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Companies Announcement Office
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PENINSULA SECURES \$69.4 MILLION FULLY UNDERWRITTEN INSTITUTIONAL FUNDING FOR LANCE ISR PROJECTS IN WYOMING

Highlights

- Funding will allow Peninsula to complete Lance Stage 1 construction, commence production and achieve positive cashflow in year 2.
- The \$69.4 million fully underwritten institutional funding includes:
 1. A \$16.8 million placement to Resource Capital Fund VI L.P. at \$0.02 per share with 1:2 free attached option (31 Dec. 2018; \$0.05 strike).
 2. A Entitlement Offer to all Shareholders of \$52.6 million at \$0.02 per share with 1:2 free attached option (31 Dec. 2018; \$0.05 strike) underwritten to \$34.8 million inclusive of:
 - \$23.9 million sub-underwriting of the Accelerated Entitlement Offer to Resource Capital Fund VI L.P., Pala Investments, BlackRock funds and JP Morgan AM UK Ltd and
 - \$10.9 million sub-underwriting of the Entitlement Offer by Resource Capital Fund VI L.P. and Pala Investments.
 3. Resource Capital Fund VI L.P. and Pala Investments Limited have provided a further \$17.8 million Stand-By Debt Facility guaranteeing the non-institutional shareholder Entitlement Offer.
- Resource Capital Fund VI L.P. joins Pala Investments Ltd, BlackRock funds and JP Morgan AM UK Ltd as significant shareholders on the Peninsula register.
- Funds committed from new and existing institutional investors range between 74-100%.
- RFC Ambrian Limited is the Lead Manager to the Placement and Underwriter of the Entitlement Offer.

Peninsula's Executive Chairman Gus Simpson commented; "Securing this funding is a defining achievement for the Company as it enables us to transition to a uranium producer in 2015. The Company is pleased to offer all shareholders the opportunity to participate in the Entitlement Issue at attractive pricing, given the projected NPV and improving outlook for the uranium market.

Also, the Peninsula Board would like to acknowledge the combined support of our existing Institutional shareholders, Pala, BlackRock funds, J P Morgan, and our new Strategic investor Resource Capital Fund VI L.P. who have been instrumental in delivering this funding solution."

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Peninsula Energy Limited - ABN: 67 062 409 303

Introduction

Peninsula Energy Limited (**Peninsula, the Company**) is pleased to announce that it has entered into agreements with RFC Ambrian Limited (**RFC Ambrian**), Resource Capital Fund VI L.P. (**RCF VI**) and Pala Investments Ltd (**Pala**) to raise a fully underwritten \$69.4 million through a placement of \$16.8 million to RCF VI at \$0.02 per share with a 1:2 free attached option (31 Dec. 2018; \$0.05 strike) (**Placement**), up to a further \$52.6 million at \$0.02 per share with a 1:2 free attached option (31 Dec. 2018; \$0.05 strike) through a pro-rata renounceable entitlement offer to existing shareholders, underwritten to \$34.8 million (**Entitlement Offer**) and a Stand-By Debt Facility for a combined \$17.8 million from RCF VI and Pala.

Proceeds from the Placement and Entitlement Offer will be used to fund the remaining construction and stage 1 ramp-up at the Lance Projects; take it through to positive cashflow and to repay the BlackRock funds debt.

With funding fully secured, 2015 will see Peninsula as the ASX's next uranium producer.

About the Lance Projects

The Lance Projects development plan comprises a three (3) stage ramp-up strategy:

- Stage 1 – production rate of between 500,000 and 700,000 lbs U₃O₈ per annum;
- Stage 2 – production rate of 1,200,000 lbs U₃O₈ per annum; and
- Stage 3 – production rate of 2,300,000 lbs U₃O₈ per annum.

Capital expenditure for stage 1 (including contingency) is US\$33 million and working capital during construction and ramp-up is US\$5 million. Peninsula already has in place two (2) uranium concentrate sale and purchase agreements for up to approximately 2 million pounds U₃O₈ to be delivered through to 2024. The first of these agreements was entered into in February 2011 for approximately 1 million pounds to be delivered through to 2020 and has a weighted average delivery price between 2015 and 2020 of US\$73-75 per pound – a price that is substantially higher than the current Term Contract and Spot prices. An additional contract was announced on 3 December 2014 for up to 912,500 pounds with a price consistent with the current Term Contract price escalated on a quarterly basis.

Peninsula is currently in negotiations with several utilities regarding additional sale agreements and intends to enter at least one more sale agreement in the next 2 to 3 months to further de-risk the cashflow profile for stage 1.

The Lance Projects have a minimum mine life of at least 20 years, underpinned by 53.7 million pounds¹, the largest uranium ISR JORC-Code compliant resource in North America.

Fund Raising

RFC Ambrian Limited (**RFC Ambrian**) is the Lead Manager and Bookrunner to the Placement and Underwriter of the Entitlement Offer.

Placement

RFC Ambrian today placed to RCF VI 840 million shares at \$0.02 cents per share to raise \$16.8 million and is in receipt of the Placement proceeds. Participants in the Placement received one (1) free attaching option exercisable at \$0.05 cents on or before 31 December 2018 for every two (2) new shares subscribed for under the Placement. The Company will apply for quotation of the attaching options as soon as is practicable under the Listing Rules.

The Placement has been wholly taken up by RCF VI, a private equity firm based in Denver and Perth, which invests exclusively in the mining sector. The RCF VI fund has committed capital of approximately US\$2 billion.

As the Placement shares have been issued before the Entitlement Offer Record Date RCF VI will be entitled to participate in the Entitlement Offer.

The allotment of the Placement shares is not subject to shareholder approval and falls within the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A.

Entitlement Offer

In addition to the Placement Eligible Shareholders will be offered the opportunity to participate in a pro-rata accelerated renounceable Entitlement Offer which will be on the same terms as the Placement, with pricing at \$0.02 cents per share with one (1) free attaching option (exercisable at \$0.05 cents on or before 31 December 2018) for every two (2) new shares subscribed for under the Entitlement Offer.

The maximum number of shares to be issued under the Entitlement Offer is approximately 2.63 billion shares to raise approximately \$52.6 million. The maximum number of options which will be issued under the Entitlement Offer is approximately 1.315 billion options.

The Entitlement Offer will comprise:

- an Entitlement Offer to eligible institutional shareholders (**Institutional Entitlement Offer**); and
- an Entitlement Offer to eligible retail shareholders (**Retail Entitlement Offer**)

The Institutional Entitlement Offer opens on 16 December 2014 and closes the same day.

The Retail Entitlement Offer will be open from 29 December 2014 to 23 January 2015.

Trading of the Retail Entitlement commences on 18 December 2014 and concludes on 16 January 2015.

The Directors intend to take up all or part of their respective entitlements under the Entitlement Offer.

Full details of the Entitlement Offer are set out in the Prospectus which will be despatched to the Eligible Retail Shareholders with a personalised application form on 24 December 2014 and will be available from that date on the ASX website at www.asx.com.au. The Prospectus will also be on Peninsula's website at www.pel.net.au. A copy of the Prospectus has been lodged with ASX and ASIC today.

Institutional Support

RCF VI have entered an agreement with RFC Ambrian to invest \$30.1 million through a combination of their subscriptions under the Placement, the Institutional Entitlement Offer and including sub-underwriting a component of the Retail Entitlement Offer. Depending on acceptances under the Retail Entitlement Offer RCFs pro-forma shareholding post completion of the Placement and Entitlement Offer will be between 19.6% and 25.0%.

Pala have entered an agreement with RFC Ambrian to invest up to \$9.0 million through subscriptions under the Institutional Entitlement Offer and including sub-underwriting a component of the Retail Entitlement Offer. Depending on acceptances under the Retail Entitlement Offer and the issue of securities under their existing right to maintain their shareholding in accordance with the Pala-Peninsula shareholders agreement dated 15

December 2010, Pala's pro-forma shareholding post completion of the Placement and Entitlement Offer will be between 11.6% and 14.1%.

BlackRock funds have entered an agreement with RFC Ambrian to invest \$6.5 million through a combination of their subscription under the Institutional Entitlement Offer and the issue of securities under their existing right to maintain their shareholding in accordance with the BlackRock funds-Peninsula shareholders agreement dated 7 December 2012.

JP Morgan AM UK Ltd have entered into an agreement with RFC Ambrian to invest \$6.0 million through their subscription under the Institutional Entitlement Offer and the issue of additional securities through the Institutional Entitlement Offer bookbuild.

Standby Debt Facility

Pala and RCF VI have each provided the Company with a standby debt facility of \$8.9 million for a total of \$17.8 million. The standby debt facility is available for drawdown by the Company at its discretion.

While it is not the intention of the Company to draw any funds from the standby debt facility, it effectively underwrites the Retail Entitlement Offer and removes all funding risk associated with bringing the Lance Projects into production.

The provision of the standby debt facility is the product of working closely with both Pala and RCF VI who are committed to partnering with Peninsula to ensure that it becomes the ASX's next uranium producer.

Eligible Retail Shareholders

Eligible Retail Shareholders are those persons who:

1. Are registered as a holder of fully paid ordinary shares in Peninsula as at the Record Date;
2. Have a registered address on Peninsula's share register in Australia, New Zealand, the British Virgin Islands, China, Germany, Hong Kong, Indonesia, Malaysia, Singapore, South Africa, Switzerland, Thailand, the United Kingdom or the United States;
3. Were not invited to participate (other than as nominee, in respect of underlying holdings) or were otherwise ineligible to participate under the Institutional Entitlement Offer; and
4. Are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Use of Funds

The funds raised pursuant to the Placement and Entitlement Offer, together with existing cash reserves, will be used for the following purposes:

- Construction and ramp-up of stage 1 of the Lance Projects in Wyoming, USA through to the point of positive free cashflow generation;
- Repayment of the BlackRock funds Notes in full that have a maturity date in December 2014; and
- Payment of costs associated with the Placement and Entitlements Offer.

Key dates for Entitlement Offer

Lodgement of Prospectus with ASIC and ASX	16 December 2014
Institutional Entitlement Offer opens	16 December 2014
Institutional Entitlement Offer closes	16 December 2014
Institutional shortfall bookbuild	16 December 2014
Retail entitlements commence trading on ASX on a deferred settlement basis	18 December 2014
Record Date	19 December 2014
Settlement of Institutional Entitlement Offer and institutional shortfall bookbuild	19 December 2014
Retail Entitlement Offer opening date	29 December 2014
New Shares and New Options issued under the Institutional Entitlement Offer commence trading on ASX on a deferred settlement basis	30 December 2014
Retail Entitlements trading on ASX ends	16 January 2015
Retail entitlement Offer closing date	23 January 2015
Retail Shortfall Bookbuild	2 February 2015
Quotation of new shares and new options under the Retail Entitlement Offer	6 February 2015

These dates are indicative only and are subject to change. Peninsula reserves the right to vary these dates, including extending the closing date of the Retail Entitlement Offer or accepting late applications, without prior notice but subject to the Corporations Act, ASX Listing Rules and other applicable laws.

Board Composition

Recognising the substantial funding commitments made by both RCF VI and Pala, they will have the ability to each nominate a suitably qualified person to join the Board of Peninsula as non-executive directors.

As stage 1 of the Lance Projects is now fully funded, the structure and composition of the Board is currently being reviewed so that Board roles will be consistent with the corporate governance structure of a producing mining company.

Further announcements on the new RCF VI and Pala appointments and Board structure shall be provided in the coming weeks as they are finalised.

Trading Halt / Suspension

This is the announcement that was referred to in the Company's request for a trading halt on 9 December 2014 and voluntary suspension request that followed.

Yours sincerely



John Andrew Simpson (Gus)
Executive Chairman
Peninsula Energy Limited

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

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Note: All references to currency are Australian Dollars unless otherwise stated.

Competent Person

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Jim Guiling. Mr. Guiling 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. Guiling is Principal of independent consultants World Industrial Minerals. Mr. Guiling 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Guiling consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

¹ Current JORC Compliant Resource Estimate

Resource Classification	Tonnes Ore (M)	U3O8 kg (M)	U3O8lbs (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)

JORC Table 1 included in an announcement to the ASX released on 27th March 2014: "Company Presentation – Mines and Money Hong Kong". Peninsula confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.