



PENINSULA ENERGY LIMITED

ABN 67 062 409 303

Prospectus

For a pro rata accelerated renounceable entitlement offer of 0.615 New Shares for every one (1) Share held by Eligible Shareholders at an issue price of A\$0.02 per New Share, together with one (1) free New Option for every two (2) New Shares subscribed to raise A\$52,640,089 (**Offer**).

This Offer is partly underwritten by RFC Ambrian Limited. Refer to section 9 of this Prospectus for details regarding the terms of the underwriting arrangements.

IMPORTANT NOTICE

This Prospectus has also been prepared for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Securities issued by the Company.

This document is important and should be read in its entirety before deciding whether to apply for New Securities under this Prospectus. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, solicitor, banker, financial adviser, accountant or other professional adviser.

You should have regard to all publicly available information concerning the Company.

An investment in the Securities of the Company, including the New Shares and New Options offered by this Prospectus, should be considered speculative.

Underwriter



Legal Adviser to Peninsula

CLAYTON UTZ

Corporate Directory

Board of Directors

Mr John (Gus) Simpson
Executive Chairman

Mr Alfred Gillman
Non-Executive Director

Mr Warwick Grigor
Non-Executive Director

Mr Neil Warburton
Non-Executive Director

Mr John Harrison
Non-Executive Director

Company Secretary

Mr Jonathan Whyte

Registered Office

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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
Central Park Level 4
152 St Georges Terrace
Perth WA 6000

Telephone:
1300 554 474 (within Australia)
+61 1300 554 474 (outside Australia)
Facsimile: +61 2 9287 0303

Solicitors to the Offer

Clayton Utz
Level 27
QV.1 Building
250 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9426 8000

Facsimile: + 61 8 9481 3095

Important notes

You should read this entire Prospectus carefully before deciding whether to invest in New Securities. In particular, you should consider the key risks that could affect the performance of the Company or the value of an investment in the Company, details of which are outlined in section 4 of this Prospectus.

The information provided in this Prospectus is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Before deciding whether to apply for New Securities, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading this Prospectus, you have any questions about the Offer, you should contact your stockbroker, solicitor, banker, financial adviser, accountant or other professional adviser.

Regulatory information

This Prospectus is dated 16 December 2014 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the content of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company in connection with the Offer.

Applications for New Securities offered pursuant to this Prospectus can only be submitted on an original Application Form, which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities and options over continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Disclaimer

Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Prospectus. An investment in the New Securities offered by this Prospectus should be considered speculative.

The Company has prepared this document based on information available to it at the time of preparation.

Forward-looking statements

This Prospectus contains forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions many of which are outside the control of the Company and that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

In particular, this Prospectus details some important factors and risks that could cause the Company's actual results to differ from the forward-looking statements in this Prospectus (details of which are outlined in section 4 of this Prospectus).

The pro-forma financial information provided in this Prospectus is for illustrative purposes only and is not represented as being indicative of the Company's view on its future financial condition and/or performance.

Neither the Company nor any other person guarantees the repayment of capital or the payment of income. Investors should note that the past performance of the Company provides no guidance to its future performance.

Key risks

Subscribing for New Securities the subject of this Prospectus involves a number of risks. The risk factors set out in section 4 of this Prospectus and other general risks applicable to all investments in listed securities not specifically referred to may in the future affect the value of the Securities. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities or cannot otherwise be mitigated.

If any Shareholder is unsure about subscribing for Securities, the Shareholder should first seek advice from its stockbroker, solicitor, banker, financial adviser, accountant or other professional adviser.

The following sets out a summary of some of the key risks relevant to the Company and its operations:

Risk	Details
Uranium mining risks	The Company's uranium projects are located in the United States and South Africa. Whilst exploration and mining for uranium is currently permitted in these countries there is no guarantee that it will be permitted in the future.
Uranium recovery and processing	The operations of the Company may be affected by difficulties associated with recovering and extracting uranium from its uranium projects.
Operational risk	The operations of the Company may be affected by various factors. No assurances can be given that the Company will achieve its commercial targets and that predicted production rates can be achieved, despite utilisation of established and proven processes and techniques.
Contentions raised against source material licence	The operations of the Company may be affected by contentions raised against a licence held by its subsidiary, Strata Energy.
Title risk	Interests in tenements in the United States and South Africa are governed by the respective State and Federal legislation and are evidenced by the granting of licences and leases. If a mining tenement is not renewed, the Company may suffer significant damage through the loss of the opportunity to develop and discover any mineral resources on the mining tenements.
Regulatory risk	The Company is exposed to any changes in the regulatory conditions under which it operates.
Resource estimates	Resource estimates are expressions of judgement based on knowledge, experience and industry practice. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change.
Foreign exchange risks	The Company and its Shareholders are exposed to the fluctuations and volatility of currency exchange rates.
Service providers, agents and contractors	There is a risk that the actions of agents, contractors and services providers used by the Company in any of its activities may have a negative impact on the Company.
Safety risk	The construction of a uranium mining operation has the potential to cause the emission of radiological material. The Company must maintain equipment and procedures at its project facilities to protect public health and minimise danger to life or property.

Risk	Details
Additional requirements for capital	The Company's capital requirements depend on numerous factors. If the Company is unable to obtain additional financing as needed it may adversely impact on the ability of the Company to meet its objectives.
Operating history	The Company has a limited operating history with respect to uranium projects.
Reliance on key management	The Company's future success depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.
Risks associated with operating in the United States	The Company has material operations in the United States and is exposed to the risks associated with operating in a foreign country.
Environmental risk	The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. There is a risk that significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.
Exploration risks	There can be no guarantee that the Company's planned exploration and evaluation programs will lead to positive exploration and evaluation results and the delineation of a commercial deposit or further, a commercial uranium mining operation.
Insurance risk	Insurance of risks associated with minerals exploration and production is not always available and, where available, the costs can be prohibitive.
Economic risk	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.
Market conditions	Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Changes in the price of uranium can have a significant impact on the economic performance of a project.
Litigation	From time to time, the Company may become involved in litigation and disputes.

In addition, there are a number of general risks that are common to all investments in shares and are not specific to the business model and operations of the Company. Further details regarding risks that may affect the Company in the future are set out in section 4.

The Securities offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to its future performance.

Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus during the Offer Period on the Company's website at www.pel.net.au or by contacting the Share Registry by telephone on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) during the Offer Period. If you access the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic version of this Prospectus on the Company's website will not include a personalised Application Form. You will only be entitled to accept the Offer by completing and returning your personalised Application Form, which accompanies this Prospectus, or by making a payment via BPAY® using the information provided on your personalised Application Form (refer to section 6 of this Prospectus for further information).

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of this Prospectus or a complete and unaltered electronic version of this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Foreign jurisdictions

This Prospectus has been prepared to comply with the requirements of the laws of Australia and is being sent to Eligible Retail Shareholders. No action has been taken to register the New Securities in any jurisdiction outside of Australia.

See section 1.13 of this Prospectus for further details in relation to persons in other jurisdictions.

Trading Entitlements and New Securities

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade Entitlements before they receive their Application Form, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or otherwise, or who otherwise trade or purport to trade Entitlements in error or which they do not hold or are not entitled to.

The assignment, transfer and exercise of Entitlements trading on ASX is restricted to persons meeting certain eligibility criteria. If holders of Entitlements at the end of the trading period do not meet eligibility criteria, they will not be able to exercise the Entitlements and, as a result, they will receive no value for them if there is no Retail Premium resulting from their sale in Retail Shortfall Bookbuild.

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Securities they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or otherwise, or who otherwise trade or purport to trade New Securities in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

Refer to section 1.6 for more details on trading of New Securities and Entitlements.

Glossary

Terms and abbreviations used in this Prospectus are explained in the Glossary in section 11 of this Prospectus.

A reference in this Prospectus to time is a reference to the local time in Perth, Western Australia, unless otherwise stated.

All financial amounts in this Prospectus are expressed in Australian dollars, unless otherwise stated.

Governing law

This Prospectus and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

Enquiries

If you have any questions in relation to the Offer, please contact your stockbroker, solicitor, banker, financial adviser, accountant or other professional adviser.

If you have any enquiries in relation to the Application Form, please contact the Share Registry by telephone on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia).

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Chairman's letter

Dear Shareholders

On behalf of the Board I am pleased to offer all shareholders the opportunity to invest in Peninsula Energy Limited through a pro-rata renounceable Offer of New Securities that form part of the fully underwritten project financing announced on 16 December 2014. Peninsula is completing a \$69.4 million capital raise at the Offer Price of \$0.02 per share, together with 1 free attached option (31 December 2018 strike of \$0.05) for every 2 shares subscribed. It will be comprised of a placement to Resource Capital Fund VI L.P. (**RCF VI**) to raise \$16.8 million, an entitlement offer to all shareholders to raise up to \$52.6 million and a shortfall debt facility of US\$15 million.

The renounceable Offer is to be completed at the same price as the placement to RCF VI.

The Offer is being conducted by way of a pro rata accelerated institutional, tradeable retail entitlement offer. Under this Prospectus, Eligible Retail Shareholders are invited to purchase 0.615 new shares for every one share held at 4.00pm (Perth time) on the Record Date at the Offer Price of \$0.02 per share, together with 1 free attached option (31 December 2018 strike of \$0.05) for every 2 new shares subscribed. The Offer comprises an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**).

The Offer Price of the new shares is the same as the Company's closing price on 8 December 2014, the last day the shares were traded before the Offer was announced. New shares will rank equally with existing shares in all respects from allotment, including entitlement to dividends/distributions. The terms of the new option class are set out in Schedule 1, and an application will be made to list the new options on the ASX.

The Offer is underwritten by RFC Ambrian Limited (**RFC Ambrian**) up to an amount of A\$34.8m. RFC Ambrian has entered into sub-underwriting arrangements with RCF VI and Pala Investments Limited (**Pala**) for A\$22.3m and has received commitments from other Institutional Investors to take up entitlements of A\$12.5m.

The Institutional Entitlement Offer and associated bookbuild closed on 11 December 2014 and was 100% subscribed for the offered amount of A\$23.9 million. The Retail Entitlement Offer and associated Retail Shortfall Bookbuild can raise up to A\$28.7 million. The Retail Entitlement Offer includes the ability to trade the retail entitlements (**Rights**) until 16 January 2015 on the ASX.

The Company has also arranged for RCF VI and Pala to provide a loan facility of US\$15 million. Should the Retail Entitlement Offer be fully subscribed then the Company will not drawdown any funds under the loan facility but retains the right to do so.

This Prospectus relates to the Retail Entitlement Offer and Entitlements allotted under it. This Prospectus contains important information about the Retail Entitlement Offer and the Company's business. In section 2 you will find an overview of the Company and an update on the Company's activities.

The Company has made many key advances over the last few months, in particular the reconfiguration of the Lance Projects for a reduced production rate start-up. This scalable development plan now encompasses a three stage ramp-up, reduced initial capital expenditure and further de-risking of the development.

Tightening supply conditions and increased demand over the past few months has seen a significant improvement in the spot price for uranium and improved sentiment across the sector. Peninsula signed a new uranium concentrate sales and purchase agreement on 3 December 2014 for up to 912,500 pounds to be delivered between 2016 and 2024. Japan has seen final governmental approvals to restart initially two reactors and the Term Contract price for uranium has moved from US\$45 to US\$49/lb.

With a short construction completion schedule for the Lance Projects and all funding for stage 1 secured, the Company is well positioned to actively participate in the improving market for uranium.

Funds raised under the Offer, net of expenses, together with existing cash reserves will be used for the following purposes:

- Completion of Lance Projects Stage 1 construction and operating costs through to positive cashflow generation;
- Repayment of the BlackRock funds Notes; and
- General working capital purposes.

For additional information on the use of funds raised from the capital raising, please refer to section 1.12.

To apply for New Securities under the Offer, you must complete the personalised Application Form accompanying this Prospectus before the Retail Closing Date of 23 January 2015.

I would encourage you to read this Prospectus in its entirety before making your investment decision. Risk factors associated with the investment are set out in section 4 and I recommend you to fully consider these.

On behalf of the Board I strongly recommend this Offer to you and look forward to your ongoing support and investment at this exciting stage in the Company's development.

Yours faithfully

John (Gus) Simpson
Executive Chairman
Peninsula Energy Limited

Key Offer information

Eligible Shareholders Entitlement	0.615 New Shares for every 1 Share held by Eligible Shareholders, together with 1 free New Option for every 2 New Shares subscribed
Offer Price per New Share	\$0.02
Maximum amount to be raised under the Offer before costs	\$52,640,088.62
Maximum number of New Shares to be issued	2,632,004,431
Maximum Number of New Options to be issued	1,316,002,216
Maximum Number of Shares on issue on completion of the Offer	6,911,686,433

Key dates

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 Opening Date	29 December 2014
Retail Entitlements commence trading on ASX on a normal settlement basis	29 December 2014
New Securities 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 Closing Date	23 January 2015
Retail Shortfall Bookbuild	by 2 February 2015
Settlement of Retail Entitlement Offers and Retail Shortfall Bookbuild	3 February 2015

Issue and allotment of New Securities under the Retail Entitlement Offer	6 February 2015
Retail Premium (if any) despatched	6 February 2015

Note: These dates (other than the date of this Prospectus and date of lodgement of this Prospectus with ASX and ASIC) are indicative only. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Offer, including extending the Retail Closing Date or accepting late applications, either generally or in particular cases, without notice.

Frequently asked questions (FAQs)

What is the Offer?	The Offer is a pro-rata accelerated renounceable entitlement (with retail entitlement trading) to Eligible Shareholders to apply to purchase 0.615 New Shares for every 1 Existing Share held as at the Record Date, together with 1 free New Option for every 2 New Shares subscribed. The Offer comprises four parts: 1. Institutional Entitlement Offer; 2. Institutional Shortfall Bookbuild; 3. Retail Entitlement Offer; and 4. Retail Shortfall Bookbuild.	Section 1.1
What is my Entitlement?	Each Eligible Shareholder is entitled to subscribe for 0.615 New Shares for every 1 Share held on the Record Date, together with 1 free New Option for every 2 New Shares subscribed.	Application Form and section 1.3
What is the Offer Price?	The Offer Price is A\$0.02 per New Share.	Sections 1.1 and 1.2
Am I an Eligible Retail Shareholder?	Eligible Retail Shareholders are those Shareholders who, as determined by the Company at its absolute discretion: • is a Shareholder as at the Record Date; • has a registered address on the Company's 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; • was not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and was not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and • is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.	Section 1.4
What happens if I am a Shareholder on the Record Date but not an Eligible Retail Shareholder?	You will not be entitled to subscribe for New Securities under the Retail Entitlement Offer. Ineligible Retail Shareholders will have their percentage shareholding in the Company (held at the Record Date) diluted as a result of the Offer. However, Ineligible Retail Shareholders will receive the Retail Premium (if any) for Entitlements that will be sold for their benefit into the Retail Shortfall Bookbuild.	Section 1.14
How much will be raised from the Offer?	The Offer will raise A\$52.6 million (before costs).	Section 1.12
What is the purpose	The funds raised under the Offer, net of expenses of the	Section 1.12

of the Offer and how will the funds raised be used?	Offer, together with existing cash reserves will be used for the following purposes: - development and construction of stage 1 of the Lance Projects in Wyoming, USA; - repayment of the BlackRock Notes; and - general working capital purposes.	
Is the Offer underwritten?	Yes, the Offer is partly underwritten by RFC Ambrian to A\$34.8m. RFC Ambrian has entered into sub-underwriting arrangements with RCF VI and Pala for A\$22.3m. In addition, RFC Ambrian has received commitments from other Institutional Investors to take up Entitlements of A\$12.5m.	Sections 1.9 and 9
What are the tax implications of participating in the Offer?	Taxation implications will vary depending upon the specific circumstances of individual Shareholders. Investors should obtain their own professional advice as to the particular taxation treatment which will apply to them.	Section 9.15
Are there any risks?	There are risks associated with an investment in the Company. These include risks relating to the Company's business, risks relating to the Offer and risks associated with financial investments generally. These risks are set out in more detail in section 4 of this Prospectus.	Section 4
What effect will the issue of New Securities under the Offer have on the control of the Company?	The potential effect that the issue of the New Securities under the Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand. Further details of the effect on control are set out in section 5.	Sections 1.19 and 5
Where can I find more information about the Company?	For more information on the Company and its projects please see the Company's website (www.pel.net.au) and the Company's ASX announcements (also available on the Company's website and the ASX's website (www.asx.com.au)).	

Actions for Eligible Retail Shareholders

How do Eligible Retail Shareholders find out what their Entitlement is?	Your Entitlement is set out on the personalised Application Form accompanying this Prospectus.	Application Form
What can I do with my Entitlement?	You can do the following: - take up all or part of your Entitlement; - sell all or part of your Entitlement to persons meeting	Section 6.1

	certain eligibility criteria on ASX or by transferring it directly to another eligible person; or do nothing, in which case your Entitlement will lapse.	
How do I accept the Offer?	If you wish to take up all or part of your Entitlement, you must either: - complete and return the personalised Application Form to the Share Registry together with a cheque, bank draft or money order for the full Application Monies so that it is received by the Share Registry by no later than 2:00 pm (Perth time) on the Retail Closing Date; or - pay the full Application Monies via BPAY® by no later than 2:00 pm (Perth time) on the Retail Closing Date.	Sections 6.4 and 6.5
Can I sell or transfer my Entitlement?	Yes, the Offer is renounceable, meaning you can sell or transfer your Entitlement.	Sections 1.6 and 6.1
What happens if I do not take up my Entitlement, or take up only part of my Entitlement?	If you do not take up all of your Entitlement by the Retail Closing Date, then any Entitlements which you do not take up, sell or transfer will be sold through the Retail Shortfall Bookbuild to eligible Institutional Investors.	Section 6.1
Can I take up more than my Entitlement?	Shareholders may apply for New Securities above their Entitlement by applying to participate in the Oversubscription Offer.	Section 1.8
How do I participate in the Oversubscription Offer?	Entitlements that are not sold through the Retail Shortfall Bookbuild will be available for subscription through the Oversubscription Offer. Shareholders who wish to apply for New Securities above their Entitlement and participate in the Oversubscription Offer can complete the relevant section of the Application Form (titled "Additional New Shares" and return it, together with the Application Monies for the value of those Oversubscription Securities (at A\$0.02 per Oversubscription Security).	Section 1.8
How will the Oversubscription Offer be allocated?	The Directors reserve the right to place the Oversubscription Securities at their absolute discretion. If the Oversubscription Offer is oversubscribed by Shareholders, the Company intends to scale back, pro-rata, applications for Oversubscription Securities. To the extent that any Oversubscription Securities remain after the above allocations, the Directors reserve the right to place Oversubscription Securities to third parties who are not Shareholders and who are not Related Parties or associates of the Underwriter. Any Oversubscription Securities will be placed no later than 3 months after the Retail Closing Date.	Section 1.8
Enquiries	If you have any enquiries in relation to the Application Form or your Entitlement, please contact the Share Registry by	

	telephone on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) or consult your professional adviser.	
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1. Details of the Offer

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

1.1 Overview of the Offer

Under the Offer, Eligible Shareholders are being offered the opportunity to purchase 0.615 New Shares for every 1 Share held as at 4:00pm (Perth time) on 19 December 2014 (the **Record Date**), at the Offer Price of A\$0.02 per New Share, together with 1 free New Option for every 2 New Shares subscribed.

The Offer is comprised of four components:

- **Institutional Entitlement Offer** - Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlement. Entitlements under the Institutional Entitlement Offer were renounceable and were not able to be traded on ASX;
- **Institutional Shortfall Bookbuild** - Entitlements not taken up by Eligible Institutional Shareholders and Entitlements of Ineligible Institutional Shareholders were sold through a bookbuild process which completed on 16 December 2014 (**Institutional Shortfall Bookbuild**). The amount paid in respect of those institutional Entitlements was the Offer Price;
- **Retail Entitlement Offer** - Eligible Retail Shareholders will be allotted Entitlements under the Retail Entitlement Offer which can be taken up in whole or in part or traded on ASX (or transferred directly to another person) in whole or in part. This means that if you do not wish to take up all or part of your Entitlement, you may sell on ASX or transfer all or part of your Entitlement to persons meeting certain eligibility criteria in order to realise value from your Entitlement. You may incur brokerage costs if you sell your Entitlement on ASX; and
- **Retail Shortfall Bookbuild** - Entitlements of Eligible Retail Shareholders which are not taken up by the Retail Closing Date and Entitlements of Ineligible Retail Shareholders will be sold for their benefit through the Retail Shortfall Bookbuild. Any Retail Premium will be remitted proportionally to holders of those Entitlements at the close of the Retail Entitlement Offer, and to Ineligible Retail Shareholders. The Retail Premium, if any, is expected to be paid on or about 6 February 2015.

The New Shares offered under this Prospectus will be issued on a fully paid basis and will rank equally in all respects with the Shares on issue at the date of this Prospectus. Please refer to section 7 for further information regarding the rights and liabilities attaching to the New Shares.

The New Options offered under this Prospectus will be issued on the terms and conditions set out in Schedule 1 and summarised in section 8 of this Prospectus.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 2,632,004,431 New Shares and 1,316,002,216 New Options will be issued pursuant to this Offer to raise A\$52.6 million.

The purpose of the Offer and the intended use of funds raised are set out in section 1.12 of this Prospectus.

1.2 The Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to apply for 0.615 New Shares for every 1 Share held as at the Record Date at the Offer Price of A\$0.02 per New Share, together with 1 free New Option for every 2 New Shares subscribed.

The offer ratio and Offer Price under the Retail Entitlement Offer are the same as for the Institutional Entitlement Offer.

The Retail Entitlement Offer opens on 29 December 2014 and will close at 2:00 pm (Perth time) on 23 January 2015 (the **Retail Closing Date**).

1.3 Entitlement

Each Eligible Retail Shareholder who is registered as the holder of Shares at 4:00 pm (Perth time) on the Record Date is entitled to participate in the Offer. The number of New Securities to which you are entitled is shown on your personalised Application Form accompanying this Prospectus.

Shareholders who do not take up all of their Entitlement will have their percentage shareholding in the Company diluted as a result of the Offer.

If you have more than one holding of Shares, you will be sent more than one personalised Application Form and you will have a separate Entitlement for each separate holding. It is the responsibility of Applicants to determine their allocation prior to trading in the New Securities. The sale by Applicants of New Securities prior to the receipt of a holding statement is at the Applicant's own risk.

1.4 Eligible Retail Shareholders

An Eligible Retail Shareholder is a Shareholder who, as determined by the Company at its absolute discretion:

- is a Shareholder as at the Record Date;
- has a registered address on the Company's 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;
- was not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and was not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

1.5 Retail Opening Date and Retail Closing Date

The Retail Entitlement Offer will be open for receipt of Applications on the Retail Opening Date, 29 December 2014.

The Company will accept Applications, including Application Money, until 2:00 pm (Perth time) on the Retail Closing Date, 23 January 2015, subject to the Company varying the Retail Closing Date in accordance with the Corporations Act and ASX Listing Rules.

1.6 Entitlement trading

The Offer is renounceable. This means that Eligible Retail Shareholders who do not wish to take up all or part of their Entitlement may sell or transfer their Entitlement in order to realise the value that may attach to their Entitlement.

Entitlement trading on ASX

If you wish to sell all or part of your Entitlement, you must provide appropriate instructions to your stockbroker and provide them with any information requested by them in order to effect our instructions as soon as possible. You must allow sufficient time for your instructions to be carried out.

The Entitlement will be quoted on ASX and trading of the Entitlement will commence on ASX on 18 December 2014 and will cease at the close of trading on 16 January 2015, unless extended. Please refer to section 6.1(c) of this Prospectus.

Entitlement trading other than on ASX

If you wish to transfer all or part of your Entitlement, you will need to sign a standard Renunciation and Transfer Form or contract a CHESS controlling participant. Please refer to section 6.1(d) of this Prospectus.

1.7 Application Money

Application Money will be held in trust in a subscription account established and held by the Company on behalf of each Eligible Retail Shareholder until the New Securities are issued. If necessary, Application Money will be refunded as soon as reasonably practicable, without interest. Interest earned on any Application Money will be for the benefit of the Company and will be retained by the Company regardless of whether New Securities are issued under the Offer.

1.8 Oversubscription Offer

Entitlements that are not sold through the Retail Shortfall Bookbuild will be available for subscription through the Oversubscription Offer.

Shareholders who wish to apply for New Securities above their Entitlement (and participate in the Oversubscription Offer) can complete the relevant section of the Application Form (titled "Additional New Shares") and return it, together with the Application Monies for the value of those Oversubscription Securities (at A\$0.02 per Oversubscription Security) to the Company.

The Directors reserve the right to place the Oversubscription Securities at their absolute discretion.

If the Oversubscription Offer is oversubscribed by Shareholders, the Company intends to scale back, pro-rata, applications for Oversubscription Securities.

To the extent that any Oversubscription Securities remain after the above allocations, the Directors reserve the right to place Oversubscription Securities to third parties who are not Shareholders and who are not Related Parties or associates of the Underwriter. Any Oversubscription Securities will be placed no later than 3 months after the Retail Closing Date.

The Oversubscription Offer is a separate offer made pursuant to this Prospectus and will remain open for up to 3 months following the Retail Closing Date. The purpose of offering the Oversubscription Securities pursuant to this Prospectus is to comply with section 708A(11) of

the Corporations Act so that investors issued with Oversubscription Securities pursuant to the placement of the Oversubscription Securities can sell their Oversubscription Securities within the next 12 months without the issue of a prospectus.

In any event, the Directors reserve the right to place the Oversubscription Securities at their absolute discretion.

1.9 Underwriting

The New Securities to be issued under the Offer are partly underwritten by the Underwriter for an amount of A\$34.8m.

A summary of the Underwriting Agreement, including the events whereby the Underwriter may be released from its obligations under the Underwriting Agreement, is set out in section 9 of this Prospectus.

1.10 Sub-underwriting and other commitments

The Underwriter has entered into sub-underwriting arrangements with RCF VI and Pala for A\$22.3m.

A summary of the key aspects of the sub-underwriting arrangements is set out in section 9 of this Prospectus.

In addition, the Underwriter has received commitments from other Institutional Investors to take up Entitlements of A\$12.5m.

1.11 Receipt of excess Retail Premium

If you receive a Retail Premium payment in excess of the Retail Premium payment to which you were actually entitled based on that part of your Entitlement under the Retail Entitlement Offer which remains held by you as at the Retail Closing Date (2:00 pm (Perth time) on 23 January 2015) then, in the absolute discretion of the Company, you may be required to repay the Company the excess Retail Premium.

By taking up or transferring your Entitlement, or accepting the payment to you of a Retail Premium, you irrevocably acknowledge and agree to repay any excess payment of the Retail Premium as set out above as required by the Company in its absolute discretion. In this case the amount required to be repaid will be net of any applicable withholding tax. You also acknowledge that there is no time limit on the ability of the Company to require repayment as set out above and that where the Company exercises its right to correct your Entitlement, you are treated as continuing to have taken up, transferred or not taken up any remaining part of the Entitlement.

1.12 Purpose of the Offer and intended use of funds

The Offer is proposed to raise A\$52.6 million (~US\$43.6 million) and the Placement raised A\$16.8 million (~US\$13.9 million) for an aggregate of A\$69.4 million (~US\$57.5m).

The funds raised under the Placement and the Offer, net of expenses, together with existing cash reserves will be used for the following purposes:

- development and construction of the Lance Projects in Wyoming, USA based on the scalable plant development plan through to positive free cashflow generation in stage 1 (US\$38.2 million), as described in more detail in sections 2.1 and 2.5;

- repayment of the BlackRock funds Notes (US\$16.1 million), as described in more detail in section 5.5; and
- general working capital purposes (US\$1.5m).

However, in the event that circumstances change, business opportunities vary from expected or other beneficial opportunities arise, the Directors reserve the right to vary the proposed use of funds to maximise the benefit to Shareholders. Please refer to section 2 for further information regarding the Company's strategy.

The Company has arranged for the committed underwritten amount of A\$34.8m to be supplemented by further funding, to ensure that the Company has access to the full amount of A\$52.6m sought to be raised by the Offer. RCF VI and Pala have provided a loan facility of US\$15 million (A\$18 million) in aggregate. Should the Offer be fully subscribed, the Company will not need to draw down any funds under the facility, though it retains the ability to do so. See section 9.3 for further details of the Loan Facility.

1.13 Treatment of foreign Shareholders

This Prospectus and the accompanying Application Form does not constitute an offer of New Securities in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer.

Return of a duly completed Application Form or BPAY® payment will be taken by the Company to constitute a representation by the Applicant that there has been no breach of applicable securities laws.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and anyone who receives this Prospectus should seek advice on and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the New Securities or the Offer, or otherwise permit a public offering of New Securities, in any jurisdiction outside Australia.

It is the responsibility of any Applicant to ensure compliance with any laws of the country relevant to their Application. Return of a duly completed Application Form and/or payment of Application Money will be taken by the Company to constitute a representation that there has been no breach of such laws.

This document does not constitute an offer of New Securities of the Company in any jurisdiction in which it would be unlawful. New Securities may not be offered or sold in any country outside Australia except to the extent permitted below.

British Virgin Islands

The entitlements and the New Securities may not be offered in the British Virgin Islands unless the Company or the person offering the New Securities on its behalf is licensed to carry on business in the British Virgin Islands. The Company is not licensed to carry on business in the British Virgin Islands. The securities may be offered to British Virgin Islands business companies from outside the British Virgin Islands without restriction.

China

The information in this document does not constitute a public offer of the entitlements or the New Securities, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The entitlements and the New Securities may not

be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors".

European Economic Area – Germany

The information in this document has been prepared on the basis that all offers of New Securities will be made pursuant to an exemption under the Directive 2003/71/EC (**Prospectus Directive**), as amended and implemented in Member States of the European Economic Area (each, a **Relevant Member State**), from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Securities has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, (**MiFID**));
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID;
- to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company or any underwriter for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Securities shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Indonesia

A registration statement with respect to the entitlements and the New Securities has not been, and will not be, filed with the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) of the Republic of Indonesia. Therefore, the entitlements and the New Securities may not be offered or sold or be the subject of an invitation for subscription or purchase. Neither this document nor any other document relating to the offer or sale, or invitation for subscription or purchase, of the entitlements or the New Securities may be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to

Indonesian citizens, corporations or residents, except in a manner that will not be considered as a "public offer" under the law and regulations in the Republic of Indonesia.

Malaysia

No approval from the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Securities. The New Securities may not be offered or made available for purchase in Malaysia except in an exemption from the prospectus and approval requirements of Securities Commission of Malaysia.

New Zealand

The New Securities are not being offered or sold to the public in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). The offer of New Securities is renounceable in favour of members of the public.

This Prospectus contains an offer to eligible shareholders of continuously quoted securities and has been prepared in accordance with section 713 of the Australian Corporations Act. This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Singapore

This document and any other materials relating to the New Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Securities may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

South Africa

This document does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act and may not be distributed to the public in South Africa.

An entity or institution resident in South Africa may not implement participation in the Entitlement Offer unless (i) permitted under the South African Exchange Control Regulations or (ii) a specific approval has been obtained from an authorised foreign exchange dealer in South Africa or the Financial Surveillance Department of the South African Reserve Bank.

Switzerland

The entitlements and the New Securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (**SIX**) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Securities may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Securities will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**).

This document is personal to the recipient only and not for general circulation in Switzerland.

Thailand

This document is not intended to be an offer, sale or invitation for subscription or purchase of securities in Thailand. This document has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this document and any other document relating to the offer, sale or invitation for subscription or purchase, of the New Securities may not be circulated or distributed, nor may the New Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public in Thailand.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Securities. This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the New Securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

United States

- 1.14 This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. **Ineligible Shareholders and appointment of nominee**

The Company is of the view that it is unreasonable to extend the Offer to Ineligible Shareholders, having regard to:

- the number of Ineligible Shareholders;
- the number and value of the New Securities which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- the cost of complying with the legal requirements, and requirements of the regulatory authorities, in the respective overseas jurisdictions.

Accordingly, the Offer is not being extended to Ineligible Shareholders. The Company will send all Ineligible Shareholders details of the Offer and advise that the Company is not extending the Offer to them.

The Company intends, however, to appoint an ASIC approved nominee (**Nominee**) to arrange the sale of those Entitlements that would otherwise have been issued to Ineligible Shareholders had they been Eligible Shareholders. The Nominee will direct the net proceeds (if any) to the Company or another party on its instruction to facilitate pro rata payments to Ineligible Shareholders.

The Nominee will have the absolute and sole discretion to determine the timing and the price at which the Entitlements may be sold and the manner in which any sale is made. After deduction for any withholding required by law (in the Company's reasonable opinion) the proceeds of sale (if any) will be distributed to the Ineligible Shareholders for whose benefit the Entitlements have been sold in proportion to the Entitlement they would have been issued had they been Eligible Shareholders (after deducting brokerage commission and other expenses).

The ability to procure subscribers for Entitlements or to sell Entitlements on ASX, and the price at which Entitlements can be sold, will depend on various factors, including market conditions. To the maximum extent permitted by law, neither the Company nor the Nominee, nor their respective related bodies corporate, nor the Directors, officers, employees, agents or advisers of any of them, will be liable for a failure to sell Entitlements at any particular price.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the Company.

In limited circumstances, and in the Company's absolute discretion, the Company may elect to treat as Eligible Shareholders certain institutional or sophisticated persons who would otherwise not be Eligible Shareholders because their registered addresses are not 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.

1.15 ASX waivers and ASIC relief

The Company has confirmed that no waivers from the ASX Listing Rules are required in relation to the Offer. The Company is not relying on any specific ASIC relief in order to conduct the Offer.

1.16 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately A\$1,728,197 (excluding GST) and are expected to be applied towards the items set out in the table below:

Expenses	Maximum subscription (A\$)
ASIC fees	2,225
ASX fees	65,972
Legal fees	225,000
Offer Management and Underwriting Fee	1,400,000
Printing and despatch	30,000
Miscellaneous	5,000
Total	1,728,197

1.17 Allotment of New Securities

New Securities issued pursuant to the Retail Entitlement Offer will be allotted as soon as practicable after the Retail Closing Date.

Holding statements for New Securities issued under the Offer will be despatched to Shareholders in accordance with the requirements of the ASX Listing Rules and the timetable set out at the commencement of this Prospectus.

1.18 ASX listing

Application for Official Quotation by ASX of the New Securities offered pursuant to this Prospectus will be made as soon as possible and in any event within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of this Prospectus, (or such period as varied by ASIC), the Company will not issue any New Securities and will repay all Application Money for the New Securities within the time prescribed under the Corporations Act, without interest.

The anticipated date of commencement of Official Quotation of the New Securities issued in accordance with this Prospectus is 6 February 2015, subject to ASX's discretion and compliance with the ASX Listing Rules. The fact that ASX may grant Official Quotation to the New Securities is not to be taken in any way as an indication of the merits of the Company or the New Securities now offered for subscription.

1.19 Effect on control

The potential effect that the issue of the New Securities under the Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand.

The maximum number of New Shares to be issued pursuant to the Offer is 2,632,004,431 Shares. If each Eligible Shareholder elects to subscribe for all of the New Securities offered to them the issued capital of the Company will comprise 6,911,686,433 Shares.

The Offer is partly underwritten by RFC Ambrian to A\$34.8m. RFC Ambrian has entered into sub-underwriting arrangements with RCF VI and Pala for A\$22.3m. RFC Ambrian has also received commitments from other Institutional Investors to take up Entitlements of A\$12.5m.

As such, the Underwriter's underwriting commitment will not have any effect on the control of the Company. Further information regarding the underwriting arrangements is set out in section 9.

Below is a summary of the effect on the total number of Shares in the Company each of RCF VI and Pala will have a relevant interest in (and voting power) under different take up scenarios, following the issue of New Securities under the Offer.

	Before the Offer		Post Offer (Committed Amount)		Post Offer (Full take up by all Shareholders)	
	# of Shares	%	# of Shares	%	# of Shares	%
RCF VI	840,000,000	19.6	1,506,024,097	25.0	1,168,953,643	16.9
Pala	398,908,692	9.3	850,715,921	14.1	644,293,691	9.3
Other Shareholders	3,040,773,310	71.1	3,663,393,113	60.9	5,098,439,099	73.8
Total	4,279,682,002	100	6,020,133,131	100	6,911,686,433	100

The "Committed Amount" column of the table assumes that RCF VI and Pala, and that other institutional investors subscribe for the commitments that they have made to RFC Ambrian, and that no other Eligible Shareholders subscribe for their Entitlement.

The level of control of all Eligible Shareholders that do not subscribe for their full Entitlement will decrease.

It is not expected that any change in the total relevant interest of the above will have any material consequences on the control of the Company.

Further details regarding the relevant interests of substantial holders is set out in section 9.9.

1.20 **Withdrawal of the Offer**

The Company reserves the right to withdraw the Offer at any time, in which case the Company will refund Application Monies in accordance with the Corporations Act and will do so without interest.

1.21 **CHES**

The Company participates in the Clearing House Electronic Subregister System (**CHES**). ASX Settlement, a wholly-owned subsidiary of ASX, operates CHES in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Securities.

If your shareholding is held on a broker sponsored sub-register, ASX Settlement will send you a CHESS statement. The CHESS statement will set out the number of New Securities issued to you under this Prospectus, and provide details of your holder identification number and the participant identification number of the sponsor.

If your shareholding is held on the CHESS Company-sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of New Securities issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Company statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time. However, a charge may be incurred for additional statements.

1.22 Enquiries

If you have any enquiries in relation to the Application Form or your Entitlement, please contact the Share Registry by telephone on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) or consult your professional adviser.

2. Overview of the Company and Lance Projects

Peninsula is a uranium developer and emerging producer with its primary assets being the Lance Projects in Wyoming, USA and the Karoo Projects in South Africa. The Lance Projects will be mined via the ISR mining method, whilst the Karoo Projects will be mined via conventional open cut and decline mining methods.

Peninsula is targeting the commencement of production from the Lance Projects in 2015 and is currently targeting commencement of production from the Karoo Projects in 2017/18.

2.1 Lance Projects - introduction

The Lance Projects are located on the northeast flank of the Powder River Basin, Wyoming, USA. The Lance Projects were originally explored in the 1970s as part of a joint venture between Nuclear Dynamics Inc., Bethlehem Steel Corporation, and (later) Pacific Power & Hydro (the **NuBeth JV**). From 1970-79, the NuBeth JV discovered thirteen zones of substantial uranium mineralisation associated with an extensive system of Roll-Fronts.

The Lance Projects area covers over 120km² within which there is a combined 305km of stacked Roll-Fronts, held by Strata Energy (a wholly owned subsidiary of Peninsula). Exploration drilling during 2008-2012 has confirmed significant uranium resources: to-date, Peninsula has delineated a JORC Code-compliant resource of 53.7mlbs U₃O₈¹. The resource is delineated over three production units within the Lance Projects – Ross, Kendrick and Barber.

Development and ramp-up of the Lance Projects is planned to occur in three distinct stages:

- 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.

Major aspects of each stage are:

Stage 1

- Up to seven wellfield units are in simultaneous operation at any one point in time;
- Six ion exchange columns (**IX**) are installed and commissioned in the Central Processing Plant (**CPP**);
- Deep disposal well #1; and
- Initial CPP building structure and administration building.

Stage 2

- Up to fourteen wellfield units are in simultaneous operation at any one point in time;

¹ JORC Table 1 included in an announcement to ASX released on 27 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.

- CPP building structure and footprint is expanded to accommodate additional processing equipment;
- An additional six ion exchange columns are installed and commissioned in the CPP increasing the total number of ion exchange columns to twelve; and
- Elution, precipitation, drying and packaging equipment are installed in the expanded CPP.

Stage 3

- Fourteen wellfield units are developed in Barber;
- A satellite plant comprising twelve ion exchange columns and a reverse osmosis module is constructed at Barber; and
- Loaded resin from the satellite plant is trucked to the CPP for treatment and packaging.

Timing of development of Stages 2 and 3 will be driven by uranium market conditions.

2.2 Lance Projects – mineral resource estimate

The most recent JORC Code-compliant 53.7mlb mineral resource estimate was prepared by World Industrial Minerals in December 2012 (see Table 1 below). It is based on a database containing over 4,700 historical drill holes together with 2,530 holes completed by Peninsula between 2008 and December 2012.

Table 1: Lance Projects classified resource summary

Classification	Tons (million)	Grade (ppm U3O8)	U3O8 (mlbs)
Measured	4.1	495	4.5
Indicated	11.6	497	12.7
Inferred	35.5	467	36.5
Total	51.2	476	53.7

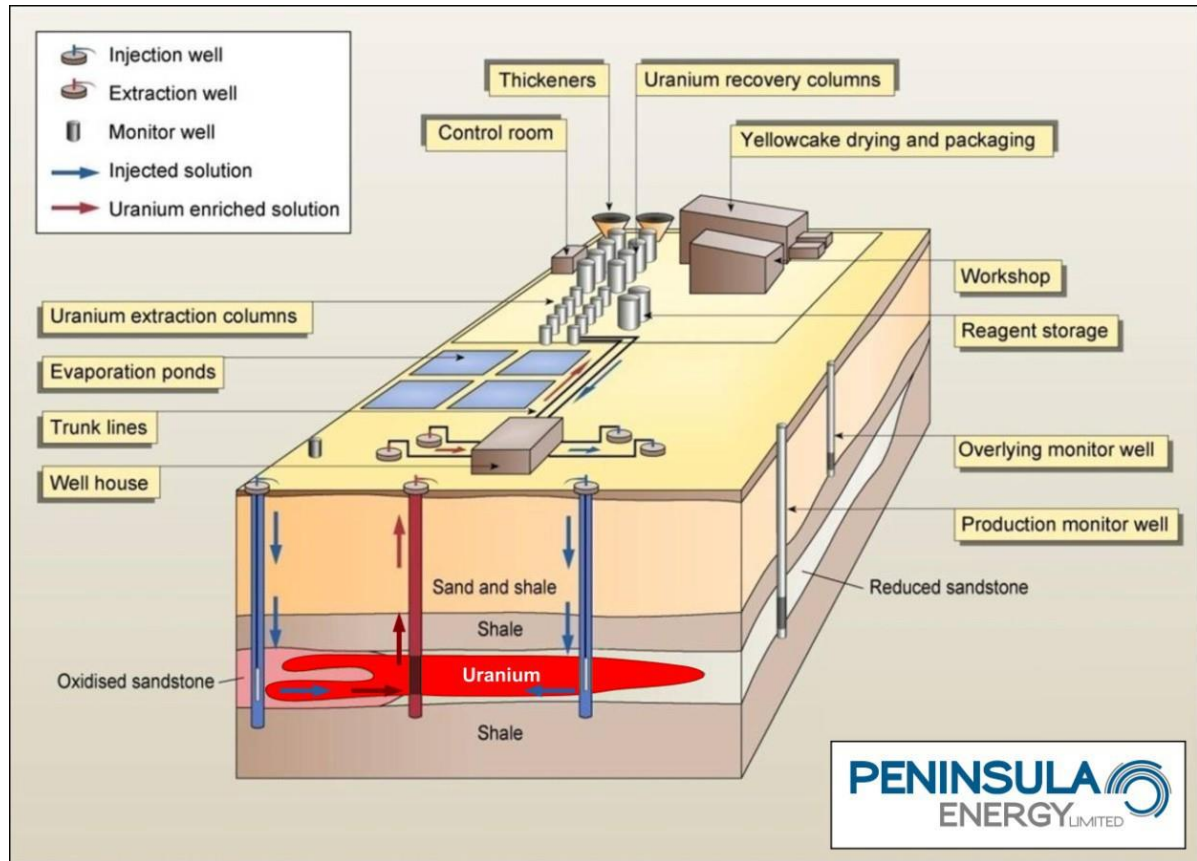
Prior to production, conversion of resources to reserves is generally not possible for ISR resources: the JORC Code requires commercial production to be achieved for a period of time before reserves can be estimated. Consequently, ISR projects are typically developed based on known resources only (e.g. Ur-Energy's Lost Creek project, Wyoming, which has recently entered commercial production). This is recognised by JORC as standard and common practice for ISR mineral resources.

2.3 Lance Projects – processing

ISR uranium mining is a form of solution mining in which uranium is removed from sandstone formations. The process exploits the same chemical process responsible for the original deposition of uranium in the host rocks and accounts for more than 45% of primary uranium production globally.

ISR uranium mining and processing consists of two steps: (i) recovery of uranium from mineralised sandstone host rock via the cycling of recovery solutions; and (ii) processing of the uranium-rich solution into U3O8.

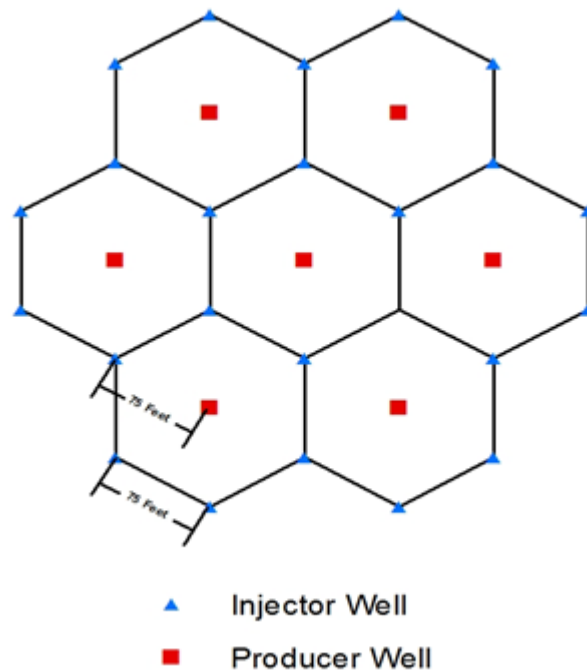
Figure 1: Schematic representation of the ISR mining process



A recovery solution comprising native groundwater, oxidant, and sodium bicarbonate complexing agent (collectively, **Lixiviant**) will be injected into the ore-bearing sandstone through a series of injection wells. As the recovery solution (**Pregnant Lixiviant**) moves through the formation and contacts the ore, uranium is oxidised and mobilised. The Pregnant Lixiviant will then be transported upwards by production wells and conducted via pipeline to the CPP.

Wells will be arranged in a seven-spot pattern consisting of six injection wells surrounding one production well (see Figure 2 below). The geometry may be modified slightly to fit the specific characteristics of the ore body. Injection and recovery wells have identical construction and completion methods, enabling the flow direction to be reversed and allowing for optimisation of uranium recovery or groundwater restoration as required.

Figure 2: Typical seven-spot pattern arrangement

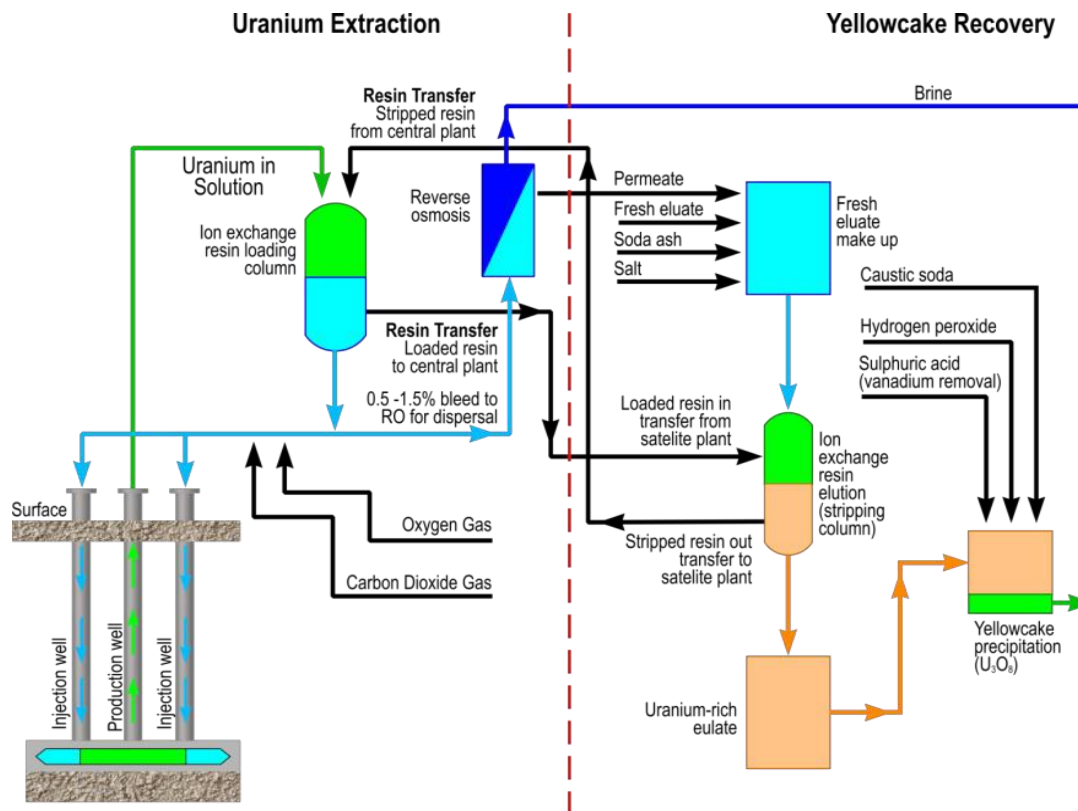


The wellfield areas will be surrounded by a ring of monitor wells in the same horizon as the mining wells. Monitor wells will also be installed in both the overlying and underlying water-bearing zones. All monitor wells are regularly sampled to ensure the injected Lixiviant remains within the mining aquifer and wellfield areas. Buried pipelines will conduct injection and recovery fluids between the wellfields and the header houses and the CPP.

At the CPP, the Pregnant Lixiviant will be transferred to IX columns. Here uranium-specific resin will strip the uranium complexes from the Lixiviant, with positively-charged uranium in the Pregnant Lixiviant attracted to negatively-charged resin beads. During Stage 1, the loaded resin will be taken from the IX columns and transported to another uranium ISR facility in Wyoming for further treatment and packaging into sealed containers for shipment.

During Stages 2 and 3, loaded resin will be conveyed from the IX columns to the elution circuit where a concentrated brine solution will be used to remove the uranium and regenerate the resin. The resulting eluate will then run through a precipitation circuit where the addition of hydrogen peroxide will precipitate a uranium oxide slurry. The slurry will then be thickened, filtered, and dried to produce dry U₃O₈; this will then be packaged in sealed containers for shipment.

Figure 3: Extraction and recovery flow sheet (Stages 2 and 3)



During Stage 1, the IX columns are designed to handle a flow rate up to 3,750gpm and process 500,000 to 700,000 lbs U₃O₈ p.a. The CPP has a fully licensed capacity to process up to 3.0mlbs U₃O₈ p.a.

During recovery of the Lixiviant from the production wells, more Lixiviant is recovered than is injected. The difference between the recovered and injected Lixiviant - the so-called "production bleed" - establishes a hydraulic gradient toward the production wells, reducing the risk of Lixiviant transgressing from the controlled wellfield area and providing greater hydraulic control of the wellfields.

2.4 Lance Projects – infrastructure

Water supply

The water system will comprise a new well, treatment system, treated-water storage and a distribution system. Monitoring and reporting of water quality parameters will meet state and federal requirements.

Power supply

Powder River Energy Corporation (**PRECorp**) will be the power provider. The nearest power source is within one mile of the CPP site (Stages 1 and 2).

Gas supply

Heating for the CPP and future uranium drying will be natural-gas-powered. This is expected to be provided from existing natural gas lines situated to the south-west of the CPP. As these are distribution lines, the transported gas has been refined and the odorant mercaptan added. Minimal infrastructure installation will be required to tap the distribution lines.

Roads

Primary access roads will be used for routine access to the CPP and site administration office. Both the CPP and site administration office are close to County Road 164 ($\pm 1,000$ ft), meaning minimal construction is required. The proximity to gravelled county roads will be beneficial with respect to transportation of equipment, supplies, personnel, and product to and from the plants.

Secondary access roads will be used to service the wellfield module buildings. They will be constructed with limited cut-and-fill construction and may be surfaced with small-sized aggregate or other suitable material.

2.5 Lance Projects – capital costs

Peninsula's estimate for the capital costs for Stage 1 of the Lance Projects is summarised in the table below. The estimate covers design and construction of the Stage 1 CPP, administration building, initial wellfields, a deep disposal well and required site infrastructure. The capital cost is presented in US\$, as the functional currency of the Lance Projects, and has a base of the second quarter 2014.

Table 2: Lance Projects Stage 1 capital cost estimate

Activity	US\$ (million)
CPP	13.1
Wellfields and site support infrastructure	16.8
Capital cost contingency	3.4
Total	33.3

2.6 Lance Projects – operations

Production from the existing JORC Code-compliant resource base is planned to occur over a period exceeding 20 years. Ongoing sustaining cash costs over the life of mine are:

- Stage 1 and 2 (average) – US\$30.76 / lb U3O8.
- Stage 3 Steady-State – US\$29.16 / lb U3O8.

Notes:

1. All costs are un-escalated and include contingency (where applicable);
2. Stage 3 steady-state production average of 2.3mlbs per annum;
3. Costs include royalties, state / ad valorem / severance taxes, operating costs, ongoing wellfield development costs, closure costs, rehabilitation costs and delivery of concentrate to a converter, but exclude selling and marketing costs, financing charges and corporate taxes;
4. Resource replacement exploration and drilling costs are excluded; and
5. Non-Strata Energy corporate costs incurred by the ultimate parent company are excluded.

2.7 Lance Projects – development funding

Table 3: Development funding summary

	US\$ (million)
Stage 1 Lance Projects CAPEX	33.3
Stage 1 Lance Projects OPEX and working capital	4.9
BlackRock Notes repayment	16.1
General working capital	1.5
Total	55.8

Development funding is intended to be provided by new equity raised by the Company pursuant to the Placement and the Offer. Equity raised by the Company will be denominated in Australian dollars. For the purpose of converting US dollar amounts to Australian dollars, the Company has used an exchange rate of 1.00A\$ = 0.83US\$. Applying this exchange rate to the development funding amount of US\$ 55.8 million results in an Australian dollar equivalent amount of A\$67.2 million.

2.8 Lance Projects – product sales

Peninsula has in place one existing contract for the delivery of approximately 1 million pounds of U3O8 entered into in February 2011. Deliveries of U3O8 under this contract are scheduled to begin shortly after the commencement of production and will conclude in 2020. This existing contract has a weighted average price (**WAP**) of US\$73-\$75 per pound.

On 3 December 2014, Peninsula announced the entry into a new contract for the delivery of up to 912,500 pounds of U3O8 between 2016 and 2024. The base price for the contract is consistent with the Term contract price reported by uranium industry commentators (UxC and TradeTech) during November 2014. Escalation is applied to the base price on a quarterly basis over the term of the contract, commencing in the first quarter of calendar year 2015.

The Company continues negotiating additional product sales contracts with various counterparties and plans to enter into term contracts for an additional 1.0 - 2.0mlbs U3O8 for delivery over the next 5 years. Only 0.4-0.5mlbs needs to be contracted in the next 12 months due to ramp up and the timing of deliveries under the existing contracts. The requirement for only an additional 0.4-0.5mlbs over the next 12 months is due to the proportion of production during the first 2 to 3 years that is already committed to the existing contracts.

2.9 Lance Projects – project implementation

It is intended that the CPP, administration building and site infrastructure for Stage 1 of the Lance Projects be implemented under a design and build contract. TREC Inc., a Wyoming based engineering and construction firm experienced in uranium ISR developments, has been awarded this contract.

Implementation of the wellfields and deep disposal well will be undertaken by independent contractors directly engaged by the Company. Through its operating subsidiary in Wyoming, Strata Energy, Peninsula employs a highly experienced uranium ISR wellfield development and operations team with significant experience in managing the implementation and development of wellfields.

Indicative key milestones in the implementation schedule are:

Commencement of wellfield drilling	January 2015
Concrete foundation for CPP poured	January 2015
CPP building erection start	1 st Quarter 2015
Wet commissioning	2 nd Quarter 2015
NRC operational readiness inspection	3 rd Quarter 2015
Start-up and commencement of production	3 rd Quarter 2015

2.10 Lance Projects – permits and licences

Peninsula has in place all of the material licences and permits required to enable construction of the project, operation of the project and the sale of uranium concentrate (U3O8). Key permits and licences that the Company has been granted are:

- Underground Injection Control permit (Class I) issued by the Wyoming Department of Environmental Quality (**WDEQ**) on 13 April 2011;
- Air Quality Permit first issued by the WDEQ on 13 September 2011;
- Permit to Mine issued by the WDEQ on 16 November 2012;
- Safety Evaluation Report issued by NRC on 28 February 2013;
- Aquifer Exemption issued by the United States Environmental Protection Agency on 15 May 2013;
- Final Supplemental Environmental Impact Statement issued by NRC on 28 February 2014; and
- Source Material and By-product Licence issued by NRC on 24 April 2014.

2.11 Karoo Projects – overview

In South Africa, Peninsula holds 41 Prospecting Rights that comprise the Karoo Projects. Peninsula has an effective 74% interest in each of the 41 Prospecting Rights, with the remaining 26% held by Black Economic Empowerment partners in accordance with South African laws and regulations.

A maiden JORC Code-compliant resource of 50.1m lbs U3O8 was declared in February 2013, subsequently increased to 56.9m lbs U3O8 in March 2014². A scoping study was completed on the Karoo Projects in 2013 and initial activity on a pre-feasibility study has commenced.

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves at the Lance Projects is based on information compiled by Mr Jim Guiling. Mr Guiling is a Member of a Recognised

² JORC Table 1 included in announcement to the ASX on 11 March 2014: "13% Resource Expansion and Upgrade at Karoo Projects". 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.

Overseas Professional Organisation included in a list promulgated by the ASX (Member of Mining and Metallurgy Society of America and SME Registered Member of the Society of Mining, Metallurgy and Exploration Inc). Mr Guilinger is Principal of independent consultants World Industrial Minerals. Mr Guilinger have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking as a Competent Person as defined in the 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 Peninsula's Karoo projects is based on information compiled by Mr George van der Walt. Mr van der Walt is a member of a the Australian Institute of Mining and Metallurgy (AUSIMM) 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'. Mr van der Walt consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

3. Company information

3.1 Board of Directors

The Directors of the Company bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.

The following persons are Directors of the Company as at the date of this Prospectus:

Mr John (Gus) 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. Previously held positions include senior executive roles with Gindalbie Mining NL, Australian Minerals Sands NL, Panorama Resources NL and Tanganyika Gold Limited. Mr Simpson brings a high level of strategic commercial expertise to the company. He currently serves as Non-Executive Chairman of ASX listed Quest Petroleum NL and Namibian Copper NL.

Mr Alfred Gillman B.Sc (Hons), Fellow of AusIMM
Non-Executive Director

Mr Gillman has over 25 years' experience as a geologist in uranium, gold and base metals exploration. Mr Gillman has extensive uranium experience including the sandstone hosted deposits of the Karoo Basin in South Africa, Powder River Basin, 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 previously 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. Mr Gillman is a Fellow and Chartered Professional of the Australian Institute of Mining and Metallurgy. He currently serves as Executive Director of ASX listed Triton Minerals Limited.

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 NatWest Securities 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 former 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 Neil Warburton Assoc MinEng WASM, MAusIMM, FAICD
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 35 years' experience in all areas of mining operation. Over the period 2000-2012 Neil held senior positions with Barmenco Limited from August 2007 to March 2012 culminating in being the Chief Executive Officer. He successfully grew Barmenco into Australia and West Africa's largest underground mining contractor with annual revenues of more than A\$800m. Prior to joining Barmenco, Neil held several senior corporate positions, this included serving as Managing Director of Coolgardie Gold NL. Neil started his career with Western Mining Corporation as a graduate mining engineer and progressed to Manager of Underground Operations. Neil is a graduate from the Western Australia School of Mines with an Associate Degree in Mining Engineering. He is a Fellow of the Australian Institute of Company Directors (FAICD) Member of the Australian Institute of Mining and Metallurgy (MAusIMM) and Chairman of the Mining Hall of Fame Foundation. 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, Sirius Resources NL and Namibian Copper NL.

Mr John Harrison
Non-Executive Director

Mr Harrison brings to Peninsula a wealth of experience and resource sector knowledge acquired over a 45 year career including 20 years of investment banking in London. During this time Mr Harrison has developed an extensive international contact base advising companies across a range of commodities (including uranium) and raising more than £500m in equity capital in the process. Following a successful career in the Lloyd's reinsurance market, Mr Harrison was Managing Director at Numis Securities Ltd where he worked on the development and listing of the then-new Lloyd's corporate underwriting vehicles, an activity upon which the Numis corporate finance franchise was built. Mr Harrison is currently Non-Executive Chairman (UK) of international advisory and broking firm RFC Ambrian Limited and Non-Executive Chairman of UK coking coal development company West Cumbria Mining PLC.

Proposed nominee directors

Pursuant to the funding commitments provided by Pala and RCF VI, the Company has agreed that:

- (a) a suitably qualified nominee of Pala is to be appointed to the Board of the Company no later than the date of completion of the Offer; and
- (b) whilst RCF VI maintains a relevant interest in the Company of at least 10%, a suitably qualified nominee of RCF VI can be appointed to the Board of the Company.

Please see section 9.2 for further details.

3.2 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

(c) the Offer.

Mr John Harrison was previously the Executive Chairman of the United Kingdom operations of RFC Ambrian, retiring from this role on 1 July 2014. Effective 1 July 2014, Mr Harrison became and continues to be the Non-Executive Chairman of the United Kingdom operations of RFC Ambrian. The United Kingdom operations of RFC Ambrian are an affiliate of the Underwriter.

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

	# of Shares	%	# of Options	Share Entitlement	Option Entitlement	\$
Mr John Simpson	52,716,277	1.23	7,003,101	32,420,510	16,210,255	648,410
Mr Alfred Gillman	11,026,731	0.25	875,000	6,781,440	3,390,720	135,629
Mr Warwick Grigor	10,397,731	0.24	11,462,060	6,394,605	3,197,302	127,892
Mr Neil Warburton	1,644,450	0.04	Nil	1,011,337	505,668	20,227
Mr John Harrison	Nil	Nil	Nil	Nil	Nil	Nil

The Directors also hold Performance Rights as set out in the table below.

	Class D Performance Rights	Class E Performance Rights	Class F Performance Rights
Mr John Simpson	12,000,000	12,000,000	12,000,000
Mr Alfred Gillman	4,000,000	4,000,000	4,000,000
Mr Warwick Grigor	2,000,000	2,000,000	2,000,000
Mr Neil Warburton	2,000,000	2,000,000	2,000,000
Mr John Harrison	0	3,000,000	3,000,000

As at the date of this Prospectus the Directors intend to take up some or all of their Entitlement.

3.3 Directors' fees

Other than as set out below, no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or the Offer.

Mr John Harrison was previously the Executive Chairman of the United Kingdom operations of RFC Ambrian Limited, retiring from this role on 1 July 2014. Effective 1 July 2014, Mr Harrison became and continues to be the Non-Executive Chairman of the United Kingdom operations of RFC Ambrian Limited. The United Kingdom operations of RFC Ambrian Limited are an affiliate of the Underwriter. Fees payable to the Underwriter in relation this Offer are approximately A\$1.40 million under the terms of the Underwriting Agreement.

Directors are entitled to Directors' fees and other payments, which are disclosed in the Company's annual financial reports. The Directors' current annual remuneration is as follows:

	Remuneration			
	Year ended 30 June 2013		Year ended 30 June 2014	
Name	Short term ¹ A\$	Long term ² A\$	Short term ¹ A\$	Long term ² A\$
Mr John Simpson	756,000	670,833	735,000	319,000
Mr Alfred Gillman	485,640	266,611	446,400	106,333
Mr Warwick Grigor	39,240	45,306	39,330	53,167
Mr Neil Warburton	12,000	14,889	36,000	36,667
Mr John Harrison ³	N/A	N/A	N/A	N/A

Notes:

1. Short term remuneration includes cash, fees, salary, superannuation payments and shares issued in lieu of cash payments, including shares issued under the Company's salary sacrifice program;
2. Long term remuneration includes share based payments being the issue of performance rights to Directors under the PRP. Note that no performance rights have vested in the year ended 30 June 2014 and the value above represents an accounting valuation using a Monte Carlo model that simulates the share price of the Company at a particular test date. Section 5.3 of this prospectus sets out a summary of the performance rights on issue as at the date of this prospectus; and
3. Mr Harrison is paid a Director's Fee of A\$3,000 per month.

The Constitution of the Company provides that the Non-Executive Directors shall be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company, to be divided among themselves and in default of agreement then in equal shares (**Remuneration Pool**). The Remuneration Pool shall not be increased except pursuant to a resolution passed at a general meeting of the Company (the total Remuneration Pool currently being A\$180,000). In addition, no Director shall be paid as whole or part of his remuneration a commission on or percentage of operating revenue.

If a Director, being willing, is called on to perform extra services or to make any special exertions in going or residing abroad or otherwise for the Company, the Company may remunerate that Director by payment of a fixed sum determined by the Directors and that remuneration may be either in addition to or in substitution for that Director's share in the Remuneration Pool described above.

The Directors may also be paid all travelling and other expenses properly incurred by them in attending, participating in and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the business of the Company.

4. Risk factors

4.1 Introduction

The New Securities offered by this Prospectus should be considered speculative.

Prior to deciding whether to take up their Entitlement, Shareholders should read this Prospectus and review announcements made by the Company to ASX (at www.asx.com.au, ASX: PEN) in order to gain an appreciation of the Company, its activities, operations, financial position and prospects. In addition, the Directors strongly recommend that investors examine the contents of this Prospectus and consult their professional advisers before deciding whether to take up their Entitlement.

There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance and position of the Company and the outcome of an investment in the Company. Shareholders should consider the summary risk factors set out in this section 4 of this Prospectus when evaluating the Company and deciding whether to increase their shareholding in the Company.

The Directors consider that the following summary represents the principal risk factors which Shareholders need to be aware of in evaluating the Company and deciding whether to increase their investment in the Company, but is not intended to be an exhaustive list.

Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. Some of the risks may be outside the control of the Company and not capable of mitigation.

4.2 Company-specific risks

(a) Uranium mining risks

The Company's uranium projects are located in Wyoming, USA and South Africa.

Uranium mining in Wyoming is subject to dual licensing regulation by NRC and the WDEQ. NRC regulates the export of uranium from the United States by a system of licensing in accordance with United States foreign policy and regulates the movement of nuclear materials within the United States. Whilst exploration and mining for uranium is currently permitted in the United States there can be no guarantee that it will continue to be permitted in the future.

While exploration and mining for uranium is currently permitted in South Africa, there is no guarantee that it will be permitted in the future.

(b) Uranium recovery and processing

The operations of the Company may be affected by the success of the wellfield operation and extraction of uranium from the targeted host rock at the Lance Projects. A potential problem is unknown or changing geochemical conditions resulting in uranium recovery rates from the mineralised zones being significantly different from previous bench-scale tests.

Another risk is reduced hydraulic conductivity in the formation due to chemical precipitation or lower hydraulic conductivities than estimated, high flare and/or recovery of significant amounts of groundwater, the need for additional injection wells to increase uranium recovery rates, variability in the uranium concentration in the host rock and discontinuity of the mineralised zone confining layers.

(c) **Operational risk**

The operations of the Company may be affected by various factors, including, failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in constructing, commissioning, and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

The Company has conducted numerous bench tests during 2009-2013. However, no assurances can be given that the Company will achieve its commercial targets and that predicted production rates will be realised.

(d) **Contentions raised against source material license**

Two interest groups in the United States, the Natural Resources Defence Council and the Powder River Basin Resource Council (together, the **Intervenors**), have challenged certain aspects of the final Supplemental Environmental Impact Statement (**SEIS**) that forms part of the basis for the Source Material and By-Product Licence (**SML**) issued to Strata Energy. The SML was issued by NRC on 24 April 2014 in accordance with the United States Atomic Energy Act and allows the Company to construct and operate its ISR uranium project in Wyoming.

Contentions raised by the Intervenors were heard by the United States Atomic Safety and Licensing Board (**ASLB**) between 28 September 2014 and 1 October 2014. The issues under consideration were whether NRC staff's final SEIS; (1) fails to characterise adequately baseline or pre-mining groundwater quality and fails to establish that groundwater samples were collected in a scientifically-defensible manner; (2) failed to analyse the environmental impacts if the applicant is unable to restore groundwater to applicable groundwater quality standards; and (3) inadequately assesses the likelihood of impacts of fluid migration to adjacent groundwater because of unplugged exploratory bore holes and insufficient information provided by six Strata Energy monitor well clusters and 24-hour pump tests at four of these clusters.

Both the Company and staff members from NRC contend that the final SEIS meets the relevant provisions of the United States National Environmental Policy Act, NRC regulations in 10 CFR Part 40, and the guidelines that NRC has established for uranium ISR mining in the United States.

The ASLB is expected to issue its decision on the three contentions in January 2015. When issuing its decision, the ASLB may do the following: determine that the final SEIS stands as is and not require any changes to be made to the final SEIS; impose additional conditions on the Company by way of modifying the final SEIS; or may set aside the final SEIS and require additional analysis of groundwater conditions thereby preventing the Company from developing and operating its project as intended.

See section 9.14 of this Prospectus for further details in relation to the contentions raised.

(e) **Title risk**

Interests in tenements in the United States and South Africa are governed by the respective State and Federal legislation and are evidenced by the granting of licences and leases.

In the United States, mineral and access rights are held by the Company; with surface ownership comprised of deeded agreements with private landowners, the State of

Wyoming and Federal lands managed by the United States Department of Interior Bureau of Land Management.

In South Africa each licence or lease is for a specific term and carries with it certain expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, the mining tenements located in South Africa if licence conditions are not met or if insufficient funds are available to meet expenditure requirements.

All of the mining tenements in South Africa in which the Company may earn an interest will be subject to applications for renewal. The renewal of the term of each mining tenement is at the discretion of the relevant minister for mining and industry. If a mining tenement is not renewed, the Company may suffer significant damage through the loss of the opportunity to develop and discover any mineral resources on the mining tenements.

(f) Regulatory risk

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of the Company and its Shares.

The Company's exploration, development and production activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

(g) Resource estimates

Resource estimates are expressions of judgment based on geological data, knowledge, experience, and industry practice. These estimates were appropriate when made, but may change when new information or techniques become available.

There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Company's future plans, and its financial performance.

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

While Peninsula is well-advanced in its exploration programme and has successfully delineated a resource in compliance with the JORC Code, there can be no guarantee that the aggregate resource will necessarily be commercially extracted in the aggregate quantities planned by the Company.

(h) **Foreign exchange risks**

The Company's revenues and majority of its costs (both capital and operating) are all denominated in United States dollars. Because the majority of costs and revenues are both denominated in the same currency a natural hedge will exist in terms of operating foreign exchange risk.

Investments in the New Shares offered under this Prospectus are made in Australian dollars, however, the profits and losses of the Company will be predominantly United States dollar based. As such, Shareholder returns will, in Australian dollar terms, be subject to risks associated with variations in the rate of exchange between the United States Dollar and the Australian dollar, as determined in international markets.

(i) **Service providers, agents and contractors**

There is a risk of financial failure or default by agents, contractors, and service providers to which the Company is or may become a party, or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities, or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(j) **Safety risk**

The construction of a uranium mining operation needs to include an assessment of the potential radiological effects of exposure to uranium. Construction of the CPP must consider the types of effluents and emissions, the potential exposure pathways present, and an evaluation of potential consequences of radiological emissions.

In March 2013, the Company was issued a Safety Evaluation Report (**SER**) from NRC for the Lance Projects. The SER represents the conclusion of NRC technical review of the safety aspects of the application including:

- site characterisation;
- facility and process design;
- effluent controls and waste management;
- radiation safety plans and programs;
- groundwater protection;
- facility decommissioning and reclamation; and
- accident analysis.

Specifically, NRC found that the Company is qualified by reason of training and experience to use source material for its requested purpose, and that the proposed equipment and procedures at the project facility are adequate to protect public health and minimise danger to life or property.

(k) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations and its ability to repay or refinance its debt obligations, the Company may require further financing in addition to amounts raised in this financing. Any additional equity financing will dilute shareholdings, and new or additional debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration, development and production programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(l) **Operating history**

While members of the Company's management team possess significant experience and have previously carried out or been exposed to exploration and production activities both within and outside the uranium industry, the Company has a limited operating history with respect to uranium projects. Its ability to achieve its objectives depends on the ability of its Directors, officers and management to implement current plans and respond to any unforeseen circumstances that require changes to those plans.

(m) **Reliance on key management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

4.3 **Industry-specific risks**

(a) **Risks associated with operating in the United States**

NRC regulates the export of uranium from the United States by a system of licensing in accordance with foreign policy; it also regulates the in-country movement of nuclear materials within the United States. Whilst exploration and mining for uranium is currently permitted in the United States, there can be no guarantee that it will continue to be permitted in the future.

Possible sovereign risks associated with operating in the United States include, without limitation, changes in the terms of mining legislation, royalty arrangements, and taxation rates; and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company.

No assurance can be given regarding future stability in the United States or any other country in which the Company may, in the future, have an interest.

(b) **Environmental risk**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It has been Company policy to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Uranium mining in Wyoming is subject to a strict permitting regime. Prior to commencement of mining operations, the Company is required to have in place operating plans and procedures that demonstrate the ability to comply with relevant environmental laws and regulations, and with project specific licences and permits.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products. Significant liabilities could be imposed on the Company for damages, clean-up costs, and/or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations, and/or non-compliance with environmental laws or regulations.

(c) **Exploration risks**

Exploration is a high risk activity that requires expenditure over extended periods of time. There can be no guarantee that planned exploration and evaluation programs will lead to positive exploration and evaluation results and the delineation of a commercial deposit or further, a commercial uranium mining operation.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

(d) **Insurance risk**

The Company will endeavour to maintain insurance within ranges of coverage in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of risks associated with minerals exploration and production is not always available and, where available, the costs can be prohibitive. There is a risk that insurance premiums may increase to a level where the Company considers it is unreasonable or not in its interests to maintain insurance cover or not to a level of coverage which is in accordance with industry practice. The Company will use reasonable endeavours to insure against the risks it considers appropriate for the Company's needs and circumstances. However, no assurance can be given that the Company will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims.

4.4 **General risks**

(a) **Economic risk**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities.

(b) **Market conditions**

Unlike other commodities, uranium does not trade on an open market. Contracts are negotiated privately by buyers and sellers. Changes in the price of uranium can have a significant impact on the economic performance of the Company's projects.

The marketability of uranium and acceptance of uranium mining is subject to numerous factors beyond the control of the Company. The price of uranium may experience volatile and significant price movements over short periods of time. Factors known to

affect the market and the price of uranium include demand for nuclear power; political and economic conditions in uranium mining, producing and consuming countries; costs; interest rates, inflation and currency exchange fluctuations; government regulations; availability of financing for nuclear plants, reprocessing of spent fuel and the re-enrichment of depleted uranium tails or waste; sales of excess civilian and military inventories (including from the dismantling of nuclear weapons) by governments and industry participants; production levels and costs of production in certain geographical areas such as Russia, Africa, and Australia; and changes in public acceptance of nuclear power generation as a result of any future accidents or terrorism at nuclear facilities.

Other than for uranium already committed under contract at agreed prices, no assurance can be given on the accuracy of future prices used in the derivation of the Company's ability to generate positive cashflow from its planned future operations.

(c) Litigation

From time to time, the Company may become involved in litigation and disputes. If the Company becomes involved in material protracted litigation, this could adversely affect the Company's expenditure against budget and the ability of the Company to undertake in a timely manner the activities that it is permitted to do under validly issued licences and permits.

4.5 Investment speculative

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to take up their Entitlement.

5. Purpose and effect of the Placement and the Offer

5.1 Purpose of the Placement and the Offer

The intended use of funds raised from the Placement and the Offer is detailed in section 1.12.

Further, pursuant to section 708A(11) of the Corporations Act, the Prospectus will have the effect of providing an exemption from the secondary sales provisions in section 707 of the Corporations Act in respect to Securities issued without disclosure to investors on or prior to the date of this Prospectus (provided the conditions of section 708A(11) of the Corporations Act can be met).

In particular, the Company notes that this Prospectus will assist those investors who were issued Securities without disclosure under the Placement and who would otherwise be subject to the secondary sales restrictions attached to their Securities.

5.2 Effect of the Placement and the Offer

The principal effect of the Placement and the Offer will be to:

- (a) increase cash reserves by approximately A\$69.4 million immediately after completion of the Offer, before deducting the estimated expenses of the Offer and repaying the BlackRock funds Notes; and
- (b) increase the total number of Shares on issue from 4,279,682,002 as at the date of this Prospectus to 6,911,686,433 following completion of the Offer.

5.3 Effect on the Company's capital structure

Shares

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below:

Shares	
Shares on issue at date of this Prospectus	4,279,682,002
Issue of New Shares under the Offer	2,632,004,431
Total Shares on issue after completion of the Offer	6,911,686,433
Options	
PENOC Options on issue as at the date of this Prospectus	764,149,499
Unquoted Options on issue as at the date of this Prospectus	98,000,000
Issue of New Options Under the Offer	1,316,002,216
Total Options on issue after completion of the Offer	2,178,151,715

The company also has Performance Rights on issue as set out below:

Performance Rights	
Class D Performance Rights (expiry 13 October 2015)	58,900,000
Class E Performance Rights (expiry 13 October 2015)	62,000,000
Class F Performance Rights (expiry 13 October 2016)	62,100,000
Total Performance Rights on issue	183,000,000

5.4 Effect on the Company's financial position

This section provides relevant financial information for Shareholders to consider when assessing whether to participate in the Offer, including details of the potential financial impact of the Offer.

The pro-forma financial information should be read in conjunction with the limitations explained in the "important notes" section of this Prospectus.

Pro-forma Statement of Financial Position

Set out below is the audited Statement of Financial Position for the Company as at 30 June 2014, an unaudited Statement of Financial Position as at 30 September 2014 and an unaudited pro-forma Statement of Financial Position as at 30 September 2014 showing the financial position of the Company following the Offer.

The pro-forma Statement of Financial Position illustrates the effect of the Offer on the Company. It has been prepared based on the audited Statement of Financial Position as at 30 June 2014, adjusted for certain events that have occurred after the balance date. It is not intended to represent the financial position of the Company upon completion of the Offer. It is provided as an illustration of the effect of the Offer. The actual impact on the Company is dependent on a range of factors, many of which are outside the control of the Company.

The pro-forma Statement of Financial Position has been prepared to provide Shareholders with information on the pro-forma assets and liabilities of the Company. It has been prepared on the basis of accounting policies normally adopted by the Company. The financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Actual Audited 30 Jun 14 \$'000	Proforma Unaudited 30 Sep 14 \$'000	Share Placement Pre- Entitlement Offer \$'000	Entitlement Offer \$'000	Proforma Unaudited post Rights 30 Sep 14 \$'000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7,022	4,898	16,548	32,632	54,078
Trade and other receivables	3,069	3,288			3,288

Other current assets	0	0			0
TOTAL CURRENT ASSETS	10,091	8,186	16,548	32,632	57,366
NON-CURRENT ASSETS					
Exploration and evaluation costs	90,554	101,441			101,441
Property, plant and equipment	4,768	5,678			5,678
Other non-current assets	5,443	5,443			5,443
TOTAL NON-CURRENT ASSETS	100,765	112,562	0	0	112,562
TOTAL ASSETS	110,856	120,748	16,548	32,632	169,928
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	838	858			858
Debt and loans	14,537	19,226		(18,506)	721
Other current liabilities	35	45			45
TOTAL CURRENT LIABILITIES	15,410	20,129	0	(18,506)	1,624
NON-CURRENT LIABILITIES					
Debt and loans	796	861			861
Other non-current liabilities	266	288			288
TOTAL NON-CURRENT LIABILITIES	1,062	1,149	0	0	1,149
TOTAL LIABILITIES	16,472	21,278	0	(18,506)	2,773
NET ASSETS	94,384	99,470	16,548	51,138	167,155
EQUITY					
Issued capital	138,326	138,326	16,548	51,138	206,011
Reserves	8,955	14,834			14,834
Accumulated losses	(52,897)	(53,690)			(53,690)
TOTAL EQUITY	94,384	99,470	16,548	51,138	167,155

5.5 BlackRock Notes

On 10 December 2012, the Company announced that it had executed a series of definitive agreements with funds managed by BlackRock providing for the issuance of US\$22 million in Notes.

The Notes were issued by the Company's wholly owned subsidiary, Strata Energy at an issue price of 100% of their face value. The Notes mature two years from the date of issue (December 2014) and have a coupon rate of 11% per annum.

The Notes are secured by a first ranking charge over all of the assets of Strata Energy and the right to sell an existing contract that Strata Energy has for the sale of approximately 1 million pounds of uranium through to 2020.

Proceeds from the issuance of the Notes were placed in an escrow account pending Strata Energy meeting two key conditions precedent to enable the funds to be released from escrow and made available for allowable initial site construction and project development activities.

The first key condition precedent was the grant by WDEQ of a Permit to Mine which was granted in 2012.

The second key condition precedent was that Peninsula entered into a U3O8 sales agreement on terms satisfactory to BlackRock. Amongst other standard procedural items the terms required the sales agreement to have a net present value equal to or greater than the principal amount of the notes and to include clauses allowing it to be used as security in the unlikely event that Strata Energy defaulted on the repayment of the Notes.

On 15 October 2013, the Company announced that the second key condition precedent had been met which allowed drawdown under the Notes.

The funds drawn under the Notes are due to be repaid in December 2014. The amount outstanding on the Notes is US\$16.1 million (including the redemption fee and accrued interest).

6. Action required by Eligible Retail Shareholders

All Applications for New Securities must be made by Eligible Retail Shareholders in accordance with the instructions in this Prospectus and on the Application Form. By returning the Application Form or paying any Application Money for New Securities by BPAY®, you offer to acquire the New Securities on the terms and conditions set out in this Prospectus.

The Company reserves the right to reject any Applications for New Securities that are not made in accordance with the terms of this Prospectus or the instructions on the Application Form.

The Company also reserves the right (in its absolute discretion) to reduce the number of New Securities allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or if they fail to provide information to substantiate their claims.

6.1 Options available to you

If you are an Eligible Retail Shareholder, you may take any of the following actions. Each of these options may have a materially different outcome on any value you receive in respect of your Entitlement.

- take up all or part of your Entitlement (see section 6.1(a));
- take up more than your Entitlement (see section 6.1(b));
- sell all or part of your Entitlement to persons meeting certain eligibility criteria:
 - on ASX (see section 6.1(c)); or
 - by transferring it directly to another eligible person (see section 6.1(d)); or
- do nothing and let your Entitlement be sold through the Retail Shortfall Bookbuild (see section 6.1(e)).

(a) If you wish to take up all or part of your Entitlement

If you wish to take up all or part of your Entitlement, please either:

- complete and return the Application Form with the requisite Application Monies; or
- pay your Application Monies via BPAY® by following the instructions set out on the Application Form,

in each case, by no later than 2:00 pm (Perth time) on 23 January 2015 (the Retail Closing Date).

If you take up and pay for all or part of your Entitlement before the Retail Closing Date, it is expected that you will be issued New Securities on 6 February 2015. The Company's decision on the number of New Securities to be issued to you will be final.

The Company also reserves the right (in its absolute discretion) to reduce the number of New Securities issued (or any Retail Premium paid to) Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if the Company believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to the Company's satisfaction.

(b) If you wish to take up more than your Entitlement

If you wish to apply for more Securities than your Entitlement you will need to complete the relevant section of the Application Form (titled “Additional New Shares”) and return it, together with the necessary Application Money to the Company in accordance with the instructions in this Prospectus and on the Application Form.

(c) If you wish to sell all or part of your Entitlement on ASX

If you wish to sell all or part of your Entitlement on ASX, you should instruct your stockbroker and provide details as requested from your Application Form. Allow sufficient time for your instructions to be carried out by your stockbroker. You may incur brokerage if you choose to sell your Entitlement on ASX.

Entitlement trading on ASX starts on a deferred settlement basis on 18 December 2014 (ASX code: [●]) and ceases on 16 January 2015. There is no guarantee that there will be a liquid market in traded Entitlements. A lack of liquidity may impact your ability to sell your Entitlement on ASX and the price you may be able to achieve.

The assignment, transfer and exercise of Entitlements trading on ASX is restricted to persons meeting certain eligibility criteria. If holders at the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Entitlements and, as a result, those Entitlements will be sold into the Retail Shortfall Bookbuild and holders will receive no value for them if there is no Retail Premium resulting from their sale in the Retail Shortfall Bookbuild.

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to you if you trade your Entitlement before the Entitlements are allotted, or before you receive your Application Form, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or fail to maintain your updated details on the Share Registry or otherwise.

If you wish to sell part of your Entitlement on ASX and let the balance be sold into the Retail Shortfall Bookbuild, follow the procedures above in respect of the part of your Entitlement you wish to sell on ASX and do nothing in respect of the balance. You will receive the Retail Premium (if any) in respect of those Entitlements sold through the Retail Shortfall Bookbuild.

Prices obtainable for Entitlements may rise and fall over the Retail Entitlement Offer trading period and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of Shares relative to the Offer Price. If you sell your Entitlements in the Retail Entitlement Offer trading period, you may receive a higher or lower amount than a Shareholder who sells their Entitlements at a different time in the Retail Entitlement Offer trading period or through the Retail Shortfall Bookbuild.

If you sell your Entitlement, you will forgo any exposure to future increases or decreases in the value of the New Securities that would have been allotted to you had you taken up your Entitlement. Your percentage shareholding in the Company (held at the Record Date) will also be diluted.

(d) If you wish to transfer all or part of your Entitlement other than on ASX

If you wish to transfer all or part of your Entitlement other than on ASX, you must forward a completed Renunciation and Transfer Form to the Share Registry in relation to the part of your Entitlement that you wish to transfer. If the transferee wishes to take up all or part of the Entitlement transferred to them, they must send their Application

Monies together with the Application Form related to the Entitlement transferred to them to the Share Registry.

You can obtain a Renunciation and Transfer Form by contacting the Share Registry by telephone on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) during the Offer Period or from your stockbroker.

The Renunciation and Transfer Form as well as the transferee's Application Monies and the Application Form related to the Entitlement transferred to them must be received by the Share Registry at the mail delivery address in section 6.5 no later than 2:00 pm (Perth time) on 23 January 2015 (the Retail Closing Date).

If the Share Registry receives both a completed Renunciation and Transfer Form and an Application in respect of the same Entitlement, the transfer will take priority over the Application.

If you wish to transfer part of your Entitlement and allow the balance be sold into the Retail Shortfall Bookbuild, follow the procedures above in respect of the part of your Entitlement you wish to transfer, and do nothing in respect of the balance. You will receive the Retail Premium (if any) in respect of those Entitlements sold through the Retail Shortfall Bookbuild.

Prices obtainable for Entitlements may rise and fall over the Retail Entitlement Offer trading period and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of Shares relative to the Offer Price. If you sell your Entitlements in the Retail Entitlement Offer trading period, you may receive a higher or lower amount than a Shareholder who sells their Entitlements at a different time in the Retail Entitlement Offer trading period or through the Retail Shortfall Bookbuild.

If you transfer your Entitlement, you will forgo any exposure to future increases or decreases in the value of the New Securities that would have been allotted to you had you taken up your Entitlement. Your percentage shareholding in the Company (held at the Record Date) will also be diluted.

You may only transfer your Entitlement in this way to a purchaser whose address is 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. Transferees of Entitlements that do not have a registered address 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 will not be eligible to purchase, trade, take up or exercise Entitlements. You should inform any transferee of these restrictions.

See section 1.13 for more information on restrictions on participation.

(e) If you wish to let some or all of your Entitlement be sold through the Retail Shortfall Bookbuild

Any Entitlements which you do not take up, sell or transfer will be sold through the Retail Shortfall Bookbuild on 2 February 2015 to eligible Institutional Investors. You will receive the Retail Premium (if any) in respect of those Entitlements sold through the Retail Shortfall Bookbuild (see section 6.3).

By allowing your Entitlement to be sold through the Retail Shortfall Bookbuild, you will forgo any exposure to future increases or decreases in the value of the New Securities that would have been allotted to you had you taken up your Entitlement (or any value

for your Entitlement which may have been achieved through its sale on ASX or otherwise). Your percentage shareholding in the Company (held at the Record Date) will also be diluted.

The New Securities not subscribed for pursuant to the Retail Shortfall Bookbuild will be taken up by the Underwriter, subject to sub-underwriting arrangements.

6.2 Ineligible Retail Shareholders

Ineligible Retail Shareholders will receive the Retail Premium (if any) for Entitlements that have been sold for their benefit into the Retail Shortfall Bookbuild.

6.3 Retail Shortfall Bookbuild

Entitlements of Eligible Retail Shareholders which are not taken up by the Retail Closing Date, and Entitlements of Ineligible Retail Shareholders, will be sold for the benefit of the relevant Shareholder through the Retail Shortfall Bookbuild. The first A\$0.02 per New Share of the price obtained for Entitlements sold in the Retail Shortfall Bookbuild will be paid to the Company as subscription money. Any amount paid above A\$0.02 per New Share of those Entitlements sold in the Retail Shortfall Bookbuild will be paid to holders whose Entitlements are sold, (less any applicable withholding tax) (this amount is the Retail Premium). Any Retail Premium will be remitted proportionally to such Shareholders on or about 6 February 2015.

Retail Premium amounts, if any, will be paid in Australian dollars either into your nominated bank account or by cheque. You will be paid by direct credit to the nominated bank account as noted on the Company's Register.

The Retail Premium may be zero, in which case no payment will be made to holders of those Entitlements that were sold into the Retail Shortfall Bookbuild. The outcome of the Institutional Shortfall Bookbuild (including the Institutional Premium (if any)) is not an indication as to whether there will be a Retail Premium or what any Retail Premium may be.

The ability to sell Entitlements under the Retail Shortfall Bookbuild and the ability to obtain any Retail Premium will depend on various factors, including market conditions. If there is a Retail Premium, it may be less than, more than, or equal to the Institutional Premium or less than, more than or equal to any price or prices at which Entitlements may have been sold on ASX or otherwise transferred. To the maximum extent permitted by law, the Company and each of its related bodies corporate and affiliates, and each of their respective directors, officers, partners, employees, representatives and agents, disclaim all liability, including for negligence, for any failure to procure a Retail Premium under the Retail Shortfall Bookbuild, for any difference between the Retail Premium and the Institutional Premium and for any failure to obtain any particular exchange rate, or any movements in exchange rates. The Company reserves the right to issue Entitlements and Securities under the Retail Shortfall Bookbuild at its discretion.

6.4 Payment

You can pay your Application Monies in the following ways:

- by BPAY®; or
- by cheque, bank draft or money order.

Cash payments will not be accepted. Receipts for payment will not be issued. The Company will treat you as applying for as many New Securities as your Application Monies will pay for in full up to your Entitlement.

The Entitlement stated on your personalised Application Form may be in excess of your actual Entitlement. Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to Applicants on any Application Monies received or refunded.

(a) Payment by BPAY

For payment by BPAY®, please follow the instructions on the personalised Application Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Application Form. If you have multiple holdings and consequently receive more than one personalised Application Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your Application will not be recognised as valid.

Should you choose to pay by BPAY®:

- you do not need to submit your personalised Application Form but are taken to make the representations, declarations, warranties and agreements on that Application Form and in section 6.6; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Securities which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 2:00 pm (Perth time) on 23 January 2015 (the Retail Closing Date). Your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

(b) Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, complete your personalised Application Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "Peninsula Energy Limited" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- for an amount equal to A\$0.02 multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in foreign currency. Eligible Retail Shareholders who reside outside of Australia must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Application Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application

Monies will pay for (and to have specified that number of New Shares on your personalised Application Form) and made the representations, declarations, warranties and agreements in section 6.6. Alternatively, at the discretion of the Company, your Application will not be accepted.

6.5 Mail

To participate in the Retail Entitlement Offer, your payment must be received no later than the Retail Closing Date, being 2:00pm (Perth time) on 23 January 2015. If you make payment via cheque, bank draft or money order, mail your completed personalised Application Form together with Application Monies to:

Peninsula Energy Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001
Australia

6.6 Implications of making an Application

Submitting an Application constitutes a binding offer to acquire New Securities on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. The Application Form does not need to be signed to be binding.

If an Application is not completed or submitted correctly it may still be treated as a valid Application for New Securities. The Company's decision whether to treat an Application as valid and how to construe, amend, complete or submit the Application Form is final.

By completing and returning your personalised Application Form with the requisite Application Money or making a payment by BPAY®, you:

- agree to be bound by the terms of this Prospectus and the provisions of the Constitution;
- authorise the Company to register you as the holder(s) of the New Securities allotted to you;
- declare that all details and statements made in the Application Form are complete and accurate;
- declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Offer;
- acknowledge that once the Company receives the Application Form or your payment by BPAY®, you may not withdraw it except as allowed by law;
- agree to apply for, and be issued with up to, the number of New Securities that you apply for at the issue price of A\$0.02 per New Share and nil consideration per New Option;
- authorise the Company and its officers or agents to do anything on your behalf necessary for the New Securities to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;
- agree that the allotment of New Securities to you constitutes acceptance of your Application;
- declare that you are the current registered holder(s) of the Shares in your name at the Record Date;

- acknowledge that the information contained in this Prospectus is not investment advice or a recommendation that New Securities are suitable for you, given your investment objectives, financial situation or particular needs;
- represent and warrant that the laws of the country relevant to your Application do not prohibit you from being given this Prospectus or making an Application for New Securities; and
- in the case of an Eligible Retail Shareholder, represent and warrant that you are an Eligible Retail Shareholder and have read and understood this Prospectus and the Application Form and that you acknowledge the matters, and make the warranties and representations and agreements, contained in this Prospectus and the Application Form.

7. Rights of the New Shares

The following is a summary of the more significant rights attaching to the New Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered address.

7.1 Voting rights

Subject to the Constitution and to any rights or restrictions attached to any class or classes of shares, at a general meeting:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every Shareholder present has one vote; and
- (c) on a poll, every Shareholder present has one vote for each share held by the Shareholder entitling the Shareholder to vote, except for partly paid shares, each of which confers on a poll only the fraction of one vote which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited) on the share. An amount paid in advance of a call is disregarded for this purpose.

7.2 General meetings

Shareholders are entitled to receive written notice of and attend and vote at general meetings of the Company.

7.3 Dividend rights

The Directors may pay any interim and final dividends that, in their judgment, the financial position of the Company justifies. The Directors may pay any dividend required to be paid under the terms of issue of a share.

Subject to any rights or restrictions attached to any shares or class of shares:

- (a) all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid;
- (b) all dividends are to be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid;
- (c) an amount paid or credited as paid on a share in advance of a call is not to be taken as paid or credited as paid on the share for the purposes of (a) and (b) above; and
- (d) interest is not payable by the Company on any dividend.

7.4 **Winding-up**

Subject to the Constitution and the rights or restrictions attached to any shares or class of shares, if the Company is wound up, any surplus will be divided amongst Shareholders in proportion to the number of shares held by them, irrespective of the amount paid or credited as paid on the shares.

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or any part of the property of the Company and may, for that purpose, determine how the division is to be carried out between the Shareholders.

7.5 **Transfer of Shares**

Generally, all shares are freely transferable subject to the procedural requirements of the Constitution and to the provisions of the Corporations Act, ASX Listing Rules and ASX Settlement and Transfer Corporation Pty Limited (**ASTC**) Settlement Rules. If the Company refuses to register a transfer it must give notice of the refusal as required by the Corporations Act and the ASX Listing Rules.

7.6 **Variation of rights**

The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied with the written consent of the holders of 75% of the shares of the class or by a special resolution passed at a separate meeting of the holders of shares of the class.

8. Rights of the New Options

The rights and liabilities attaching to ownership of New Options arise from a combination of the terms and conditions set out in the New Option terms, Constitution, statute, the ASX Listing Rules and general law.

A summary of the significant rights and liabilities attaching to New Options is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Optionholders.

- **Entitlement** - Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.
- **Expiry date** - Each New Option will expire at 5:00pm (Perth time) on 31 December 2018 (**Expiry Date**). Any New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- **Exercise price** - The amount payable upon exercise of each New Option will be A\$0.05 (**Exercise Price**).
- **Exercise notice** - New Options may be exercised at any time before the Expiry Date by notice in writing to the Company in the manner specified in the New Option terms and payment of the Exercise Price for each New Option being exercised by cheque or electronic funds transfer.
- **Ranking** - All Shares issued upon the exercise of New Options will upon allotment rank pari passu in all respects with other Shares.
- **Quotation** - The Company will apply for Official Quotation by ASX of all Shares issued upon exercise of the New Options.
- **Quotation of New Options** - The Company will apply for Official Quotation by ASX of all New Options issued.
- **Reconstruction of capital** - If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- **Participation in new issues** - Holders of New Options will not be permitted to participate in new issues of capital offered by the Company without exercising the New Options.

9. Additional information

9.1 Underwriting

Peninsula and the Underwriter have entered into an Underwriting Agreement under which it has been agreed that the Underwriter will partly underwrite the Offer to A\$34.8m and act as lead manager in respect of the Offer and the Placement to sophisticated investors. Customary with these types of arrangements:

- (a) Peninsula has provided various representations and warranties;
- (b) Peninsula has agreed to indemnify the Underwriter, its directors, officers, employees and advisors against losses in connection with the Offer and the Placement;
- (c) the Underwriting Agreement includes a number of termination events, including (but not limited to):
 - (1) any sub-underwriter failing to settle its commitment under its sub-underwriting arrangement with the Underwriter;
 - (2) a statement contained in the Offer materials is or becomes false, misleading or deceptive (including by omission) or likely to mislead or deceive or the Offer materials omit any information they are required to contain;
 - (3) Peninsula withdraws the Offer;
 - (4) material default by Peninsula in respect of any of its obligations under the Underwriting Agreement; and
 - (5) there is a material delay in the timetable for the Offer without the prior written consent of the Underwriter.
- (d) the Underwriter will receive an underwriting fee of 3.5% of the proceeds of the Offer to the extent that such underwriting fee is to be paid by the Underwriter to sub-underwriters, a fee of 3.5% of proceeds from one Institutional Investor and a management fee of 1.5% of the proceeds from the Offer and the Placement.

9.2 Sub-underwriting and other commitments

The Underwriter has entered into sub-underwriting arrangements with RCF VI and Pala for A\$22.3m and has received commitments from other Institutional Investors to take up Entitlements totalling A\$12.5m.

Commitments made under these arrangements total A\$34.8 million and are set out below:

- (a) RCF VI – US\$11.1 million (A\$13.3 million);
- (b) Pala– A\$9.0 million;
- (c) Commitments from other Institutional Investors –A\$12.5 million.;

Pala will receive a sub-underwriting fee of 3.5% of their commitment amount, paid by the Underwriter.

RCF VI and Pala have made their sub-underwriting commitments conditional upon the Company agreeing to fulfil the following conditions:

- (a) At least 65% of the total funds raised from the Placement and the Offer are received from Institutional Investors;
- (b) A suitably qualified nominee of Pala to be appointed to the Board of the Company no later than the date of completion of the Offer;
- (c) Whilst RCF VI maintains a relevant interest in the Company of at least 10%, a suitably qualified nominee of RCF VI can be appointed to the Board of the Company;
- (d) Following the completion of (b) and (c), the majority of the Board of the Company shall be comprised of independent non-executive directors;
- (e) The Company will separate the roles of Chairman and Chief Executive Officer such that one is held by the existing individual and the other by a new individual no later than six (6) weeks from the date of completion of the Offer;
- (f) The Company will allow two (2) representatives of RCF VI periodic site visitation rights to the Lance Projects during the construction and commissioning period; and
- (g) Subject to receipt of necessary waivers from the ASX, RCF VI shall have the right to maintain their relevant interest in the Company for a period of four (4) years from the date of the Placement.

The Company has agreed to fulfil the above conditions.

9.3 **Loan Facility**

Pala and RCF VI have provided the Company with a loan facility totalling A\$18 million (US\$15 million), split equally. Key terms of the loan facility for each of the arrangements with Pala and RCF VI are the same, and are set out below:

- (a) Principal Amount: US\$7.5 million (A\$9 million) from each lender;
- (b) Term: 12 months from the date of first draw down;
- (c) Coupon: 15% per annum to be paid at maturity;
- (d) Establishment Fee: US\$300,000 to be paid to each lender on the earlier of the date of first drawdown or three months from the date of entering the loan agreements;
- (e) Security: Subject to any necessary shareholder approvals, the Company shall grant first ranking security over the assets of the Company and its wholly owned subsidiaries;
- (f) Conditional draw down: loan facility and draw down conditional on shareholder approvals having been obtained; repaying all indebtedness owing to BlackRock and its affiliates; and successful completion of the Placement and Offer; and
- (g) Other Terms: The facility includes representations, warranties, indemnities and events of default that are customary with debt facilities of this nature.

The facility is available for drawdown by the Company at the discretion of the Company. Should the Offer be fully subscribed, the Company will not need to draw down any funds under the facility, though it retains the ability to do so.

9.4 **Placement**

On 16 December 2014, Peninsula completed a placement to sophisticated investor RCF VI. The placement raised US\$13.9m (approximately A\$16.8m) before costs. Terms of the placement were the same as those of the Offer with each New Share subscribed for at \$0.02 per Share and one (1) New Option issued for every two (2) New Shares subscribed for. 840,000,000 New Shares and 420,000,000 New Options were issued to RCF VI.

9.5 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the securities in the Company.

This Prospectus is a “transaction specific prospectus”. In general terms, a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Retail Closing Date:
 - (1) the annual financial report most recently lodged by the Company with ASIC;
 - (2) the half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in (1) and before the lodgement of this Prospectus with ASIC; and
 - (3) any continuous disclosure documents given by the Company to ASX in accordance with ASX Listing Rules as referred to in section 674(1) of the

Corporations Act after the lodgement of the annual financial report referred to in (1) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with ASIC are set out in the table below:

Date	Description of announcement
16/12/2014	Peninsula Secures Fully Underwritten Institutional Funding for Lance ISR Projects in Wyoming
16/12/2014	Appendix 3B
11/12/2014	Suspension from Official Quotation
9/12/2014	Trading Halt
5/12/2014	Addendum to Annual Report
4/12/2014	Broker Research Report
4/12/2014	Change of Director's Interest Notice (x2)
4/12/2014	Appendix 3B
3/12/2014	Audio Broadcast - PEN Secures Additional U3O8 Sales Contract
3/12/2014	Peninsula Secures Additional Uranium Sales Contract
28/11/2014	Results of Meeting
31/10/2014	Quarterly Activities Report
31/10/2014	Quarterly Cashflow Report
29/10/2014	High Grade Near Surface Uranium Intercepts at Karoo Projects
27/10/2014	Annual Report to shareholders
27/10/2014	Notice of Annual General Meeting/Proxy Form
09/10/2014	Audio Broadcast - PEN reconfigures Lance production ramp up
07/10/2014	Lance Projects Reconfigured for Current Market Start Up

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website (www.pel.net.au).

9.6 Section 708A(11) Corporations Act

The Company has issued the following Securities (without a disclosure document) in the 12 months prior to the date of this Prospectus under section 708A of the Corporations Act:

Date of issue	Number of Securities
16/12/2014	840,000,000 Shares
16/12/2014	420,000,000 Options
04/12/2014	1,419,282 Shares

840,000,000 Shares and 420,000,000 Options were issued under the Placement.

1,419,282 Shares were issued to Mr Neil Warburton under the Company's salary sacrifice program for Directors.

If Securities are issued to an investor without a disclosure document then the on-sale of those Securities is generally restricted pursuant to the Corporations Act, unless an exemption applies (such as those under section 708A of the Corporations Act).

These on-sale provisions are an anti-avoidance mechanism that is designed to minimise the opportunity for an issuer of Securities to avoid giving disclosure to retail investors by first issuing the securities to an investor for whom disclosure is not required and then having that investor on sell the securities to a retail investor.

The on-sale provisions seek to ensure that regardless of whether the securities are issued directly or indirectly to retail clients, the retail clients received adequate disclosure for what is indirectly an issue of securities and the issuer remain liable to retail clients for the efficacy of that disclosure.

Section 708A operates as an exemption from the on-sale provisions. If the Company does not fall within one of these exemptions, any securities issued to an exempt investor (pursuant to section 708 of the Corporations Act) may be restricted from on-sale for the first 12 months from the date of issue unless the investor (to whom the securities may be on-sold) also falls within one of the exemptions.

However, section 708A(11) provides that a sale offer of securities would not need disclosure (and therefore would be exempt from the on-sale provisions) if the securities are in a class of securities that are quoted securities and a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made, or the Shares are issued after the lodgement of a Prospectus at a time when offers under the Prospectus are still open for acceptance.

The Company notes that none of the above listed Shares have been on-sold and as such, the holders of the Shares referred to in the table above may wish to rely on this Prospectus and section 708A(11) of the Corporations Act if they wish to on-sell their Shares.

9.7 Corporate governance

The Board is responsible for the corporate governance of the Company and to ensure that the Peninsula Group is properly managed and controlled. In this regard, the Board is committed to maintaining and promoting the principles of good corporate governance.

The Directors are of the view that Peninsula Group has complied in all substantial respects with corporate governance best practice in Australia, including with the ASX Corporate Governance Council Corporate Governance Principles and Recommendations. The Directors believe that any departure from the ASX Corporate Governance Council Corporate

Governance Principles and Recommendations is in the best interests of Shareholders, having regard to the size and the pre-production stage of the Company.

9.8 Related Party disclosure

From time to time the Company may be party to transactions with Related Parties including:

- (a) employment and service arrangements;
- (b) issue of securities to Directors or entities associated with Directors; and
- (c) payment of Directors' fees.

The Company believes that it has made appropriate disclosure of past Related Party transactions and other than any further disclosure made in this Prospectus does not intend to make any further disclosure of such transactions, which will have either proceeded on an "arm's length" basis, reasonable remuneration basis or been approved by Shareholders in general meeting.

9.9 Substantial Shareholders

The following are details of those Shareholders who have a relevant interest in more than 5% of the Shares prior to the date of this Prospectus:

	# of Shares	%
Pala	398,908,692	9.30%
BlackRock Group	318,422,788	7.40%
Uramin Inc	227,560,789	5.30%
RCF VI	840,000,000	19.60%

Please refer to section 1.19 earlier in this Prospectus for an analysis of the possible effects on control in relation to the Offer.

9.10 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered

by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer pursuant to this Prospectus.

Clayton Utz are acting as solicitors to the Offer and have performed work in relation to this Prospectus. In doing so, Clayton Utz have placed reasonable reliance upon information provided to them by the Company. Clayton Utz does not make any statement in this Prospectus. In respect of this work, the Company estimates that it will pay approximately A\$175,000 (excluding disbursements and GST) to Clayton Utz. Further amounts may be paid to Clayton Utz in accordance with its normal time based charges.

9.11 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Link Market Services Limited has given and has not withdrawn its consent to be named in this Prospectus as the Share Registry for the Company in the form and context in which it is named. It takes no responsibility for any part of this Prospectus other than references to its name.

Clayton Utz has given and has not withdrawn its consent to be named in this Prospectus as solicitors to the Offer in the form and context in which it is named. It takes no responsibility for any part of this Prospectus other than references to its name.

The Underwriter has given and has not withdrawn its consent to be named in this Prospectus as Underwriter to the Offer in the form and context in which it is named. It takes no responsibility for any part of this Prospectus other than references to its name.

9.12 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX since 16 December 2014 and up to the date immediately prior to the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

	A\$	Date
Highest	0.038	12 March and 1 April 2014
Lowest	0.019	3 November 2014
Last	0.02	8 December 2014

9.13 Subsequent events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company, to affect substantially:

- (a) the operations of the Company;
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

9.14 Litigation

Two environmental groups in Wyoming, the Natural Resources Defence Council (**NRDC**) and the Powder River Basin Resources Council have raised three contentions against the issuance of regulatory permits and licences for the Lance Projects (specifically the Ross Permit Area (**RPA**)).

The three admitted contentions all relate to protection of groundwater. In each of these contentions the intervenors claim that NRC staff failed to meet the requirements of the National Environmental Policy Act of 1969 (**NEPA**) and their own governing regulations when assessing the environmental impacts on groundwater from the RPA. NRC staff and Strata Energy have taken the position that the RPA environmental review meets existing Commission regulations and guidance for ISR uranium projects.

The underlying issue in the RPA case is that the intervenors (particularly the NRDC) do not like the way that NRC implements their responsibilities under NEPA as contained in their 10 CFR Part 51 regulations. They have intervened in the RPA licensing process as a vehicle to attack NRC's environmental impacts analysis methods. Ultimately the ASLB hearing regulations contained in 10 CFR Part 2 do not allow an intervenor to contest NRC regulations using the hearing process.

The contentions were heard in front of three judges from the ASLB during the first week of October 2014. The ASLB is expected to deliver its findings (if any) in January 2015.

Both the Company and NRC (the main nuclear energy regulator in the United States) expect the contentions to be dismissed by the ASLB. At worst, the ASLB may impose some additional conditions on one of the licences issued to the Company. Based on historical precedence, the Company does not expect that any additional conditions (if any are actually imposed) will materially impact on the ability of the Company to construct and operate its proposed operations.

After the ASLB renders its final decision, all parties adversely affected by the decision are entitled to appeal such decision to the full five-member Commission. Parties filing such appeals must first petition the Commission for review and such review must be granted before such an appeal will be reviewed for legal merit. The Commission is entitled to order substantive briefs to be filed on any one or multiple identified issues and also may order oral legal argument at its discretion. NRC regulations do not prescribe a specific timeframe within which a decision by the Commission would be rendered. Typically, the Commission takes between 3-6 months to complete a review and issue a decision. During that review process and assuming a favourable decision from the ASLB is being appealed, Strata Energy's NRC licence will remain in full effect absent a stay of its effectiveness issued by the Commission.

See section 4.2(d) of this Prospectus for further details in relation to the contentions raised.

9.15 Tax

You should be aware that there may be taxation implications associated with participating in the Offer and receiving New Securities.

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Securities under the Offer, or the disposal of any New Securities allotted and issued. The Company does not accept any responsibility in this regard, and Shareholders should consult with their professional tax adviser.

9.16 Privacy

By submitting an Application Form for New Securities you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through the Share Registry, an external service provider. The Company requires the Share Registry to comply with the National Privacy Principles in performing these services. The Company's Register is required under the Corporations Act to contain certain personal information about you such as your name and address and number of shares and options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;
- (d) to other members in the group of companies;
- (e) to your broker; and
- (f) to external service suppliers who supply services in connection with the administration of the Company's Register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and the Share Registry, except in limited circumstances. If you wish to access, update or correct your personal information held by the Share Registry or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

10. Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.

Dated 16 December 2014

John (Gus) Simpson

**For and on behalf of
PENINSULA ENERGY LIMITED**

11. Glossary

\$ means Australian dollars.

Applicant means a Shareholder who applies for New Securities pursuant to the Offer.

Application means an application to subscribe for New Securities under this Prospectus.

Application Form means the application form attached to this Prospectus.

Application Money means the aggregate amount of money payable for New Securities applied for in a duly completed Application Form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or, as the context requires, the securities exchange operated by that entity.

ASX Listing Rules means the listing rules of ASX.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

BlackRock means BlackRock Financial Management, Inc.

Board means the board of Directors unless the context indicates otherwise.

BPAY® means BPAY Pty Limited (ABN 69 079 137 518).

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

CHESS means the ASX Clearing House Electronic Subregister System.

Class D Performance Right means a Performance Right granted on the terms summarised in schedule 2 of the Company's notice of annual general meeting dated 27 October 2014.

Class E Performance Right means a Performance Right granted on the terms summarised in schedule 2 of the Company's notice of annual general meeting dated 27 October 2014.

Class F Performance Right means a Performance Right granted on the terms summarised in schedule 2 of the Company's notice of annual general meeting dated 27 October 2014.

Company or **Peninsula** means Peninsula Energy Limited ACN 062 409 303.

Competent Person has the meaning given to that term in the JORC Code.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company at the date of this Prospectus.

Eligible Institutional Shareholder means Shareholders that are Institutional Investors to whom the Company made an offer under the Institutional Entitlement Offer.

Eligible Retail Shareholder means a person who, as determined by the Company at its absolute discretion:

- is a Shareholder as at the Record Date;
- has a registered address on the Company's 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;
- was not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and was not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Eligible Shareholder means a person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Ineligible Institutional Shareholder means a Shareholder as at the Record Date who is not an Eligible Institutional Shareholder and who the Company determine:

- although an Institutional Investor, should not receive an offer under the Institutional Entitlement Offer in accordance with ASX Listing Rule 7.7.1(a); or
- although not an Institutional Investor, is a person to whom offers and issues of New Securities could lawfully be made in Australia without the need for disclosure under Chapter 6D of the Corporations Act if that Shareholder had received the offer in Australia, and who should be treated as an Ineligible Institutional Shareholder for the purposes of the Institutional Entitlement Offer.

Ineligible Retail Shareholder means a Shareholder on the Record Date who is not an:

- Eligible Retail Shareholder;
- Eligible Institutional Shareholder; or
- Ineligible Institutional Shareholder.

Ineligible Shareholder means a person who is an Ineligible Institutional Shareholder or Ineligible Retail Shareholder.

Institutional Entitlement Offer means the offer of New Shares to Eligible Institutional Shareholders as described in section 1.1.

Institutional Investor means a person:

- who the Company reasonably believes to be a person to whom offers of New Securities may lawfully be made without issue of a prospectus under Chapter 6D of the Corporations Act, any other lodgement, registration or approval with or by a governmental agency (other

than one with which the Company is willing to comply), and subject to the foregoing, may include brokers bidding on behalf of their Australian retail clients; or

- to whom an offer of New Securities may be made outside Australia in a jurisdiction approved by the Company without registration, lodgement of a formal disclosure document or other formal filing in accordance with the laws of that particular foreign jurisdiction (except to the extent which the Company is willing to comply with such requirements).

Institutional Shareholder means a Shareholder on the Record Date who is an Institutional Investor.

Institutional Shortfall Bookbuild means the first bookbuild conducted in connection with the Entitlement Offer, being in respect of the Institutional Entitlement Offer, as described in section 1.1.

ISR means the in-situ recovery mining method.

JORC means the Australasian Joint Ore Reserves Committee.

JORC Code means the 2012 Edition of the Australasian Joint Ore Reserves Committee Code for Reporting or Exploration Results, Mineral Resources and Ore Reserves.

Karoo Projects means the uranium project comprised of 41 prospecting rights in the vicinity of Beaufort West, Republic of South Africa.

Lance Projects means the uranium ISR project comprising approximately 120km² of mineral leases in Crook County, Wyoming, USA.

New Option means an Option issued pursuant to the Offer and on the terms and conditions set out in Schedule 1 of this Prospectus.

New Securities means a New Share and/or a New Option, as the context requires.

New Share means a new Share to be issued under the Offer.

Notes means the US\$22 million in senior secured notes issued by Strata Energy to BlackRock on 18 December 2012.

NRC means the United States Nuclear Regulatory Commission.

Offer means the entitlement offer comprising the Institutional Entitlement Offer and the Retail Entitlement Offer.

Offer Period means the period from the date of this Prospectus until (and including) the Retail Closing Date.

Offer Price means A\$0.02 per New Share.

Official Quotation means official quotation on ASX.

Option means an option to subscribe for a Share.

Optionholder means the holder of an Option.

Oversubscription Offer means the offer of Oversubscription Securities as described in section 1.8.

Oversubscription Securities means Entitlements offered under the Retail Entitlement Offer that are not sold through the Retail Shortfall Bookbuild.

Pala means Pala Investments Limited.

Peninsula Group means the Company and its controlled entities.

PENOC Option means an Option issued on the terms summarised in schedule 1 of the Company's notice of annual general meeting dated 28 October 2013.

Performance Right means a right to acquire a Share under the PRP.

Placement means the placement to Resource Capital Fund VI L.P, as described in section 9.4.

Prospectus means this prospectus.

PRP means the Company's Performance Rights Plan, last approved by Shareholders on 28 November 2014.

RCF VI means Resource Capital Fund VI L.P.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Register means the share register of the Company kept pursuant to the Corporations Act.

Related Party has the meaning given to it in the ASX Listing Rules.

Renunciation and Transfer Form means the form that must be completed by an Eligible Retail Shareholder who wishes to transfer all or part of their Entitlement otherwise than on ASX, as described in section 6.1(d).

Retail Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended or closed earlier).

Retail Entitlement Offer means the offer under this Prospectus of New Securities to Eligible Retail Shareholders under the Retail Entitlement Offer, as described in section 1.2.

Retail Opening Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended or opened earlier).

Retail Premium means any premium paid over the Offer Price in respect of Entitlements sold under the Retail Shortfall Bookbuild (net of any applicable withholding taxes).

Retail Shortfall Bookbuild means the second bookbuild to be conducted in connection with the Offer, being in respect of the Retail Entitlement Offer, as described in section 1.1.

Roll-Front means an arcuate shaped interface between oxidising and reducing environments in bedrock, often associated with uranium mineralisation.

Schedule means a schedule to this Prospectus.

Securities means a Share and/or an Option, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of Shares in the Company.

Share Registry means Link Market Services Limited ABN 54 083 214 537.

Strata Energy means Strata Energy Inc.

Underwriter means RFC Ambrian Ltd ABN 59 009 153 888.

Underwriting Agreement means the underwriting agreement dated 15 December 2014 between the Company and the Underwriter under which the Underwriter has agreed to manage and underwrite the Offer on the terms and conditions contained in that agreement.

Underwriting Fee has the meaning given to it in section 9.1.

Unquoted Option means an Option not quoted on ASX.

US\$ means United States dollars.

Schedule 1 - Terms and conditions of New Options

The New Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each New Option gives the Optionholder the right to subscribe for one Share.
- (b) The New Options will expire at 5:00pm (Perth time) on 31 December 2018 (**Expiry Date**). Any New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each New Option will be A\$0.05 (**Exercise Price**).
- (d) An Optionholder may exercise their New Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of New Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,

(Exercise Notice).
- (e) All Shares issued upon the exercise of New Options will upon allotment rank pari passu in all respects with other Shares.
- (f) The Company will apply for Official Quotation of the New Options by ASX.
- (g) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (h) There are no participating rights of entitlements inherent in the New Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their New Options prior to the date for determining entitlements to participate in any such issue.
- (i) A New Option does not confer the right to a change in exercise price or a change in the number of underlying Securities over which the New Option can be exercised.

Application Form
