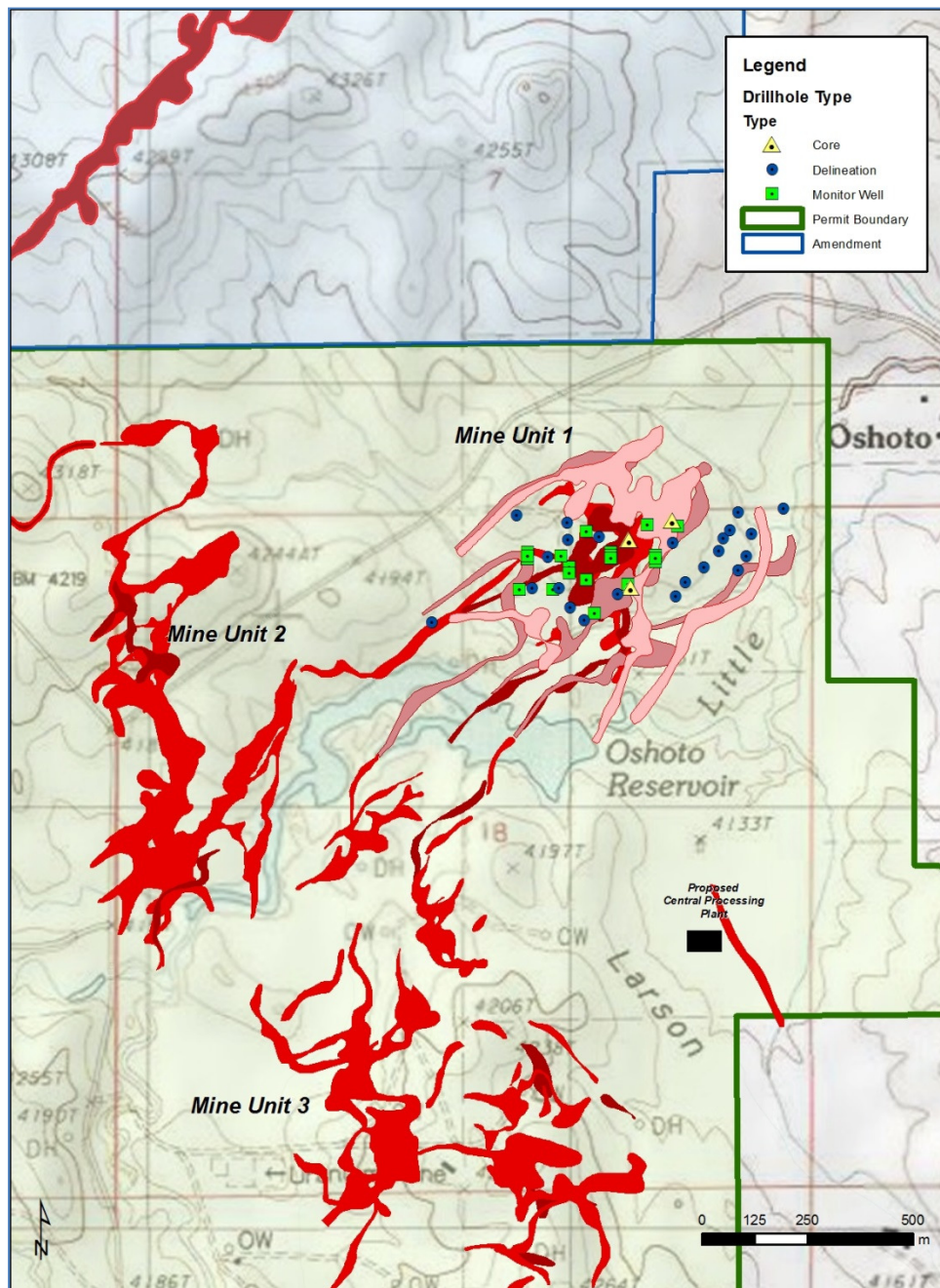


Figure 2: Lance Projects Pre-Production Drilling Location Map (roll front trends shown in red)

Permit to Mine Received

On 22 November 2012, Peninsula announced that the Wyoming Department of Environmental Quality (WDEQ) had granted a Permit to Mine (PTM) to Strata for the Ross ISR project, the first planned production unit at the Lance Projects. The completion of this licensing action concluded a major milestone in advancing the Ross in-situ recovery (ISR) project towards production.

The PTM is the second of three key licenses required for advancement of the Ross ISR project. The first license was the Deep Disposal Well (DDW) license granted in April 2011. The final license required before commencement of production is the Combined Source and 11e. (2) Byproduct Material License (SML) issued by the US Nuclear Regulatory Commission (NRC). As detailed further below, Strata received the draft SML for the Ross ISR project in early November 2012.

Having concluded the PTM licensing process, Strata is now focusing its entire permitting efforts on completing the SML application process. Additionally, Strata has commenced the ordering of long lead-time items prior to the issuance of the SML. Construction will include installation and testing of a deep disposal well, installation of monitoring wells, the ordering of certain components of the CPP and civil works in preparation for the CPP. These pre-licensing construction activities are permissible under existing licenses and permits and will shorten the overall project development timeline.

DIRECTORS REPORT

Draft Source Materials License Received

On 9 November 2012, Peninsula announced that the NRC has issued a draft SML to Strata. This issuance marked a further milestone in Strata's progress toward approval of the application and issuance of a final SML for the Ross ISR project.

The NRC's on-schedule issuance of the draft SML demonstrates that the project is technically sound and that the approaches to public and environmental safety outlined in the application were robust.

The issuance of the draft SML within two years after application submission reflects a significantly accelerated schedule over the applications of others in the industry, which have averaged 3 years or more in receiving draft licenses. Achieving this milestone on schedule and ahead of industry standard is indicative of the completeness of Strata's application, experience of the Strata management team and the efficiency of the streamlined regulatory approval process.

To receive NRC approval, an application must complete three review processes: acceptance review (completed in June 2011); safety review, resulting in a Safety Evaluation Report (SER) (completed in March 2013); and concurrent environmental review, resulting in a Supplemental Environmental Impact Statement (SEIS). Strata and NRC Staff are now focusing exclusively on completing this environmental review as part of the issuance of the final SML.

The draft SML also confirms regulatory bounding conditions upon which the project economics have been based.

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

On 6 March 2013 Peninsula announced that the NRC had issued to Strata the 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 SML. The SML is now in the final format to be issued upon completion of the environmental review, which is the final step in the licensing process.

NRC Issues Draft SEIS for Lance CPP & Ross Permit Area

On 25 March 2013, Peninsula announced that the NRC had issued the draft SEIS to Strata for the Central Processing Plant and Ross Permit Area in Wyoming, USA.

The draft SEIS is a comprehensive review of the environmental aspects and mitigation measures of the Ross ISR project. 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. The draft SEIS presents the final conclusions of the NRC environmental review staff and cooperating agencies regarding the environmental impacts of the proposed project and 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 ISR 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 ISR project.

The Ross draft SEIS is the first produced in Wyoming as a cooperative effort of the BLM and NRC under a 2009 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 SML is anticipated in March 2014, in accordance with the NRC's public Application Review schedule.

DIRECTORS REPORT

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 U₃O₈ includes a further 2.5Mlbs increase in Measured and Indicated Resource since the March estimate.

The 12 month period spanning October 2011 – October 2012 resulted in excess of 5Mlbs inferred U₃O₈ resource converted to the measured and indicated categories. This is more than twice the planned annual steady state production levels for the Lance Projects.

The resource delineation and exploration drilling program was put on hold at the Lance Projects in October 2012 with the rigs instead deployed to complete multiple clusters of regional baseline monitoring wells as part of the prioritising the Mine Permit amendment or extension processes to include the Kendrick Production Unit in the Permit Amendment process.

The resource has been calculated by applying a combined constraint of a GT of 0.2 contour and 200ppm eU₃O₈. These cut offs are considered to be appropriate for both calculating and reporting of 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 modeling 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 2: Lance Project, Wyoming USA - Classified Resource Summary (U₃O₈) December 2012

Resource Classification	Tonnes Ore (M)	U3O8 kg (M)	U3O8 lbs (M)	Grade (ppm U3O8)
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 previous resource estimate was carried out in March 2012 and is summarised below:

Lance Project Classified Resource Estimate (U₃O₈), March 2012

Resource Classification	Tonnes Ore (M)	U3O8 kg (M)	U3O8 lbs (M)	Grade (ppm U3O8)
Measured	3.6	1.8	4.0	505
Indicated	9.4	4.9	10.7	517
Inferred	35.1	16.7	36.8	475
Total	48.1	23.4	51.5	485

The revised JORC compliant resource estimate of 53.7Mlbs U₃O₈ included 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 U₃O₈ with an average grade of 518ppm and an average GT of 0.47 (Table 3).

At Kendrick, the combined measured and indicated resource totals 4.82Mlbs U₃O₈ at an average grade of 497ppm and an average GT of 0.47 (Table 3).

At Barber, the combined measured and indicated resource totals 2.41Mlbs U₃O₈ at an average grade of 421ppm and an average GT of 0.42 (Table 3).

DIRECTORS REPORT

Table 3: Lance Project Classified Resource by Production Unit (U₃O₈) December 2012

Ross	Tonnes	Grade (ppm U ₃ O ₈)	U ₃ O 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 ₃ O ₈)	U ₃ O 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 ₃ O ₈)	U ₃ O 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 ₃ O ₈)	U ₃ O 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	9.8	0.46
Total	51,153,119	476	53,674,224	9.7	0.46

Exploration Target

The Lance Project, operated by Strata Energy Inc, covers an area of over 120km² which includes a combined total of 312 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, Kendrick and Barber areas. Based on the historic conversion rate from roll front length to a drill-defined resource, the exploration target of the Lance Project, which is in addition to the JORC-compliant resource, is assessed at between 104 and 163 Mlbs U₃O₈. The exploration target is based on an anticipated grade range of 426ppm to 530ppm U₃O₈. This grade range approximates the minimum and maximum modelled grades respectively.

Lance Project Exploration Target

Exploration Areas	Tonnes (M)		Grade (ppm U ₃ O ₈)		eU ₃ O ₈ (Mlbs)	
Range	From	To	From	To	From	To
Total	168.9	185.9	426	530	157.7	217

(Totals include existing JORC Resource)

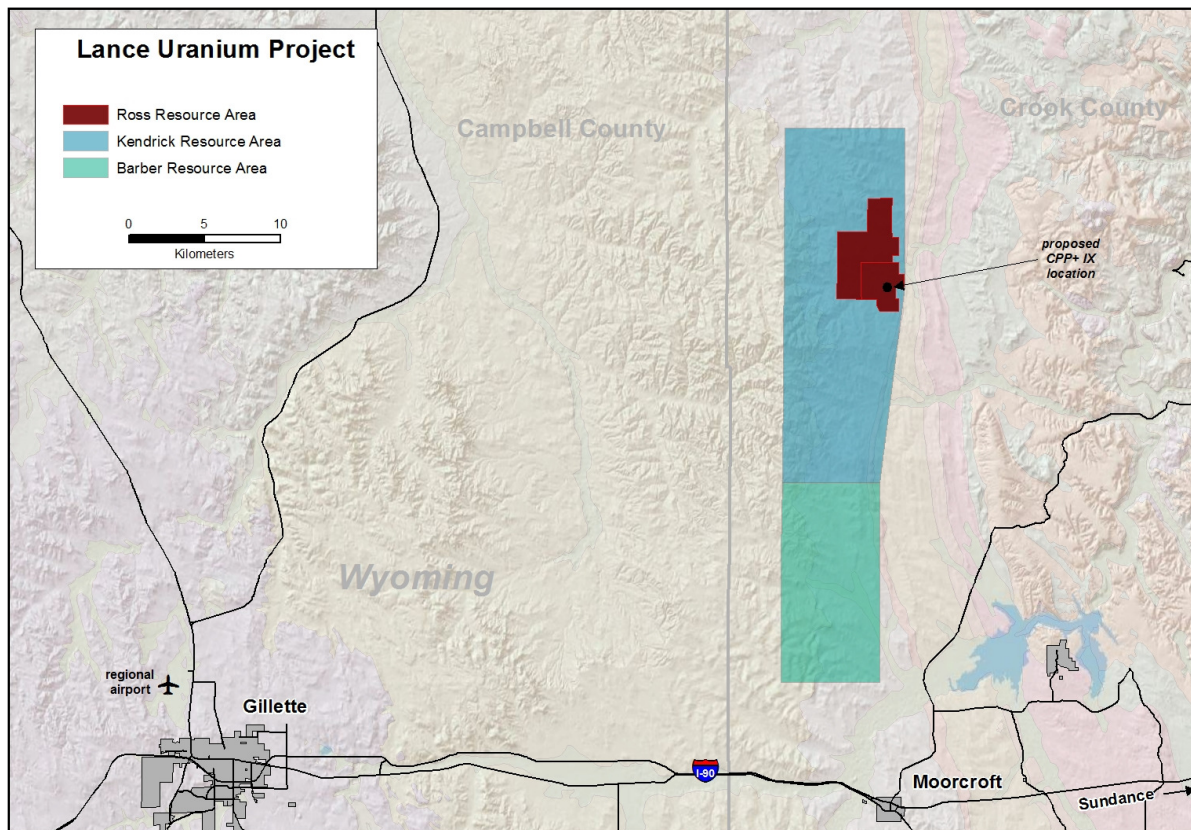


Figure 3: Resource Area Location Map

URANIUM- MOLYBDENUM EXPLORATION PROSPECTS – REPUBLIC OF SOUTH AFRICA

(Peninsula Energy 74%, BEE Group 26%)

Background

Peninsula, through its wholly owned subsidiary Tasman Pacific Minerals Limited (Tasman), has a 74% interest in a total of 42 prospecting rights covering 7,800 km² of the main uranium-molybdenum bearing sandstone channels in the Karoo Basin. Completion of the acquisition of some of these prospecting rights is subject to conditions precedent, which are near completion, as detailed in the ASX announcement dated 11 December 2012. 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.

Peninsula commenced activity in South Africa in 2006 and was awarded prospecting rights by the Department of Mineral Resources over six project areas located in the Western, Northern and Eastern Cape Provinces. These prospecting areas include three historic deposits that were explored by JCI and Union Carbide Exploration Corporation during the late 1970s and early 1980s.

The aim of exploration work has been to evaluate historic exploration targets and develop new targets throughout the Karoo. Since commencement of exploration Tasman has completed approximately 31,000 metres of Reverse Circulation and Diamond drilling and geophysically logged an additional 15,000 metres of open historic holes at three prospect areas.

The acquisition of ARSA's assets in South Africa in December 2012 brings an additional 597,000 metres of drilling into the database. Recent work has been undertaken to compile and validate all data from Tasman's own drilling areas and the new data acquired from ARSA in order to produce a 3D geological model and JORC compliant resource estimate, as detailed below.

Various studies have determined that uranium and molybdenum mineralisation is hosted in fluvial channel sandstone deposits in the western and central parts of the Main Karoo basin within the Adelaide Subgroup and to a much lesser extent, the Molteno and Elliot formations of the Permian-Triassic Beaufort Group (Karoo Supergroup). The occurrences are epigenetic, tabular and sandstone-hosted and the thickest sandstone bodies tend to contain the highest proportion of mineralisation.

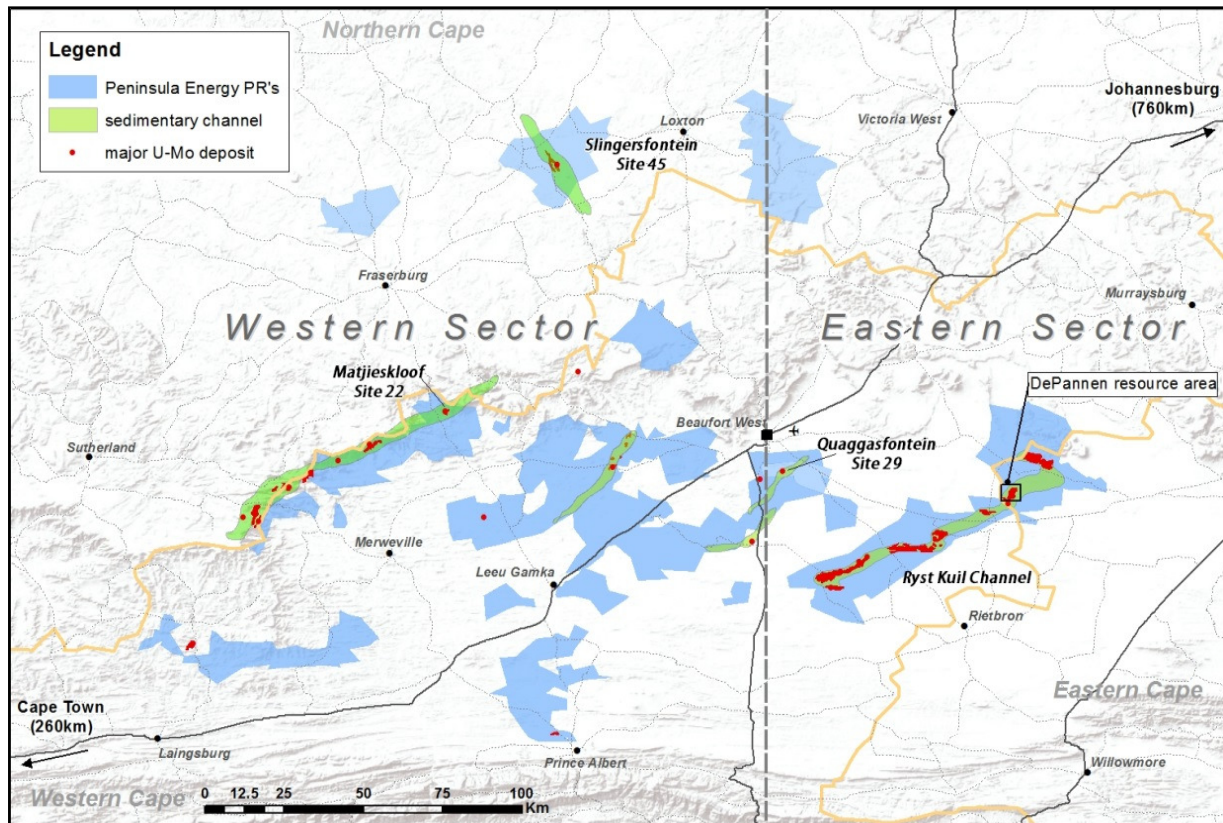


Figure 4: Karoo Uranium / Molybdenum Project Locations, South Africa

Current Work

In February 2013, Peninsula commenced drilling along the Ryst Kuil channel in the Eastern Sector of its Karoo Projects which has returned encouraging initial results.

To date Peninsula has completed a total of 67 reverse circulation holes for a total of 2,745 metres at the De Pannen project area. This drilling has been successful in its objectives of identifying additional areas of mineralisation outside the current resource limits and also in converting existing Inferred mineralisation to Indicated status.

An extensive review of the geological data is underway in order to improve the geological model, which will add confidence to the resource estimation. The process involves interpretation of the geological units and stratigraphic coding, which will allow for better correlation of the mineralised zones within them. This may be of particular importance in areas of lower density drilling that have been allocated to the Inferred Resource category on the basis of geological confidence.

The results from the drilling program to date are consistent with the historic drilling results and confirm the presence of shallow uranium mineralisation (from surface to 150m). 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.

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 QA/QC study comprising the confirmation of drillhole locations and verification of historic down-hole radiometric logging procedures and results. In total Peninsula has now probed 336 holes in the Ryst Kuil trend area totalling 30,386 metres. The results have been successful in validating the historic data.

Scoping Study

As detailed in the after balance date events note, on 18 September 2013 Peninsula announced that a scoping study has been completed on the Eastern Sector of the Karoo Projects by South African based engineering, procurement and construction consultants DRA Mineral Projects (Pty) Ltd. Based on the positive results of the scoping study the Company

DIRECTORS REPORT

plans to commence a Pre-Feasibility Study (PFS) in Q4 2013. Subject to the positive results from the PFS a Bankable Feasibility Study will follow.

Note: A Scoping Study is based on low-level technical and economic assessment. It is insufficient to support estimation of Ore Reserves, to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. The Scoping Study is partially supported by Indicated Resources (56.4%) with the remainder supported by Inferred Resources (43.6%).

50.1Mlbs Maiden JORC Resource

On 5 February 2013, Peninsula announced an initial JORC Code-compliant Mineral Resource estimate of 50.1Mlbs eU₃O₈ at the Karoo Projects. 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.

The initial resource estimate, as shown below, 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.

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

Classification	eU ₃ O ₈ (ppm) cut-off	Tonnes (millions)	eU ₃ O ₈ (ppm)	eU ₃ O 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 100m by 100m up to 400m by 400m drill spacing. A bulk density of 2.67 t/m³ for the host sandstone, (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 Davidskolk resources, together with the majority of the exploration targets.

Total resources by Sector are detailed below.

Classification	Sector	eU ₃ O ₈ (ppm) CUT-OFF	Tonnes (millions)	eU ₃ O ₈ (ppm)	eU ₃ O 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

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 U₃O₈. This Exploration Target, as shown below, is based on the total cumulative prospective strike length of about 200km that occurs within the PR's, together with the reported U₃O₈lbs/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.

DIRECTORS REPORT

Karoo Projects Total Exploration Target

Exploration Areas	Tonnes (M)		Grade (ppmU3O8)		eU3O8 (Mlbs)	
	From	To	From	To	From	To
Total	126	133	900	1200	250	350

Note: In accordance with Clause 17 of the JORC (2012) Code, the potential quantity and grade of the "Exploration Target" 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.

The current Karoo resources are located on two well-defined sedimentary channels that each extends for up 100kms along strike. These channels have been tested both recently and historically with approximately 10,000 exploration drillholes. Along these channels JORC-compliant resources have been estimated in localised areas in which reliable drilling data is available. The zones between the JORC-compliant resources areas form the Exploration Target because of the following:

- Continuity of the prospective sandstone established by geological mapping and regional drilling; and
- Historic estimates of mineralisation based on drilling which has not yet been validated by Peninsula.

The JORC-compliant resource of the RystKuil channel alone, which represents the most intensely drilled portion of the resources, comprises 17.2Mt at 1,048ppm eU₃O₈. This resource tonnage is distributed over a cumulative strike length of 23km representing approximately 0.75Mtonnes/km. The Exploration Target is based on a combination of:

- The total cumulative prospective strike length of the undrilled sections of the channel multiplied by the demonstrated tonnage/km;
- The areas of known mineralisation for which historic estimates exists but are not included in the JORC-compliant resource; and
- The grade range represents the lowest resource area grades and highest resource area grades.

Over the next 3-5 years ongoing exploration drilling is proposed to expand the JORC-compliant resource within the Exploration Target areas. This initial 3-5 year program will be focused on the Eastern Sector RystKuil channel. Testing of the Western Sector Exploration Target areas will commence beyond this time-frame.

Note: The resource estimates for both the Lance and Karoo Projects have been calculated by independent experts who have considerable industry experience in the fields of geology and geo-statistical analysis and who are qualified to report resources under the competent persons requirements of the JORC codes. The optimum estimation procedures as recommended by the competent persons have adopted for the resources. In accordance with the JORC requirements industry-standard quality assurance/control (QAQC) procedures have been adopted to ensure that the data on which the resource estimates are based are valid and accurate.

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).

Trenching

Assays received from trenching at the Qalau prospect (Rakiraki JV) have identified a 15 metre-wide zone of gold mineralisation spanning across three trenches over a strike of 200m. Intercepts include 3m at 3.75g/t Au, 2m @ 3.36g/t Au, 15m at 0.28g/t Au, and 12m @ 0.24g/t Au.

The mineralisation is hosted in a zone of quartz veining within a sequence of olivine-basalts and volcanoclastics and is coincident with a low rise hill within cane fields. Extensions of this low rise can be seen, slightly offset, to the south of the trenching.

Follow-up trenching is planned to be completed over the potential extension to the south of the trenching and any structures identified as potential hosts to mineralisation from the magnetic survey.

Ground Magnetic Survey

A ground magnetic survey has been completed over a 1.5km² area centred on the Qalau prospect, aimed at identifying the structural framework of the prospect area. This program will enable the identification of the orientation and potential extensions of the mineralised structures within the trenching, as well as any parallel, potentially mineralised structures worthy of trenching.

DIRECTORS REPORT

CORPORATE

\$11.1m PENOA Option Conversion Completed

On 13 June 2012 the Company announced that it had entered agreements with its cornerstone investor, Pala Investment Holdings Limited (Pala), Hartleys Limited and Canaccord BGF Limited (Joint Underwriters) to underwrite the exercise of all Peninsula options expiring on 30 June 2012 with an exercise price of \$0.03 each (PENOA Options).

In combination, the exercise of the PENOA Options by option holders and the underwriting agreements with Pala and the Joint Underwriters resulted in the Company receiving proceeds of \$11.1 million, bringing the total funds raised by the exercise of the PENOA Options to \$12.5 million.

The option conversion and underwriting was completed in July 2012.

Funds Raised from BlackRock and Pala for Lance Construction

On 10 December 2012 Peninsula announced that it has executed a series of definitive agreements with funds managed by BlackRock Financial Management, Inc. (BlackRock) providing for the issuance of US\$22 million in senior secured notes (Notes) and a placement of shares equivalent to a 10% interest in Peninsula (Shares).

The Notes have been issued by Strata Energy Inc. at an issue price of 100% of their face value, mature two years from the date of issue and have a coupon of 11%. Proceeds from the issuance of the Notes were placed in an escrow account pending Peninsula meeting certain conditions precedent to enable the funds to be released from escrow. Attached to the Note facility, Peninsula issued BlackRock 90,000,000 unlisted options exercisable at \$0.08 expiring December 5, 2017.

The drawdown of the proceeds of the Notes is conditional upon the grant of the Permit to Mine (now granted) and Peninsula entering into a U₃O₈ sales agreement on terms satisfactory to BlackRock including a net present value equal to the principal amount of the Notes. BlackRock also has a first right of refusal on a second debt financing planned around the grant of the final SML for an amount up to US\$80M.

As part of the transaction, Peninsula placed 293,004,848 fully paid shares to BlackRock at A\$0.04 and 152,362,521 free attaching PENOC options, raising A\$11,720,622 and a further 71,888,075 shares and 37,381,799 free attaching PENOC options to Pala (who exercised their pre-emptive rights), raising an additional A\$2,875,523. The proceeds from the issue of the Notes and Shares will be used to complete pre-SML construction, including deep disposal wells, monitoring wells, CPP site works, civil works, ancillary roads, plant long lead items and working capital.

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 Barminto Limited culminating in being the Chief Executive Officer. Prior to joining Barminto Neil held several senior corporate positions, this included serving as Managing Director of Coolgardie Gold NL.

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.

Appointment of Chief Financial Officer

On 19 June 2013, Peninsula announced the appointment of Mr David Coyne as Chief Financial Officer.

Mr Coyne joined Peninsula after having held similar senior executive roles including Chief Financial Officer - Australia for manganese miner Consolidated Minerals and, most recently, Chief Financial Officer for engineering and construction company VDM Group Limited.

Appointment of Project Finance Debt Advisors

In May 2013 Peninsula appointed Cutfield Freeman & Co (Cutfield Freeman) as advisors for the Lance Projects debt finance raising. The Company is currently working with Cutfield Freeman to finalise the necessary documentation to solicit proposals in the third quarter of 2013 from major financial institutions for the debt finance component of the overall project financing.

Cutfield Freeman are a London based corporate advisory firm, with regional offices in Toronto and Hong Kong. Cutfield Freeman have a long and successful track record in assisting companies such as Peninsula to implement appropriate project finance facilities for new and existing mine developments.

DIRECTORS REPORT

FINANCIAL POSITION

The net assets of the consolidated group have increased by \$16,995,339 from 30 June 2012 to \$90,637,397 in 2013. A significant proportion of expenditure during the year was for development and exploration activity at the Lance and Karoo Projects, therefore the decrease in cash reserves during the year was offset through exploration capitalised to the balance sheet.

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:

- Peninsula made significant advancements on the permitting front at the Lance Projects during the year, receiving the Permit to Mine, Draft Source Materials License, Safety Evaluation Report and Draft Supplemental Environmental Impact Statement;
- In December 2012 Peninsula entered into a financing agreement with BlackRock funds' for US\$22m in senior secured notes and raised a further A\$14.6m through an equity issue to BlackRock and Pala;
- In December 2012 Peninsula entered into an agreement with ARSA to acquire their portfolio of uranium and molybdenum projects in the Karoo Basin of South Africa, which included 36 prospecting rights covering 5,600 km² of the main uranium-molybdenum bearing sandstone channels in the Karoo Basin, South Africa; and
- On 5 February 2013 Peninsula announced an initial JORC Code-compliant Mineral Resource estimate of 50.1Mlbs eU₃O₈ at the Karoo Projects. This estimate included an indicated resource of 15.7Mlbs grading 1,020ppm eU₃O₈ above a cut off of 600ppm eU₃O₈.

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 2013.

AFTER BALANCE DATE EVENTS

- On 8 August 2013, Peninsula completed a sale and lease back agreement of its Head Office premises in Perth. The sale proceeds were \$2,700,000 exclusive of fees and charges. The lease agreement is for a term of 5 years on standard commercial terms.
- On 9 September 2013, Peninsula announced the completion of the Lance Wellfield Optimisation Study (WOS) which follows the Lance Central Processing Plant (CPP) Optimisation Study (OS) completed in March 2013. The WOS and OS were both undertaken as part of Peninsula's detailed engineering in preparation for the Lance Projects construction. The OS delivered significant capital cost savings in the CPP while the WOS has delivered a significant reduction in wellfield capital and operating costs along with an increased rate of wellfield production. The combined effect of this optimisation process adds substantial economic value to the project.
- On 18 September 2013, Peninsula announced that a scoping study has been completed on the Eastern Sector of the Karoo Projects by South African based engineering, procurement and construction consultants DRA Mineral Projects (Pty) Ltd. Based on the positive results of the scoping study the Company plans to commence a PFS in Q4 2013.

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.

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 and penalties under relevant jurisdictions in relation to its conduct of exploration and 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.

DIRECTORS REPORT

INFORMATION ON DIRECTORS

The names and details of the Directors of Peninsula in office as at the date of this report are:

Mr John Simpson B.Sc, B.A

Executive Chairman

Mr Simpson is both a Science and Arts graduate from Curtin University, Western Australia. He joined the Peninsula Board in August 2007 and has over 25 years of experience in the management of listed mineral companies. He has had principal involvement in a number of successful mineral discoveries in Africa, Australia and North America. Mr Simpson is currently the Non-Executive Chairman of Quest Petroleum NL (ASX: QPN). Previously held positions include senior executive roles with Gindalbie Mining NL, Australian Minerals Sands NL, Panorama Resources NL and Tanganyika Gold Limited. He brings a high level of strategic 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 – 50,690,499 ordinary shares, 7,003,101 listed options exercisable at 3 cents on or before 31 December 2015, 12,000,000 Class D Performance Rights, 12,000,000 Class E Performance Rights and 12,000,000 Class F Performance Rights.

Mr Alfred Gillman

Executive Technical Director

Mr Gillman has over 25 years experience as a geologist in uranium, gold and base metals. He has extensive uranium experience including the sandstone hosted deposits of the Karoo Basin in South Africa, Powder River Basin in Wyoming and the unconformity style deposits of northern Australia. Mr Gillman specialises in resource estimation and advanced computer modelling and since joining Peninsula has developed extensive knowledge of its projects, been instrumental in the delineation of the Company's resources, led the development of the mineralisation / exploration models and has served as the Competent Person for both the Lance and Karoo Projects. For most of his career, Mr Gillman has held senior management positions, including Group Exploration Manager of Harmony Gold and he is a Fellow and Chartered Professional of the Australian Institute of Mining and Metallurgy. Mr Gillman is a Non-Executive Director of ASX Listed Triton Minerals Limited. Mr Gillman has the following interest in Shares and Options in the Company as at the date of this report – 10,300,000 ordinary shares, 875,000 listed options exercisable at 3 cents on or before 31 December 2015, 4,000,000 Class D Performance Rights, 4,000,000 Class E Performance Rights and 4,000,000 Class F Performance Rights.

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. 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 mining company financier and corporate adviser. Mr Grigor is also a founding partner and Executive Chairman of Canaccord Genuity Australia Limited, an Australian based stockbroking organisation with offices in Melbourne, Sydney and Hong Kong, owned 50% by Canaccord Genuity Limited. 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 – 10,397,731 ordinary shares, 11,462,060 listed options exercisable at 3 cents on or before 31 December 2015, 2,000,000 Class D Performance Rights, 2,000,000 Class E Performance Rights and 2,000,000 Class F Performance Rights.

Mr Michael Barton B.Sc (Hons), ACA

Non-Executive Director

Mr Barton is Managing Director of Pala Investments Limited, a multi-strategy investment company dedicated to investing in, and creating value across, the mining sector in both developed and emerging markets. Pala seeks to assist companies in which it has long-term shareholdings by providing strategic advice and innovative financing solutions. Mr Barton currently serves on the boards of Elemental Minerals Ltd (ASX/TSX:ELM), and WDS Ltd (ASX:WDS). 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. Mr Barton is a qualified Chartered Accountant (ACA) and a fellow of the Securities and Investment Institute. Mr Barton has the following interest in Shares and Options in the Company as at the date of this report – 2,000,000 Class D Performance Rights, 2,000,000 Class E Performance Rights and 2,000,000 Class F Performance Rights.

Mr Neil Warburton Assoc MinEng WASM, MAusIMM, FAICD

Non-Executive Director

Mr Warburton has over 33 years' experience in all areas of mining operation. Over the period 2000-2012 Mr Warburton held senior positions with Barminto Limited culminating in being the Chief Executive Officer. He successfully grew Barminto into Australia and West Africa's largest underground mining contractor with revenues of more than \$800m. Prior to joining Barminto Mr Warburton held several senior corporate positions, this included serving as Managing Director of Coolgardie Gold NL. Mr Warburton 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. Mr Warburton currently serves as Executive Chairman of ASX Listed Red Mountain Mining Limited and is a Non-Executive Director of ASX Listed Australian Mines Limited. Mr Warburton has the following interest in Shares and Options in the Company as at the date of this report – 2,000,000 Class D Performance Rights, 2,000,000 Class E Performance Rights and 2,000,000 Class F Performance Rights.

DIRECTORS REPORT

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 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 ASX listed Quest Petroleum NL and 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 – 7,291,530 ordinary shares, 3,000,000 Class D Performance Rights, 3,000,000 Class E Performance Rights and 3,000,000 Class F Performance Rights.

Meetings of Directors

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

	Committee Meetings					
	Directors 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	7	6	2	2	1	1
Michael Barton	7	7	2	2	1	1
Neil Warburton	5	5	-	-	-	-
<i>Executive Directors</i>						
John Simpson	7	6	-	-	-	-
Alfred Gillman	7	7	-	-	-	-

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	31/12/2015	\$0.03	696,371,721
Various	31/12/2015	\$0.04	8,000,000
19/12/2012	31/12/2017	\$0.08	90,000,000

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 2013, the following ordinary shares of Peninsula were issued on the exercise of options granted.

Grant Date	Date of Expiry	Exercise Price	Number of Shares Issued
Various	30/06/2013	\$0.03	154,708,248

No amounts are unpaid on any of the shares. 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 Rights

At 30 June 2013 there were 177,000,000 Performance Rights on issue as follows:

Grant Date	Date of Expiry	Number on Issue
Class D	13/10/2014	58,900,000
Class E	13/10/2015	59,000,000
Class F	13/10/2016	59,100,000
Total		177,000,000

The Performance Rights are convertible into ordinary shares upon the satisfaction of various criteria which are set out in the Notice of Meeting released to the ASX on 27 October 2011. The fair value of the Performance Rights is being brought to account over their vesting periods. The purpose of the Performance Rights 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 \$20,036 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 2013:

Service	\$
Corporate Services	4,450
Total	4,450

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 29 of the Annual 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.

DIRECTORS REPORT

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 and shareholder value. 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 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 consolidated Group did not employ the services of any key management remuneration consultants during the financial year ended 30 June 2013.

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, where applicable, receive a superannuation guarantee contribution required by the government, which is currently 9.25% 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, performance rights and option arrangements to align their 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.

On 28 August 2013 the Company announced that directors and senior executives had adopted a Salary Sacrifice Program (SSP). Under the terms of the SSP a proportion of directors' fees and senior executive remuneration will be paid as equity; Peninsula fully paid ordinary shares. The effective commencement date of the SSP is 1 July 2013 and continues until 30 June 2014 or until project financing for the Lance Projects has been secured. These cash saving measures have been undertaken to ensure funds are directed to the Company's key priority, the advancement of the Lance Projects to production.

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 performance rights to all of the directors and executives to encourage the alignment of personal and shareholder interests. Details of these performance rights are listed below.

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. 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 for the year ended 30 June 2013.

DIRECTORS REPORT

Group Key Management Personnel	Position held at 30 June 2013	Proportions of Elements of Remuneration Related to Performance			Proportions of Elements of Remuneration not Related to Performance	
		Non-Salary Cash Based Incentives %	Shares/ Rights %	Options %	Fixed Salary/Fees %	Total %
John Simpson	Executive Chairman	-	47.02	-	52.98	100.00
Malcolm James	N/A	-	30.55	-	69.45	100.00
Alf Gillman	Technical Director (Executive)	-	35.44	-	64.56	100.00
Warwick Grigor	Director (Non-Executive)	-	53.59	-	46.41	100.00
Michael Barton	Director (Non-Executive)	-	55.72	-	44.28	100.00
Neil Warburton	Director (Non-Executive)	-	55.37	-	44.63	100.00
Glenn Black	Chief Operating Officer	-	25.14	-	74.86	100.00
David Coyne	Chief Financial Officer	-	-	-	100.00	100.00
Ralph Knode	Chief Executive Officer (Strata Energy Inc.)	-	45.88	-	54.12	100.00
Jonathan Whyte	Company Secretary	-	47.31	-	52.69	100.00

Service Contracts

The employment terms and conditions of key management personnel and 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 month's notice. Termination payments are not payable on resignation or under circumstances of unsatisfactory performance. On termination notice by the Company, any rights that have vested, or that will vest during the notice period, will be released. Rights that have not yet vested will be forfeited.

Mr John Simpson, Executive Chairman

Consultancy agreement, 2 years commencing 1 July 2013.

Maximum annual fee of A\$750,000.

Notice period 3 months.

No termination benefit is specified in the agreement.

Mr Alfred Gillman, Technical Director (Executive)

Consultancy agreement with no fixed term.

Annual fee of approximately A\$450,000.

Notice period 3 months.

No termination benefit is specified in the agreement.

Mr Warwick Grigor, Director (Non-Executive)

Terms of agreement – no fixed term.

Base director fees, exclusive of superannuation of A\$36,000.

Notice period 3 months.

No termination benefit is specified in the agreement.

Mr Michael Barton, Director (Non-Executive)

Terms of agreement – no fixed term.

Base director fees, exclusive of superannuation of A\$36,000.

Notice period 3 months.

No termination benefit is specified in the agreement.

Mr Neil Warburton, Director (Non-Executive)

Terms of agreement – no fixed term.

Base director fees, exclusive of superannuation of A\$36,000.

Notice period 3 months.

No termination benefit is specified in the agreement.

Mr Glenn Black, Chief Operating Officer

Consultancy agreement with no fixed term.

Annual fee of US\$276,000.

Notice period 3 months.

No termination benefit is specified in the agreement.

DIRECTORS REPORT

Mr David Coyne, Chief Financial Officer

Terms of agreement – 3 years commencing 17 June 2013.

Base salary, exclusive of superannuation of A\$350,000.

Notice period 3 months.

No termination benefit is specified in the agreement.

Mr Ralph Knode, Chief Executive Officer - Strata Energy Inc.

Terms of agreement – no fixed term.

Base salary, exclusive of superannuation of US\$300,000.

Notice period 3 months.

No termination benefit is specified in the agreement.

Mr Jonathan Whyte, Company Secretary

Consultancy agreement with no fixed term.

Annual fee of A\$234,369.

Notice period 1 month.

No termination benefit is specified in the agreement.

Table of Benefits and Payments for the Year Ended 30 June 2013

		Short-term Benefits		Post-Employment Benefits	Equity Settled Share-based Payments			
Group Key Management Personnel		Salary & Fees \$	Other \$	Super-annuation \$	Shares/ Rights ^(g) \$	Options \$	Termination Benefits \$	Total \$
Non-Executive Directors								
Warwick Grigor	2013	36,000	-	3,240	45,306	-	-	84,546
	2012	36,000	-	3,240	85,500	-	-	124,740
Michael Barton	2013	36,000	-	-	45,306	-	-	81,306
	2012	36,000	-	-	-	-	-	36,000
Neil Warburton ^(a)	2013	12,000	-	-	14,889	-	-	26,889
	2012	-	-	-	-	-	-	-
Alan Marlow ^(b)	2013	-	-	-	-	-	-	-
	2012	9,000	-	810	85,500	-	-	95,310
Executive Directors								
John Simpson	2013	756,000	-	-	670,833	-	-	1,426,833
	2012	735,000	-	-	399,000	-	-	1,134,000
Malcolm James ^(c)	2013	358,400	-	2,160	158,569	-	-	519,129
	2012	536,000	-	3,240	85,500	-	-	624,740
Alf Gillman	2013	482,400	-	3,240	266,611	-	-	752,251
	2012	371,000	-	2,430	132,000	-	-	505,430
Other Executives								
Anthony Simpson ^(d)	2013	-	-	-	-	-	-	-
	2012	127,500	-	-	228,000	-	-	355,500
Glenn Black	2013	269,788	-	-	90,611	-	-	360,399
	2012	302,958	-	-	-	-	-	302,958

DIRECTORS REPORT

		Short-term Benefits		Post-Employment Benefits	Equity Settled Share-based Payments			
Group Key Management Personnel		Salary & Fees \$	Other \$	Super-annuation \$	Shares/ Rights ^(g) \$	Options \$	Termination Benefits \$	Total \$
David Coyne ^(e)	2013	13,611	-	972	-	-	-	14,583
	2012	-	-	-	-	-	-	-
Ralph Knode ^(f)	2013	328,017	-	9,841	286,473	-	-	624,331
	2012	69,501	-	2,085	-	-	-	71,586
Jonathan Whyte	2013	234,349	-	-	210,458	-	-	444,807
	2012	234,349	-	-	162,500	-	-	396,849
Total	2013	2,526,565	-	19,453	1,789,056	-	-	4,335,074
	2012	2,457,308	-	11,805	1,178,000	-	-	3,647,113

(a) Mr Neil Warburton was appointed as Non-Executive Director effective 27 February 2013.

(b) Mr Alan Marlow resigned as Non-Executive Director effective 30 September 2011.

(c) Mr Malcolm James resigned as Executive Director effective 27 February 2013.

(d) Mr Anthony Simpson resigned as Chief Operating Officer effective 30 November 2011.

(e) Mr David Coyne was appointed as Chief Financial Officer effective 17 June 2013.

(f) Mr Ralph Knode was appointed as Chief Executive Officer - Strata Energy Inc. 1 April 2012.

(g) The fair value of the Class C Performance Right vested during the year was ascertained as the market bid price at grant date which was 5.7 cents (except Alf Gillman's shares – 4.4 cents). Note that the share price is currently trading at levels well below this valuation. On various dates since 28 November 2012, 132,000,000 Class D, E and F Performance Rights were issued to Key Management Personnel. The Performance Rights are convertible into ordinary shares upon the satisfaction of various criteria which are set out in the Notice of Meeting released to the ASX on 27 October 2011. The fair value of the Performance Rights is being brought to account over their vesting periods.

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. Mr Ralph Knode was issued 4,000,000 ordinary shares as a signing bonus per his employment contract on 3 July 2013.

Shares and Performance Rights Granted

Group Key Management Personnel	Grant Details			For the Financial Year Ended 30 June 2013			Overall		
	Date	Number ^(d)	Value \$ ^(a)	Converted No. ^(a)	Converted \$	Vested No.	Fair Value Brought to Account %	Fair Value Not Yet Brought to Account %	Lapsed %
Performance Rights^(a)									
<i>Non-Executive Directors</i>									
Warwick Grigor	28/11/12	6,000,000	128,000	-	-	-	35.39	64.61	-
Michael Barton	28/11/12	6,000,000	128,000	-	-	-	35.39	64.61	-
Neil Warburton	27/02/13	6,000,000	74,000	-	-	-	20.12	79.88	-
<i>Executive Directors</i>									
John Simpson	30/11/09	17,000,000	969,000	7,000,000	399,000	7,000,000	100.00	-	-
	28/11/12	36,000,000	768,000	-	-	-	35.39	64.61	-
Malcolm James	28/11/12	21,000,000	448,000	-	-	-	35.39	64.61	-
Alf Gillman	12/04/10	8,500,000	374,000	4,000,000	176,000	4,000,000	100.00	-	-
	28/11/12	12,000,000	256,000	-	-	-	35.39	64.61	-

DIRECTORS REPORT

	Grant Details			For the Financial Year Ended 30 June 2013			Overall		
Group Key Management Personnel	Date	Number ^(d)	Value \$ ^(a)	Converted No. ^(a)	Converted \$	Vested No.	Fair Value Brought to Account %	Fair Value Not Yet Brought to Account %	Lapsed %
<i>Executives</i>									
Glenn Black	28/11/12	12,000,000	256,000	-	-	-	35.39	64.61	-
David Coyne	21/06/13	12,000,000	80,000	-	-	-	-	100.00	-
Ralph Knode	28/11/12	12,000,000	256,000	-	-	-	35.39	64.61	-
Jonathan Whyte	30/11/09	5,000,000	285,000	2,500,000	142,500	2,500,000	100.00	-	-
	28/11/12	9,000,000	192,000	-	-	-	35.39	64.61	-
Total		162,500,000	4,214,000	13,500,000	717,500	13,500,000	46.40	53.60	-
<i>Ordinary Shares</i>									
<i>Non-Executive Directors</i>									
Warwick Grigor	n/a	-	-	N/A	N/A	-	-	-	-
Michael Barton	n/a	-	-	N/A	N/A	-	-	-	-
Neil Warburton	n/a	-	-	N/A	N/A	-	-	-	-
<i>Executive Director</i>									
John Simpson	n/a	-	-	N/A	N/A	-	-	-	-
Malcolm James	n/a	-	-	N/A	N/A	-	-	-	-
Alf Gillman	n/a	-	-	N/A	N/A	-	-	-	-
<i>Executives</i>									
Glenn Black	n/a	-	-	N/A	N/A	-	-	-	-
David Coyne	n/a	-	-	N/A	N/A	-	-	-	-
Ralph Knode ^(c)	n/a	6,068,966	195,862	N/A	N/A	6,068,966	100%	-	-
Jonathan Whyte	n/a	-	-	N/A	N/A	-	-	-	-
Total		6,068,966	195,862	N/A	N/A	6,068,966	100%	-	-

- a) The fair value of the Class C Performance Right vested during the year was ascertained as the market bid price at grant date which was 5.7 cents (except Alf Gillman's shares – 4.4 cents). Note that the share price is currently trading at levels well below this valuation. On various dates since 28 November 2012, 132,000,000 Class D, E and F Performance Rights were issued to Key Management Personnel (see Note 20 to the financial statements for valuation details). The Performance Rights are convertible into ordinary shares upon the satisfaction of various criteria which are set out in the Notice of Meeting released to the ASX on 27 October 2011. The fair value of the Performance Rights is being brought to account over their vesting periods.
- b) Mr Anthony Simpson resigned as Chief Operating Officer effective 30 November 2012.
- c) Mr Ralph Knode was issued 4,000,000 ordinary shares on 3 July 2012 as a signing bonus under his employment contract. He was issued 2,068,966 shares on 11 June 2013 after electing to take his annual bonus in shares rather than cash.
- d) Includes all Performance Rights granted in the year to 30 June 2013 and those Performance Rights that had yet to vest as at 30 June 2012.

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.



John Simpson (Executive Chairman)
Dated this 26 day of September 2013

DIRECTORS REPORT

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 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'.

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 2012 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 Mr Steven Whitehead, Member of the Australasian Institute of Mining and Metallurgy. Mr Whitehead is Exploration Manager for Geopacific Resources NL. Mr Whitehead 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 Guilinger, Mr van der Walt and Mr Whitehead 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 the governance of Peninsula Energy Limited

As auditor for the audit of Peninsula Energy Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens
Partner

Perth

26 September 2013

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 30 JUNE 2013**

		2013	2012
	Notes	\$	\$
Interest revenue	2	386,653	852,635
Employee benefits expense		(4,910,787)	(4,087,589)
Share-based payment expense - facility fee	20	(2,160,000)	-
Other share-based payments expense	20	(2,414,208)	(1,750,300)
Impairment of available-for-sale-financial asset		(2,176)	(1,631)
Exploration expenditure write-off	10	-	(163)
Interest expense	3	(1,626,508)	(231,036)
Depreciation expense	9	(314,389)	(220,063)
Professional fees		(1,221,563)	(131,314)
General and administrative expenses		(986,462)	(795,477)
Foreign exchange gain/(loss)		3,710	131,899
Travel expenses		(1,317,925)	(909,106)
Loss Before Income Tax	3	(14,563,655)	(7,142,145)
Income tax expense	4	-	-
Loss From Continuing Operations		(14,563,655)	(7,142,145)
Other Comprehensive Income:			
<i>Items that may be reclassified to profit and loss</i>			
Exchange differences on translation of foreign controlled entities		7,626,225	610,004
Total Comprehensive Income for the Year		(6,937,430)	(6,532,141)
Basic loss per share (cents per share)	21	(0.53)	(0.33)
Diluted loss per share (cents per share)	21	(0.53)	(0.33)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Notes	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	5	5,184,760	14,155,136
Trade and other receivables	6	6,773,259	2,125,086
TOTAL CURRENT ASSETS		11,958,019	16,280,222
NON-CURRENT ASSETS			
Trade and other receivables	6	948,494	2,805,000
Other financial assets	7	3,263	5,438
Property, plant and equipment	9	5,123,389	4,293,973
Mineral exploration, evaluation, and development	10, 11	77,398,934	58,610,308
TOTAL NON-CURRENT ASSETS		83,474,080	65,714,719
TOTAL ASSETS		95,432,099	81,994,941
CURRENT LIABILITIES			
Trade and other payables	12	1,294,520	5,527,614
Borrowings	13	2,805,000	-
Short-term provisions	14	18,847	20,269
TOTAL CURRENT LIABILITIES		4,118,367	5,547,883
NON-CURRENT LIABILITIES			
Borrowings	13	676,335	2,805,000
TOTAL NON-CURRENT LIABILITIES		676,335	2,805,000
TOTAL LIABILITIES		4,794,702	8,352,883
NET ASSETS		90,637,397	73,642,058
EQUITY			
Issued capital	15	126,749,105	106,522,715
Reserves	16	9,970,363	(974,241)
Accumulated losses		(46,082,071)	(31,906,416)
TOTAL EQUITY		90,637,397	73,642,058

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2013

	Notes	Issued Capital \$	Accumulated Losses \$	Share Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Total \$
Balance at 1 July 2011		97,847,017	(24,764,271)	5,660,029	(8,115,163)	70,627,612
Share based payment expense	20	1,608,300	-	142,000	-	1,750,300
Exercise of options	15b	7,796,287	-	-	-	7,796,287
Issue of options under equity facility agreement	15b	(728,889)	-	728,889	-	-
Foreign currency translation		-	-	-	610,004	610,004
Loss for the year		-	(7,142,145)	-	-	(7,142,145)
Balance at 30 June 2012		106,522,715	(31,906,416)	6,530,918	(7,505,159)	73,642,058
Shares issued during the year	15b	15,559,211	-	-	-	15,559,211
Share based payment expense	20	1,241,162	-	1,173,046	-	2,414,208
Exercise of options	15b	4,641,371	-	-	-	4,641,371
Options lapsed		-	388,000	(388,000)	-	-
Issue of options under debt facility agreement	20	-	-	2,160,000	-	2,160,000
Issue of options under equity facility agreement	15b	(373,333)	-	373,333	-	-
Transaction costs	15b	(842,021)	-	-	-	(842,021)
Foreign currency translation		-	-	-	7,626,225	7,626,225
Loss for the year		-	(14,563,655)	-	-	(14,563,655)
Balance at 30 June 2013		126,749,105	(46,082,071)	9,849,297	121,066	90,637,397

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

		2013	2012
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(8,770,290)	(5,700,079)
Interest paid		(1,626,508)	-
Interest received		386,653	852,635
Other receipts		-	126,039
Net cash (used in) operating activities	29	(10,010,145)	(4,721,405)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for mineral exploration, evaluation and development		(13,730,931)	(14,350,127)
Cash reclassified to other receivables (held as security for bank loan)	6	-	(2,805,000)
Payments for mineral exploration performance bonds		(1,786,991)	(887,591)
Purchase of property, plant and equipment		(467,470)	(1,335,795)
Net cash (used in) investing activities		(15,985,392)	(19,378,513)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		14,610,717	-
Proceeds from application to exercise options		1,515,632	10,922,026
Transaction costs		(842,021)	-
Net cash provided by financing activities		15,284,328	10,922,026
Net (decrease)/increase in cash held		(10,711,209)	(13,177,892)
Cash at the beginning of financial year		14,155,136	26,723,024
Effects of exchange rate fluctuations on cash held		1,740,833	610,004
Cash at the End of Financial Year	5	5,184,760	14,155,136

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 going concern 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) Going Concern

The accounts have been prepared on the basis that the consolidated entity can meet its commitments as and when they fall due and can therefore continue normal business activities, and realise assets and liabilities in the ordinary course of business.

The consolidated entity incurred a loss of \$14,563,655 for the year ended 30 June 2013 (2012: \$7,142,145) and incurred negative operating cash outflows of \$10,010,145 (2012: \$4,721,405). The net working capital surplus of the consolidated entity at 30 June 2013 was \$7,839,652 (2012: \$10,732,339) and the net decrease in cash held during the year was \$10,711,209 (2012: \$13,177,892).

The ability of the Company and the consolidated entity to continue to pay its debts as and when they fall due is dependent upon the Company successfully obtaining funding and ultimately developing one of its mineral properties.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- The Directors have an appropriate plan to raise additional funds as and when it is required. In light of the Group's current exploration projects, the Directors believe that the additional capital required can be raised in the equity market;
- The Company has also executed agreements with BlackRock for the issuance of US\$22 million in senior secured notes. Drawdown is subject to conditions precedent, as detailed in the director's report and Note 23(c). The Directors believe that it is probable that the conditions precedent are capable of being met;
- The Company will be receiving project finance proposals from multiple groups in October 2013. The financial groups that have expressed interest in providing funding for the Lance Projects include international banks and investment funds; and
- Directors have an appropriate plan to contain certain operating and exploration expenditure if appropriate funding is unavailable.

In the event that the consolidated entity is not able to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and at amounts different to those stated in this financial report.

(c) **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.

(d) **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 profit and loss and other comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit and loss and other 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 profit and loss and other 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	3-6 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 profit and loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Mineral Exploration, Evaluation and Development

Mineral exploration and evaluation costs incurred are 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.

Once technical feasibility and commercial viability of the extraction of mineral resources in an area of interest is demonstrable, exploration and evaluation assets attributed to that area of interest are first tested for impairment and then reclassified from exploration and evaluation to development.

Once a mining project has been established as commercially viable and technically feasible, expenditure other than that on land, buildings, plant and equipment is capitalised as development. Development includes previously capitalised exploration and evaluation costs, pre-production development costs, development studies and other subsurface expenditure pertaining to that area of interest. Costs related to surface plant and equipment and any associated land and buildings are accounted for as property, plant, and equipment.

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. For ISR operations where a reserve (by definition under the relevant JORC-Code), cannot be determined until a sufficient period of economic operations have occurred, the rate of depletion shall be based on economically recoverable resources.

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, evaluation and development assets 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 resources 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.

(f) 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.

(g) 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.

(vi) *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.

(vii) *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 profit and loss and other comprehensive income.

(viii) *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.

(ix) *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.

(h) 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 profit and loss and other 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.

(i) 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.

(j) 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 profit and loss and other 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 profit and loss and other 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.

(k) 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 9.25%, and do not receive any other retirement benefits.

(l) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(m) Earnings Per Share

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(n) 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 rights 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.

(o) 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.

(p) 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.

(q) 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).

(r) 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.

(s) 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 profit and loss and other 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.

(t) 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.

(u) 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.

(v) 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.

(w) 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.

(x) 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

(i) *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

(i) *Exploration, Evaluation and Development*

The consolidated group capitalises expenditure relating to exploration and evaluation costs where they are 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 and evaluation costs are 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.

Development activities commence after commercial viability and technical feasibility of the project is established. Judgement is applied in determining when a project is commercially viable and technically feasible. In exercising this judgement, management is required to make certain estimates and assumptions as to the future events. If, after having commenced the development activity, a judgement is made that a development asset is impaired, the appropriate amount will be written off to profit and loss.

(y) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2015 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The consolidated entity will adopt this standard from 1 July 2015 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 10 Consolidated Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The consolidated entity will not only have to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes. The adoption of this standard from 1 July 2013 may have an impact where the consolidated entity has a holding of less than 50% in an entity, has de facto control, and is not currently consolidating that entity.

AASB 11 Joint Arrangements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard defines which entities qualify as joint ventures and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets will use equity accounting. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities will account for the assets, liabilities, revenues and expenses separately, using proportionate consolidation. The directors are in the process of determining the impact that this standard will have on the consolidated entity.

AASB 12 Disclosure of Interests in Other Entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. It contains the entire disclosure requirement associated with other entities, being subsidiaries, associates and joint ventures. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'. The adoption of this standard from 1 July 2013 may increase the amount of disclosures required to be given by the consolidated entity such as judgements and assumptions made in determining whether it has a controlling or non-controlling interest in another entity and the type of non-controlling interest and the nature and risks involved.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the consolidated entity from 1 July 2013 should be minimal, although there will be increased disclosures where fair value is used.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

This revised standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make changes to the accounting for defined benefit plans and the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. The later will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of these revised standards from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2014 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the consolidated entity.

Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine and AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20

This interpretation and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The Interpretation clarifies when production stripping costs should lead to the recognition of an asset and how that asset should be initially and subsequently measured. The Interpretation only deals with waste removal costs that are incurred in surface mining activities during the production phase of the mine. The adoption of the interpretation and the amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The disclosure requirements of AASB 7 'Financial Instruments: Disclosures' (and consequential amendments to AASB 132 'Financial Instruments: Presentation') have been enhanced to provide users of financial statements with information about netting arrangements, including rights of set-off related to an entity's financial instruments and the effects of such rights on its statement of financial position. The adoption of the amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of "currently has a legally enforceable right of set-off"; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 (IFRS 1) 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities. The adoption of the amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039

This amendment is applicable to annual reporting periods beginning on or after 1 January 2013. The amendment removes reference in AASB 1048 following the withdrawal of Interpretation 1039. The adoption of this amendment will not have a material impact on the consolidated entity.

AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments

These amendments are applicable to annual reporting periods beginning on or after 1 January 2013. They amend AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. The adoption of these amendments will not have a material impact on the consolidated entity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

2. REVENUE AND OTHER INCOME

	2013 \$	2012 \$
Revenue from continuing operations		
Interest received	386,653	852,635
Total revenue from continuing operations	386,653	852,635

3. LOSS FOR THE YEAR

	2013 \$	2012 \$
Loss before income tax includes the following specific expenses:		
Employee Benefits Expense		
- defined contribution superannuation expense	63,100	36,772
Rental expense on operating leases		
- minimum lease payments	6,944	30,015
Interest expense		
- interest payments (i)	1,626,508	231,036

- (i) On 10 December 2012 Peninsula announced that it has executed a series of definitive agreements with funds managed by BlackRock Financial Management, Inc. providing for the issuance of US\$22 million in senior secured notes.

The Notes were issued by Strata Energy Inc. at an issue price of 100% of their face value, mature two years from the date of issue and have a coupon of 11%. Proceeds from the issuance of the Notes were placed in an escrow account pending Strata meeting certain conditions precedent to enable the funds to be released from escrow. The release from escrow is conditional upon certain conditions precedent being met, including the grant of the Permit to Mine (now granted) and Peninsula entering into a U3O₈ sales agreement on terms satisfactory to BlackRock at a net present value equal to the amount to be released from escrow. \$1,436,220 of the above interest expense for the year to 30 June 2013 is attributable to the Notes.

4. INCOME TAX

	2013 \$	2012 \$
(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	-	-
Income tax (benefit)/expense	-	-
(b) Numerical reconciliation between tax expense and pre-tax net loss:		
	2013 \$	2012 \$
Accounting loss before income tax	(14,563,655)	(7,142,145)
At the group's statutory income tax rate of 30%	(4,369,097)	(2,142,644)
Add tax effect of:		
Mineral exploration written off	-	49
Share based payments - facility fee	648,000	-
Share based payments - other	724,262	525,090
Mineral exploration, evaluation and development costs	(4,170,970)	(4,236,866)
	(7,167,805)	(5,854,371)
Benefit of tax losses not brought to account as an asset	7,167,805	5,854,371
Income tax (benefit)/expense	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

(c) As at 30 June 2013, the group has estimated tax losses of approximately \$86,092,930 (2012: \$62,200,247), which may be available to be offset against taxable income in future years. The availability of these losses is subject to satisfying taxation legislative requirements in the jurisdictions in which the group operates. The deferred tax asset attributable to tax losses, net of deferred tax liabilities, has not been brought to account in these financial statements 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

	2013 \$	2012 \$
Cash at bank and in hand	525,830	10,322,262
Short-term bank deposits	4,658,930	3,832,874
	5,184,760	14,155,136

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

	2013 \$	2012 \$
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	5,184,760	14,155,136
	5,184,760	14,155,136

6. TRADE AND OTHER RECEIVABLES

	2013 \$	2012 \$
CURRENT		
Sundry receivables	259,559	203,377
Security term deposit ^(b)	2,805,000	-
Other receivables ^(a)	3,708,700	1,921,709
	6,773,259	2,125,086
NON-CURRENT		
Security term deposit ^(b)	-	2,805,000
Prepayment – ARSA Projects ^(c)	948,494	-
	948,494	2,805,000

(a) Consists of the Permit to Mine Bond and Environmental Performance Bonds for the current drill program at the Lance Projects in Wyoming, USA.

(b) Balance relates to a security term deposit held with bank (100% cash security for office purchase loan – Note 13). As detailed in Note 19 the office was sold after balance sheet date.

(c) In accordance with the agreement with ARSA to acquire their portfolio of uranium and molybdenum projects in the Karoo Basin of South Africa, as announced on 11 December 2012, Peninsula paid the initial consideration of USD\$1,000,000 in fully paid ordinary shares in the capital of the Company to a subsidiary of ARSA, being 21,077,635 shares (based on 30 day PEN VWAP). Subject to meeting conditions precedent, Peninsula will issue the remaining USD\$4,000,000 in fully paid shares to complete the acquisition by no later than 31 December 2013.

No receivables are past due or impaired.

7. OTHER FINANCIAL ASSETS

	Note	2013 \$	2012 \$
NON-CURRENT			
Available-for-sale financial assets	7(a)	3,263	5,438
Total Non-Current Assets		3,263	5,438

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
(a) Available-for-sale financial assets comprise		
Listed investments, at fair value - shares in listed corporations	3,263	5,438

Available-for-sale financial assets as at 30 June 2013 comprised a holding of 543,750 shares in 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 2013 was \$0.006 per share giving a market value as at 30 June 2013 of \$3,263.

8. CONTROLLED ENTITIES

a) Controlled Entities Consolidated

Percentage Ownership (%)

Parent Entity	Country of Incorporation	2013	2012
Peninsula Energy Limited	Australia		
Subsidiaries of Peninsula Energy Limited			
Tasman Pacific Minerals Limited	Australia	100%	100%
Tasman RSA Holdings (Pty) Ltd (i)	South Africa	100%	-
Tasman Mmakau JV (Pty) Ltd (i)	South Africa	74%	-
PM Prospecting Pty Ltd	Australia	100%	100%
PM Energy Pty Ltd	Australia	100%	100%
Peninsula USA Holdings Inc. (ii)	USA	100%	-
Strata Energy Inc.	USA	100%	100%
RCM (SA) Pty Ltd	Australia	100%	100%
Trove Resources Pty Ltd	Australia	100%	100%
Imperial Mining (Fiji) NL	Australia	100%	100%
PEN Limited (iii)	Jersey	100%	-

b) Acquisition and Disposal of Controlled Entities

(i) Tasman RSA Holdings (Pty) Ltd and Tasman Mmakau JV (Pty) Ltd

On 9 November 2012, Peninsula incorporated two new South African entities to assist with operations in the Karoo region of South Africa. Tasman Mmakau JV (Pty) Ltd is continuing the existing Uranium/Molybdenum Joint Venture, with BEE partner Mmakau Mining (Pty) Ltd holding a 26% interest. Refer Note 11 for more details.

(ii) Peninsula USA Holdings Inc.

On 12 October 2012, Peninsula incorporated a new corporation to improve the tax structure of US-based operations going forward.

(iii) PEN Limited

Peninsula established a new sales and marketing company in Jersey on 8 May 2013. PEN Limited will be responsible for global marketing and sales of uranium concentrate for the group.

9. PROPERTY, PLANT & EQUIPMENT

	Consolidated Group	
	2013 \$	2012 \$
Plant and Equipment		
- At cost	793,952	588,746
- Accumulated depreciation	(237,171)	(168,680)
Total Plant and Equipment	556,781	420,066
Land and Buildings		
- At cost	4,901,909	4,034,860
- Accumulated depreciation	(335,301)	(160,953)
Total Land and Buildings	4,566,608	3,873,907
Total Property, Plant and Equipment	5,123,389	4,293,973

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	Plant and Equipment \$	Land and Buildings \$	Total \$
a) Movement 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	420,066	3,873,907	4,293,973
Additions	324,443	868,879	1,193,322
Disposals	(47,957)	(1,560)	(49,517)
Depreciation expense	(139,771)	(174,618)	(314,389)
Carrying Amount at the End of the Year	556,781	4,566,608	5,123,389

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

10. MINERAL EXPLORATION, EVALUATION AND DEVELOPMENT

	Exploration and evaluation \$	Development \$	Total \$
30 June 2012			
Opening net book value	43,572,238	-	43,572,238
Exploration and evaluation costs incurred	10,089,481	-	10,089,481
Transfer to development (Lance Projects) (i)	(42,921,084)	42,921,084	-
Development costs incurred	-	4,033,407	4,033,407
Exploration expenditure written off	(163)	-	(163)
Foreign exchange translation	(789,198)	1,704,543	915,345
Closing net book value	9,951,274	48,659,034	58,610,308
30 June 2013			
Opening net book value	9,951,274	48,659,034	58,610,308
Exploration and evaluation costs incurred	1,690,306	-	1,690,306
Development costs incurred	-	12,212,927	12,212,927
Foreign exchange translation	(549,573)	5,434,966	4,885,393
Closing net book value	11,092,007	66,306,927	77,398,934

(i) During the year ended 30 June 2012, the group completed a Feasibility Study and Expanded Economic Study leading to the conclusion that the Lance Projects are technically and economically viable. In April 2012, the group resolved to commence commercial mining operations at the Lance Projects. As a result, accumulated exploration and evaluation costs associated with the Lance Projects were transferred to 'Development'.

Recoverability of the above carrying amounts is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

11. JOINT VENTURES

Interest in Joint Ventures	2013 \$	2012 \$
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 and evaluation expenditure	2,002,945	2,002,945

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 Mmakau Mining (Pty) Ltd holds a 26% interest.

NON-CURRENT ASSETS		
Exploration and evaluation expenditure	8,788,036	7,948,329

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

	2013 \$	2012 \$
CURRENT		
Trade payables	1,294,520	2,401,875
Funds held in Trust - Options Exercised applicants	-	3,125,739
Total Trade and Other Payables	1,294,520	5,527,614

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. BORROWINGS

	2013 \$	2012 \$
CURRENT		
Borrowings - office premises ^(a)	2,805,000	-
Total Current Financial Liabilities	2,805,000	-
NON-CURRENT		
Borrowings - office premises ^(a)	-	2,805,000
Borrowings - Strata ^(b)	676,335	-
Total Non-Current Financial Liabilities	676,335	2,805,000

(a) Balance relates to a bank loan obtained to finance purchase of office premises. The interest rate on the loan is the variable bank bill business rate plus 2.4%. The loan is secured by a term deposit (Note 6). As detailed in Note 19 the office was sold after balance sheet date.

(b) Balance consists of a mortgage over the Strata Energy Inc. office building and loans for company vehicles.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

14. PROVISIONS

	2013 \$	2012 \$
Employee Entitlements		
Annual Leave	18,847	20,269
Total Provisions	18,847	20,269

15. ISSUED CAPITAL

A reconciliation of the movement in capital and reserves for the consolidated group can be found in the Statement of Changes in Equity.

	2013 \$	2012 \$
2,955,495,084 fully paid ordinary shares (2012: 2,385,447,312)	126,749,105	106,522,715

(a) Ordinary Shares

	2013 No	2012 No
At the beginning of the reporting year	2,385,447,312	2,095,337,752
<i>Shares issued during the year</i>		
- Share Placement - BlackRock (i)	293,004,848	-
- Share Placement - Pala Investment Holdings Limited (i)	71,888,075	-
- Consideration to ARSA - project acquisition (ii)	21,077,635	-
- Performance rights vested and converted to ordinary shares (Note 19)	13,500,000	26,000,000
- Employee incentive shares issued (Note 19)	15,368,966	6,900,000
- Shares issued on exercise of options	154,708,248	257,209,560
- Other Shares Issued	500,000	-
Total at the end of the year	2,955,495,084	2,385,447,312

(b) Ordinary Shares

	2013 \$	2012 \$
At the beginning of the reporting year	106,522,715	97,847,017
<i>Shares issued during the year</i>		
- Share Placement - BlackRock (i)	11,720,194	-
- Share Placement - Pala Investment Holdings Limited (i)	2,875,523	-
- Consideration to ARSA - project acquisition (ii)	948,494	-
- Performance rights vested and converted to ordinary shares (Note 19)	717,500	1,101,000
- Employee incentive shares issued (Note 19)	523,662	507,300
- Shares issued on exercise of options	4,641,371	7,796,287
- Other Shares Issued	15,000	-
- Capital raising fees – equity facility agreement	(373,333)	(728,889)
- Capital raising fees – other	(842,021)	-
Total at the end of the year	126,749,105	106,522,715

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

- (i) On 19 December 2012, Peninsula Energy Limited placed 293,004,848 fully paid ordinary shares in the capital of the Company at 4 cents per Share and 152,362,521 free attaching listed PENOC options exercisable at 3 cents on or before 31 December 2015 to BlackRock. In addition the Company agreed to place 71,888,075 fully paid ordinary shares in the capital of the Company at 4 cents per Share and 37,381,799 free attaching listed PENOC options exercisable at 3 cents on or before 31 December 2015 to Pala Investments Holdings Limited (Pala).

The funds raised from the issue of Shares to BlackRock and Pala totalled \$14,595,717.

- (ii) In accordance with the share purchase agreement with ARSA to acquire their portfolio of uranium and molybdenum projects in the Karoo Basin of South Africa, as announced on 11 December 2012, Peninsula paid the initial consideration of USD\$1,000,000 in fully paid ordinary shares in the capital of the Company to a subsidiary of ARSA, being 21,077,635 shares (based on 30 day PEN VWAP).

c) Options and Performance Rights

- (i) The total number of options on issue at 30 June 2013 was 802,371,721. The options include 696,371,721 listed PENOC options on issue exercisable at 3 cents on or before 31 December 2015, 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, 4,000,000 unlisted options exercisable at 9 cents on or before 18 September 2013 and 90,000,000 unlisted options exercisable at 8 cents on or before 31 December 2017.
- (ii) The total number of Performance Rights on issue at 30 June 2013 was 177,000,000. There were 58,900,000 Class D Performance Rights, 59,000,000 Class E Performance Rights and 59,100,000 Class F Performance Rights. Refer to Note 20 for more details.

A reconciliation of the total options on issue as at 30 June 2013 is as follows:

	PENOA	PENOC	UNLISTED
At the beginning of the year	154,708,248	483,849,623	24,000,000
Issued during the year	-	212,522,098	90,000,000
Expired during the year	-	-	(8,000,000)
Exercised during the year	(154,708,248)	-	-
Total at the end of the year	-	696,371,721	106,000,000

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 an appropriate debt to equity ratio 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.

16. RESERVES

(a) Option Reserve

The option reserve records items recognised as expenses on valuation of employee share options.

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

17. AUDITORS' REMUNERATION

	2013 \$	2012 \$
Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report	56,500	62,747
- Taxation services	-	14,150
- Other services	4,450	4,750
Total Auditors' Remuneration	60,950	81,647

18. KEY MANAGEMENT PERSONNEL COMPENSATION

Names and positions held of consolidated and parent entity key management personnel in office at any time during the financial year are:

Key Management	Position
John Simpson	Chairman (Executive)
Alfred Gillman	Director (Executive Technical)
Warwick Grigor	Director (Non-Executive)
Michael Barton	Director (Non-Executive)
Neil Warburton	Director (Non-Executive) (appointed 27 February 2013)
Glenn Black	Chief Operating Officer
David Coyne	Chief Financial Officer (appointed 19 June 2013)
Ralph Knode	Chief Executive Officer - Strata Energy Inc.
Jonathan Whyte	Company Secretary
Malcolm James	Director (Executive) (resigned 27 February 2013)

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 2013.

The totals of remuneration paid to key management personnel of the Company and the consolidated group during the year are as follows:

	2013 \$	2012 \$
Short-term employee benefits	2,526,565	2,457,308
Post-employment benefits	19,453	11,805
Share-based payments	1,789,056	1,178,000
	4,335,074	3,647,113

(a) Options and Rights Holdings

Number of Options Held by Key Management Personnel 30 June 2013

	Balance at 1 July 2012	Granted as Remuneration	Options Exercised	Net Other Changes	Balance at 30 June 2013	Total Vested
John Simpson	7,003,001	-	-	-	7,003,001	7,003,001
Malcolm James (i)	3,271,464	-	-	(3,271,464)	N/A	N/A
Alf Gillman	875,000	-	-	-	875,000	875,000
Warwick Grigor	11,462,060	-	-	-	11,462,060	11,462,060
Michael Barton	-	-	-	-	-	-
Neil Warburton (ii)	N/A	-	-	-	-	-
Glenn Black	-	-	-	-	-	-
David Coyne (iii)	N/A	-	-	-	-	-
Ralph Knode	-	-	-	-	-	-
Jonathan Whyte	1,000,000	-	-	(1,000,000)	-	-
Total	23,611,525	-	-	(4,271,464)	19,340,161	19,340,161

(i) Mr Malcolm James resigned from the group effective 27 February 2013.

(ii) Mr Neil Warburton was appointed effective 27 February 2013.

(iii) Mr David Coyne was appointed effective 19 June 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Number of Options Held by Key Management Personnel 30 June 2012

	Balance at 1 July 2011	Granted as Remuneration	PENOA options exercised	Net Other Changes	Balance at 30 June 2012	Total Vested
John Simpson	15,881,201	-	(8,878,100)	-	7,003,001	7,003,001
Malcolm James	6,682,178	-	(3,410,714)	-	3,271,464	3,271,464
Alf Gillman	875,000	-	-	-	875,000	875,000
Warwick Grigor	15,041,607	-	(3,579,547)	-	11,462,060	11,462,060
Michael Barton	-	-	-	-	-	-
Alan Marlow (i)	5,832,793	-	-	(5,832,793)	N/A	N/A
Anthony Simpson (ii)	3,500,442	-	-	(3,500,442)	N/A	N/A
Glenn Black (iii)	N/A	-	-	-	-	-
Ralph Knode (iv)	N/A	-	-	-	-	-
Jonathan Whyte	4,000,000	-	-	(3,000,000)	1,000,000	1,000,000
Total	51,813,221	-	(15,868,361)	(12,333,235)	23,611,525	23,611,525

- (i) Mr Alan Marlow resigned from the group effective 30 September 2011.
(ii) Mr Anthony Simpson resigned from the group effective 30 November 2011.
(iii) Mr Glenn Black was appointed effective 1 May 2012.
(iv) Mr Ralph Knode was appointed effective 1 April 2012.

(b) Shareholdings

Number of Shares Held by Key Management Personnel 30 June 2013

	Balance at 1 July 2012	On-Market Trades	Options Exercised	Net Change Other ⁽ⁱ⁾	Balance at 30 June 2013
John Simpson	50,690,499	(7,000,000)	-	7,000,000	50,690,499
Malcolm James	21,496,571	-	-	(21,496,571)	N/A
Alf Gillman	6,300,000	-	-	4,000,000	10,300,000
Warwick Grigor	10,397,731	-	-	-	10,397,731
Michael Barton	-	-	-	-	-
Neil Warburton	N/A	-	-	-	-
Glenn Black	-	-	-	-	-
David Coyne	N/A	-	-	-	-
Ralph Knode (ii)	-	-	-	6,068,966	6,068,966
Jonathan Whyte	5,500,000	(708,470)	-	2,500,000	7,291,530
Total	94,384,801	(7,708,470)	-	(1,927,605)	84,748,726

- (i) 13,500,000 Performance Rights Class C vested on 1 July 2012 and were converted into ordinary shares on 3 July 2012.
(ii) Mr Ralph Knode was issued 4,000,000 ordinary shares on 3 July 2012 as a signing bonus under his employment contract. He was issued 2,068,966 shares on 11 June 2013 after electing to take his annual bonus in shares in lieu of cash.

Number of Shares Held by Key Management Personnel 30 June 2012

	Balance at 1 July 2011	On-Market Trades	Options Exercised	Net Change Other ⁽ⁱ⁾	Balance at 30 June 2012
John Simpson	28,012,399	3,800,000	8,878,100	10,000,000	50,690,499
Malcolm James	13,085,857	2,000,000	3,410,714	3,000,000	21,496,571
Alf Gillman	3,000,000	300,000	-	3,000,000	6,300,000
Warwick Grigor	3,818,184	-	3,579,547	3,000,000	10,397,731
Michael Barton	-	-	-	-	-
Alan Marlow	3,915,585	-	-	1,500,000	N/A
Anthony Simpson	4,000,000	-	-	4,000,000	N/A
Glenn Black	N/A	-	-	-	-
Ralph Knode	N/A	-	-	-	-
Jonathan Whyte	3,000,000	-	-	2,500,000	5,500,000
Total	58,832,025	6,100,000	15,868,361	27,000,000	94,384,801

- (i) Net Change Other primarily refers to Performance Rights Class A & B that were converted into ordinary shares during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Other Key Management Personnel Transactions

Key management personnel were issued Performance Rights during the 2010 and 2013 financial years. A percentage of the 2010 Performance Rights 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

On 8 August 2013 Peninsula completed a sale and lease back agreement of its Head Office premises in Perth. The sale proceeds were \$2,700,000 exclusive of fees and charges. The lease agreement is for a term of 5 years on standard commercial terms.

On 9 September 2013 Peninsula announced the completion of the Lance Wellfield Optimisation Study (WOS) which follows the Lance Central Processing Plant (CPP) Optimisation Study (OS) completed in March 2013. The WOS and OS were both undertaken as part of Peninsula's detailed engineering in preparation for the Lance Projects construction. The OS delivered significant capital cost savings in the CPP while the WOS has delivered a significant reduction in wellfield capital and operating costs along with an increased rate of wellfield production. The combined effect of this optimisation process adds substantial economic value to the project.

On 18 September 2013 Peninsula announced that a scoping study has been completed on the Eastern Sector of the Karoo Projects by South African based engineering, procurement and construction consultants DRA Mineral Projects (Pty) Ltd. Based on the positive results of the scoping study the Company plans to commence a PFS in Q4 2013.

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

During the year to 30 June 2013, Peninsula Energy Limited executed a series of agreements with funds managed by BlackRock Financial Management Inc. (BlackRock), which included providing for the issuance of US\$22 million in senior secured notes. Attached to the Note facility, Peninsula issued BlackRock 90,000,000 unlisted options exercisable at \$0.08 expiring 5 December 2017. The fair value of the unlisted options was determined to be \$0.024 per option using a binomial option pricing model, giving the options a total value of \$2,160,000. The following table sets out the assumptions made in determining the fair value of the options granted.

Effective grant date	19 Dec 2012
Dividend yield	0.00%
Expected volatility	85%
Risk-free interest rate	2.93%
Option exercise price	\$0.080
Expected life (years)	5.04
Share price on effective date of grant	\$0.042

Other share based payment expenses for the year to 30 June 2013 comprises:

	\$
Performance Rights vested and converted to ordinary shares (i)	717,500
Employee incentive shares issued (ii)	523,662
Performance Rights granted (iii)	1,108,046
Options issued under consulting agreement	65,000
	<u>2,414,208</u>

- (i) 13,500,000 Class C Performance Rights granted in 2009 and 2010 vested and were converted into ordinary shares.
- (ii) 15,368,966 ordinary shares issued to employees under existing contracts during the period.
- (iii) During the year, 177,000,000 Class D, E and F Performance Rights were issued. Of these, 132,000,000 were issued to key management personnel. The Performance Rights are convertible into ordinary shares upon the satisfaction of various criteria which are set out in the Notice of Meeting released to the ASX on 27 October 2011. The fair value of the Performance Rights is being brought to account over their vesting periods. The following table sets out the assumptions made in determining the fair value of the Rights granted.

Performance Rights - Valuations and Assumptions

Tranche 1	Class D	Class E	Class F
Number issued	48,000,000	48,100,000	48,200,000
Effective grant date	28 Nov 2012	28 Nov 2012	28 Nov 2012
Dividend yield	0.00%	0.00%	0.00%
Expected volatility	85%	85%	85%
Risk-free interest rate	2.72%	2.63%	2.63%
Exercise price	Nil	Nil	Nil
Expected life (years)	1.87	2.87	3.87
Share price on effective date of grant	\$0.041	\$0.041	\$0.041
Tranche 2	Class D	Class E	Class F
Number issued	2,000,000	2,000,000	2,000,000
Effective grant date	27 Feb 2013	27 Feb 2013	27 Feb 2013
Dividend yield	0.00%	0.00%	0.00%
Expected volatility	80%	80%	80%
Risk-free interest rate	2.63%	2.70%	2.74%
Exercise price	Nil	Nil	Nil
Expected life (years)	1.62	2.62	3.62
Share price on effective date of grant	\$0.032	\$0.032	\$0.032
Tranche 3	Class D	Class E	Class F
Number issued	4,900,000	4,900,000	4,900,000
Effective grant date	29 May 2013	29 May 2013	29 May 2013
Dividend yield	0.00%	0.00%	0.00%
Expected volatility	80%	80%	80%
Risk-free interest rate	2.56%	2.59%	2.67%
Exercise price	Nil	Nil	Nil
Expected life (years)	1.38	2.38	3.38
Share price on effective date of grant	\$0.024	\$0.024	\$0.024
Tranche 4	Class D	Class E	Class F
Number issued	4,000,000	4,000,000	4,000,000
Effective grant date	21 Jun 2013	21 Jun 2013	21 Jun 2013
Dividend yield	0.00%	0.00%	0.00%
Expected volatility	80%	80%	80%
Risk-free interest rate	2.55%	2.70%	2.83%
Exercise price	Nil	Nil	Nil
Expected life (years)	1.31	2.31	3.31
Share price on effective date of grant	\$0.025	\$0.025	\$0.025

All Performance Rights granted to key management personnel are convertible into ordinary shares in Peninsula Energy Limited upon the achievement of performance hurdles, which confer a right of one ordinary share for every Performance Right held.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Performance Rights granted to Key Management Personnel are as follows:

Grant Date	Class	Granted	Vested as at 30 June 2013	Converted to Ordinary Shares to 30 June 2013	Lapsed to 30 June 2013	Balance at 30 June 2013
30 November 2009	A	10,500,000	10,500,000	(10,500,000)	-	-
12 April 2010	A	1,500,000	1,500,000	(1,500,000)	-	-
30 November 2009	B	17,000,000	17,000,000	(17,000,000)	-	-
12 April 2010	B	3,000,000	3,000,000	(3,000,000)	-	-
30 November 2009	C	14,500,000	9,500,000	(9,500,000)	(5,000,000) ⁽ⁱ⁾	-
12 April 2010	C	4,000,000	4,000,000	(4,000,000)	-	-
28 November 2012	D	38,000,000	-	-	-	38,000,000
27 February 2013	D	2,000,000	-	-	-	2,000,000
21 June 2013	D	4,000,000	-	-	-	4,000,000
28 November 2012	E	38,000,000	-	-	-	38,000,000
27 February 2013	E	2,000,000	-	-	-	2,000,000
21 June 2013	E	4,000,000	-	-	-	4,000,000
28 November 2012	F	38,000,000	-	-	-	38,000,000
27 February 2013	F	2,000,000	-	-	-	2,000,000
21 June 2013	F	4,000,000	-	-	-	4,000,000
Total		182,500,000	45,500,000	(45,500,000)	(5,000,000)	132,000,000

(i) 5,000,000 Class C Performance Rights lapsed upon the resignation of Anthony Simpson on 30 November 2011.

Options granted to Key Management Personnel are as follows:

There were no options granted to key management personnel during the year ended 30 June 2013.

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 2011	22,597,699	\$0.03
Granted	-	
Forfeited	-	
Exercised	(15,868,361)	
Other	(6,729,338)	
Expired	-	
Options outstanding at 30 June 2012	-	N/A
Granted	-	
Forfeited	-	
Exercised	-	
Other	-	
Expired	-	
Options outstanding at 30 June 2013	-	N/A

All options granted to key management personnel were 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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	2013 \$	2012 \$
Loss	(14,563,655)	(7,142,145)
Earnings used to calculate basic and dilutive EPS	(14,563,655)	(7,142,145)
b) Weighted average number of ordinary shares outstanding during the year	2013 No.	2012 No.
Weighted average number of ordinary shares used in calculating basic and dilutive EPS	2,760,557,302	2,146,223,930

All options on issue (Note 15) are considered anti-dilutive and thus have not been included in the calculation of diluted loss per share. These options could potentially dilute earnings per share in the future.

22. CAPITAL AND LEASING COMMITMENTS

	Consolidated Group	
	2013 \$	2012 \$
a) Exploration Tenement Leases		
Payable - Exploration Tenement Leases (not later than one year)	1,230,946	1,619,998
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.		
b) Office Building Lease		
Payable – Commercial Lease (not later than one year)	216,288	-
On 8 August 2013, Peninsula completed a sale and lease back agreement of its Head Office premises in Perth. The lease agreement is for a term of 5 years on standard commercial terms.		
c) Photocopier Lease		
Payable –Operating Lease (not later than one year)	6,944	6,944

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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.

	2013 \$	2012 \$
Cash and Cash Equivalents		
- A Rated	4,013,531	11,031,937
- Unrated	1,171,229	3,123,199
	<u>5,184,760</u>	<u>14,155,136</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 with Pala Investments Holdings Limited.

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 2013

Financial Asset and Financial Liability Maturity Analysis

	Within 1 Year		1-5 Years		Over 5 Years		Totals	
Financial Assets	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
Cash assets & cash equivalents	5,184,760	14,155,136	-	-	-	-	5,184,760	14,155,136
Trade and other receivables	6,773,259	2,125,086	948,494	2,805,000	-	-	7,721,753	4,930,086
Investments	-	-	3,263	5,438	-	-	3,263	5,438
Total Financial Assets	11,958,019	16,280,222	951,757	2,810,438	-	-	12,909,776	19,090,660
Financial Liabilities								
Trade and other payables	1,294,520	2,401,875	-	-	-	-	1,294,520	2,401,875
Other financial liabilities	2,805,000	3,125,739	676,335	2,805,000	-	-	3,481,335	5,930,739
Total Financial Liabilities	4,099,520	5,527,614	676,335	2,805,000	-	-	4,775,855	8,332,614

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:

	Effective Average Fixed Interest Rate			
	2013	2012	2013	2012
Maturity of Amounts	%	%	\$	\$
Less than 1 year	3.07	4.72	7,276,930	6,637,874
1 to 2 years	-	-	-	-
2 to 5 years	-	-	-	-
Total Financial Assets			7,276,930	6,637,874
	2013	2012	2013	2012
Maturity of Amounts	%	%	\$	\$
Less than 1 year	7.32	-	2,805,000	-
1 to 2 years	6.52	7.80	676,335	2,805,000
2 to 5 years	-	-	-	-
Total Financial Liabilities*			3,481,335	2,805,000

* Total excludes BlackRock Notes. On 10 December 2012 Peninsula announced that it has executed a series of definitive agreements with funds managed by BlackRock Financial Management, Inc. providing for the issuance of US\$22 million in senior secured notes.

The Notes were issued by Strata Energy Inc. at an issue price of 100% of their face value, mature two years from the date of issue and have a coupon of 11%. Proceeds from the issuance of the Notes were placed in an escrow account pending Strata meeting certain conditions precedent to enable the funds to be released from escrow. The release from escrow is conditional upon certain conditions precedent being met, including the grant of the Permit to Mine (now granted) and Peninsula entering into a U3O₈ sales agreement on terms satisfactory to BlackRock at a net present value equal to the amount to be released from escrow.

Interest Rate Risk - BlackRock Notes

	2013	2012	2013	2012
Maturity of Amounts	%	%	\$	\$
Less than 1 year	-	-	-	-
1 to 2 years	11.00	-	24,054,580	-
2 to 5 years	-	-	-	-
Total Notes Financial Liability			24,054,580	-

(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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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 2013 would have decreased equity and loss before tax 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 2012.

	Equity	Profit or loss
	\$	\$
2013		
USD	(7,697,490)	-
2012		
USD	(5,532,410)	-

A 10.00% weakening of AUD against the above currencies at 30 June 2013 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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

2013

	Level 1	Level 2	Level 3	Total
Financial Assets	\$	\$	\$	\$
Available-for-sale financial assets:				
- Listed investments	3,263	-	-	3,263
Total Financial Assets	3,263	-	-	3,263

2012

	Level 1	Level 2	Level 3	Total
Financial Assets	\$	\$	\$	\$
Available-for-sale financial assets:				
- Listed investments	5,438	-	-	5,438
Total Financial Assets	5,438	-	-	5,438

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 cumulatively incurred the following exploration and evaluation and other expenses on behalf of its subsidiaries:

	2013 \$	2012 \$
Tasman Pacific Minerals Limited	9,009,923	6,348,745
PM Prospecting Pty Ltd	56,742,853	45,233,862
	65,752,776	51,582,607

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 \$3,834,130 (2012: \$3,273,183).

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/Molybdenum 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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.

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; and
- Retirement benefit obligations.

Segment Performance

30 June 2013	Lance Projects Wyoming, USA \$	Karoo Projects South Africa \$	RakiRaki Fiji \$	Australia \$	Total \$
Revenue					
External sales	-	-	-	-	-
Inter-segment sales:	-	-	-	3,834,130	3,834,130
Interest revenue:	3,382	1,103	-	382,168	386,653
Total Segment Revenue	3,382	1,103	-	4,216,298	4,220,783
Inter-segment elimination	-	-	-	(3,834,130)	(3,834,130)
Total Segment Revenue	3,382	1,103	-	382,168	386,653
Expenses					
Employee benefits expense	(954,081)	(196,128)	-	(3,760,578)	(4,910,787)
Depreciation and amortisation	(168,251)	(1,798)	-	(144,340)	(314,389)
Allocated Segment Expenses	(1,122,332)	(197,926)	-	(3,904,918)	(5,225,176)
Unallocated					
Share-based payment - facility fee					(2,160,000)
Other share-based payments					(2,414,208)
Impairment of available-for-sale financial assets					(2,176)
Interest expense					(1,626,508)
General and administrative expenses					(2,208,025)
Foreign exchange loss					3,710
Other expenses					(1,317,925)
Loss after Income Tax					(14,563,655)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Segment Assets

Exploration	66,306,927	9,089,062	2,002,945	-	77,398,934
Property, plant and equipment	2,715,229	27,283	-	2,380,877	5,123,389
Cash	107,955	90,801	-	4,986,004	5,184,760
Receivables	3,734,937	26,358	-	3,960,458	7,721,753
Available-for-sale financial assets	-	-	-	3,263	3,263
Total Assets	72,865,048	9,233,504	2,002,945	11,330,602	95,432,099

	Lance Projects Wyoming, USA \$	Karoo Projects South Africa \$	RakiRaki Fiji \$	Australia \$	Total \$
30 June 2012					
Revenue					
External sales	-	-	-	-	-
Inter-segment sales:	-	-	-	3,273,183	3,273,183
Interest revenue:	6,086	1,266	-	845,283	852,635
Total Segment Revenue	6,086	1,266	-	4,118,466	4,125,818
Inter-segment elimination	-	-	-	(3,273,183)	(3,273,183)
Total Segment Revenue	6,086	1,266	-	845,283	852,635

Expenses

Employee benefits expense	(578,271)	-	-	(3,509,318)	(4,087,589)
Depreciation and amortisation	(65,220)	-	-	(154,843)	(220,063)
Allocated Segment Expenses	(643,491)	-	-	(3,664,161)	(4,307,652)

Unallocated

Share-based payments expense					(1,750,300)
Impairment of available-for-sale financial assets					(1,631)
Write-off of exploration expenditure					(163)
General and administrative expenses					(1,157,827)
Foreign exchange loss					131,899
Other expenses					(909,106)
Loss after Income Tax					(7,142,145)

Segment Assets

Exploration, evaluation and development	48,658,968	7,948,395	2,002,945	-	58,610,308
Property, plant and equipment	1,760,998	-	-	2,532,975	4,293,973
Cash	122,876	167,085	-	13,865,175	14,155,136
Receivables	1,931,977	28,384	-	2,969,725	4,930,086
Available-for-sale financial assets	-	-	-	5,438	5,438
Total Assets	52,474,819	8,143,864	2,002,945	19,373,313	81,994,941

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

26. PARENT ENTITY INFORMATION

	2013 \$	2012 \$
Current Assets	7,996,971	14,029,824
Total Assets	109,708,545	95,751,454
Current Liabilities	3,194,361	3,377,507
Total Liabilities	3,194,361	6,182,507
Issued Capital	126,749,105	106,522,715
Accumulated Losses	(30,084,218)	(23,484,686)
Option Reserve	9,849,297	6,530,918
Total Equity	106,514,184	89,568,947
Loss of Parent Entity	(6,987,532)	(2,975,523)
Other Comprehensive Income	-	-
Total Comprehensive Loss of the Parent Entity	(6,987,532)	(2,975,523)

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 2013.

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

	2013 \$	2012 \$
Loss after income tax	(14,563,655)	(7,142,145)
Non-cash flows in profit:		
Write-off of capitalised expenditure	-	163
Depreciation	314,389	220,063
Impairment of available-for-sale financial asset	2,176	1,631
Share-based payment - facility fees	2,160,000	-
Other share-based payments expense	2,414,208	1,750,300
Change in assets and liabilities		
Decrease/(increase) in trade and other receivables	(1,843,173)	(883,648)
(Decrease)/increase in trade and other payables	(1,107,355)	891,154
Movement in trade and other payables relating to investment activities	2,613,265	441,077
Cash Flow from Operations	(10,010,145)	(4,721,405)

b) Acquisition and Disposal of Entities

During the financial year the group did not acquire or dispose of any entities that materially affected cash flows.

c) Non Cash Investing and Financing Activities

During the financial year, Peninsula purchased an office building and vehicles, financed by borrowings (Note 13), and issued 21,077,635 shares as a partial prepayment for the acquisition of ARSA's assets in South Africa (Note 15).

DIRECTORS DECLARATION FOR THE YEAR ENDED 30 JUNE 2013

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 profit and loss and other 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 2013 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 2013 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 2013.
- (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



John Simpson
Executive Chairman

Perth, 26 September 2013

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 statements of financial position as at 30 June 2013, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the 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 company and the consolidated entity.

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 gives a true and fair view and 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 company'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 company'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.

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 company's and the consolidated entity's financial position as at 30 June 2013 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter – Inherent uncertainty regarding continuation as a going concern

Without modifying our opinion, we draw attention to Note 1(b) to the financial statements which outlines that the ability of the company to continue as a going concern is dependent on future successful capital raisings and other future funding arrangements, the successful exploration and subsequent exploitation of the company's tenements. As detailed in the financial report, the Company has executed agreements for the issuance of US \$22m senior secured notes, subject to certain conditions precedent and the Company is confident that additional capital required can be raised in the equity market. In addition the Company will be receiving finance proposals from multiple financial groups in October 2013.

As a result there is a material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern, and therefore whether it will realise its asset and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Our opinion is not qualified in respect of this matter

Report on the Remuneration Report

We have audited the Remuneration Reported included in pages 23 to 27 of the directors' report for the year ended 30 June 2013. 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 2013, complies with section 300A of the *Corporations Act 2001*.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens
Partner

Perth

26 September 2013

ASX ADDITIONAL INFORMATION

a) Distribution of Shareholders (as at 26 September 2013)

Spread of Holdings	Number of Ordinary Shareholders	Number of Shares
1 - 1,000	297	91,739
1,001 - 5,000	596	1,901,531
5,001 - 10,000	820	6,634,334
10,001 - 100,000	4,320	194,542,164
100,001 - and over	2,827	2,757,244,940
TOTAL	8,860	2,960,414,708

b) Top Twenty Shareholders (as at 26 September 2013)

Name	Number of Ordinary Shares held	%
Citicorp Nominees Pty Limited	615,778,160	20.80
National Nominees Limited	261,247,750	8.82
HSBC Custody Nominees (Australia) Limited	80,709,118	2.73
JP Morgan Nominees Australia Limited <Cash Income A/C>	39,233,836	1.33
Uramin Inc	21,077,635	0.71
HSBC Custody Nominees (Australia) Limited – A/C 3	20,000,001	0.68
Giralia Resources NL	19,563,504	0.66
JP Morgan Nominees Australia Limited	18,481,646	0.62
Geohen Investments Pty Ltd	16,795,834	0.57
Mr David Eric Bartley & Ms Sarah Jane Mitchell <The David Bartley A/C>	15,394,231	0.52
ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian A/C>	14,774,737	0.50
Etchell Capital Pty Ltd	14,000,000	0.47
Etchell Capital Pty Ltd <Simpson Superannuation A/C>	11,597,405	0.39
Mr Garry John Sullivan	10,890,000	0.37
Mr Paul Woodman	9,756,637	0.33
Mr Wally Michael Yuryevich	9,000,000	0.30
Simner Pty Ltd <Simon McDonnell Family A/C>	9,000,000	0.30
Ms Gayle Maree Hutchins	8,480,000	0.29
Etchell Capital Pty Ltd	8,297,260	0.28
Terasse (WA) Pty Ltd <The Beach View A/C>	8,250,000	0.28
Maryfields Farming Pty Ltd	7,885,456	0.27
Total Top 20	1,219,320,621	41.22
Other Shareholders	1,741,094,087	58.78
Total Ordinary Shares on Issue	2,960,414,708	100.00

The number of shareholders holding less than a marketable parcel of shares is 2,496, totalling 19,542,061 ordinary shares.

ASX ADDITIONAL INFORMATION

c) Distribution of PENOC Option Holders (as at 26 September 2013)

Spread of Holdings	Number of Ordinary Shareholders	Number of Shares
1 - 1,000	92	39,130
1,001 - 5,000	238	691,836
5,001 - 10,000	162	1,190,649
10,001 - 100,000	637	25,591,731
100,001 - and over	488	668,858,375
TOTAL	1,617	696,371,721

d) Top Twenty PENOC Option Holders (as at 26 September 2013)

Name	Number of Ordinary Shares held	%
Citicorp Nominees Pty Limited	144,097,696	20.69
National Nominees Limited	132,830,519	19.07
HSBC Custody Nominees (Australia) Limited	23,253,782	3.34
Mr Richard Simpson	21,455,218	3.08
Slade Technologies Pty Ltd <Embrey Family Superfund A/C>	10,910,771	1.57
Merriwee Pty Ltd	10,883,881	1.56
Gregorach Pty Ltd	10,762,060	1.55
General Research GMBH	9,812,500	1.41
Etchell Capital Pty Ltd	7,003,101	1.01
Habibie Pty Ltd <The Skanks Investment A/C>	6,000,000	0.86
Mr Peter Paul Kozlowski	5,213,999	0.75
Mr David Russell Gordon & Mrs Laurentia Maria Gordon	4,915,000	0.71
Wysime Pty Ltd <The McCubbery Staff S/F A/C>	4,080,000	0.59
Mr John Hugh McCubbery	4,005,000	0.58
Ms Anne Louise Brown & Mr Anthony Lambert Brown <The ALB Super Fund A/C>	3,645,325	0.52
JP Morgan Nominees Australia	3,627,165	0.52
LSA Distributors (QLD) Pty Ltd	3,614,534	0.52
Mr Robert John Pleydell	3,593,355	0.52
Mr James Chau	3,314,534	0.48
FossimsJeanette Pty Ltd	3,143,621	0.45
Total Top 20	416,162,212	59.76
Other PENOC Option holders	280,209,509	40.24
Total PENOC Options on Issue	696,371,721	100.00

e) Unlisted Options:

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 one holder in this class of option. There are 90,000,000 unlisted options over unissued shares on issue, in the class exercisable at 8 cents per share on or before 31 December 2017. There is one holder in this class of option.

f) Voting Rights

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

ASX ADDITIONAL INFORMATION

g) 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) 25	74%
Karoo Uranium, South Africa	PR (WC) 33	74%
Karoo Uranium, South Africa	PR (WC) 34	74%
Karoo Uranium, South Africa	PR (WC) 35	74%
Karoo Uranium, South Africa	PR (WC) 47	74%
Karoo Uranium, South Africa	PR (WC) 59	74%
Karoo Uranium, South Africa	PR (WC) 60	74%
Karoo Uranium, South Africa	PR (WC) 61	74%
Karoo Uranium, South Africa	PR (WC) 80	74%
Karoo Uranium, South Africa	PR (WC) 81	74%
Karoo Uranium, South Africa	PR (WC) 127	74%
Karoo Uranium, South Africa	PR (WC) 137	74%
Karoo Uranium, South Africa	PR (WC) 151	74%
Karoo Uranium, South Africa	PR (WC) 152	74%
Karoo Uranium, South Africa	PR (WC) 153	74%
Karoo Uranium, South Africa	PR (WC) 154	74%
Karoo Uranium, South Africa	PR (WC) 156	74%
Karoo Uranium, South Africa	PR (WC) 158	74%
Karoo Uranium, South Africa	PR (WC) 162	74%
Karoo Uranium, South Africa	PR (WC) 167	74%
Karoo Uranium, South Africa	PR (WC) 177	74%
Karoo Uranium, South Africa	PR (WC) 178	74%
Karoo Uranium, South Africa	PR (WC) 179	74%
Karoo Uranium, South Africa	PR (WC) 180	74%
Karoo Uranium, South Africa	PR (WC) 187	74%
Karoo Uranium, South Africa	PR (WC) 188	74%
Karoo Uranium, South Africa	PR (WC) 207	74%
Karoo Uranium, South Africa	PR (WC) 208	74%
Karoo Uranium, South Africa	PR (WC) 228	74%
Karoo Uranium, South Africa	PR (WC) 257	74%
Karoo Uranium, South Africa	PR (EC) 07	74%
Karoo Uranium, South Africa	PR (EC) 08	74%
Karoo Uranium, South Africa	PR (EC) 09	74%
Karoo Uranium, South Africa	PR (EC) 12	74%
Karoo Uranium, South Africa	PR (EC) 13	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%

ASX ADDITIONAL INFORMATION

Location/Project Name	Tenement	Location
<u>Wyoming, USA (Strata Energy Inc.)</u>		
Private Land (FEE) – Surface Access Agreement	Approx 26,856 acres	Crook County
Private Land (FEE) – Mineral Rights	Approx 9,375 acres	Crook County
Federal Mining Claims – Mineral Rights	Approx 12,006 acres	Crook County
State Leases – Mineral Rights	Approx 10,590 acres	Crook County