

30 JUNE 2015 QUARTERLY ACTIVITIES REPORT

31 July 2015

ASX: PEN, PENOC, PENOD

Peninsula Energy Limited
ABN 67 062 409 303

Directors
Richard Lockwood - Non Exec Chairman
Gus Simpson - Managing Director/CEO
Warwick Grigor - Non Exec Director
Neil Warburton - Non Exec Director
John Harrison - Non Exec Director
Evgenij Iorich - Non Exec Director

Management
Gus Simpson - CEO
Ralph Knode - CEO, Strata Energy Inc
Glenn Black - CEO, South Africa
David Coyne - CFO

Jonathan Whyte - Co Secretary

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Website
www.pel.net.au

Capital Structure
6936 million shares
885 million 3c 2015 options
1733 million 5c 2018 options

Cash at 30 June 2015
\$35.6million

Market cap at 30 June 2015
\$180.3 million

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



HIGHLIGHTS

WYOMING, USA – LANCE URANIUM PROJECTS

- Construction and Wellfield Development continues on schedule
- All monitor wells installed at Mine Unit 1
- Mine Unit 1 aquifer pump tests successfully completed
- Wellfield data package finalised for submission to regulators
- Outstanding Deep Disposal Well result

SOUTH AFRICA – KAROO URANIUM PROJECTS

- Further high grade uranium mineralisation confirmed at the Karoo Projects

CORPORATE

- New York Stock Exchange listing process commences
- New Board and Executive appointments
- Cash as at 30 June 2015 of A\$35.6m
- Debt as at 30 June 2015 of A\$1.2m.
- Additional Term sale contract negotiations progressing well



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

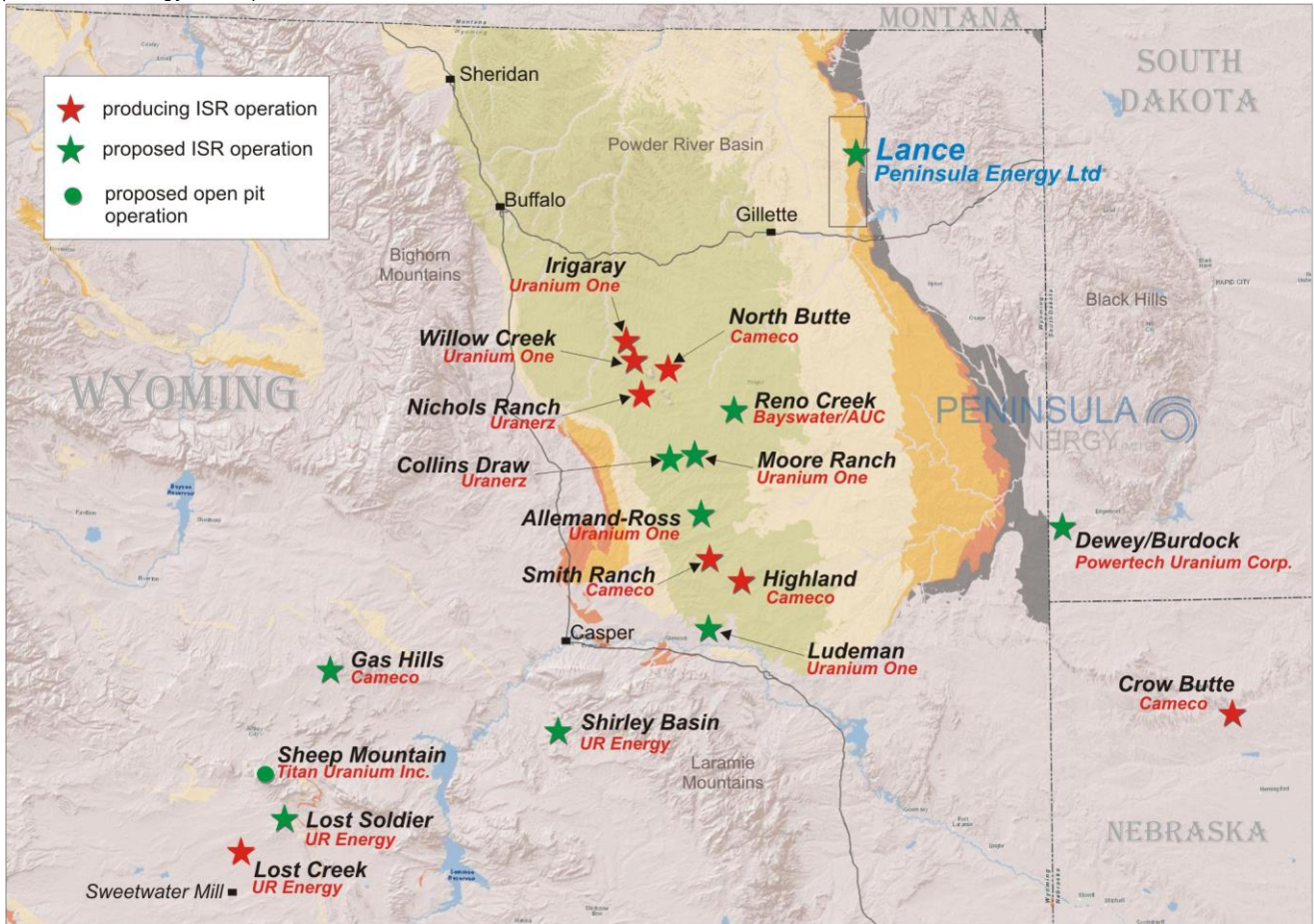


Figure 1: Lance Projects location, Wyoming USA

Plant construction and wellfield development continuing on schedule

Peninsula Energy Limited’s (Peninsula) wholly-owned subsidiary Strata Energy Inc. (Strata) continued development of the Lance Projects during the quarter and is on budget and on schedule for first production to commence in the second half of 2015.

Wellfield Development

Wellfield development activities continued during the quarter with the completion of all 73 monitor and selected mining wells in Mine Unit 1 (MU1). An aquifer pump test was conducted during the quarter and four rounds of baseline water samples from these wells were taken to develop site-specific ground water quality data for inclusion in the well field data package. Flow rates from installed wells have been consistent with rates expected during production. Subsequent to the end of the quarter, the MU1 wellfield data package was submitted to the Wyoming Department of Environmental Quality and the US Nuclear Regulatory Commission (NRC) for review and approval prior to the commencement of production.

Construction

Following completion of the concrete foundations and slabs during April, the externally-manufactured ion exchange columns arrived on site during the quarter and have now been installed in the Central Processing Plant (CPP) (Figures 1 and 2).





Figure 1: Ion Exchange Columns being installed on site



Figure 2: Ion Exchange Columns within the CPP

Structural steel erection and external cladding is near completion for the CPP building (Figures 2 and 3).





Figure 3: External cladding being fitted to CPP Building

The Administration and Workshop Building erection was also completed during the quarter and is now in the process of final fit out (Figure 4).



Figure 4: Administration and Workshop Building



Other activities conducted during the quarter included:

- commencement of excavation of retention ponds;
- commencement of installation of potable water distribution piping and septic system piping;
- issuing of purchase orders for main process pumps, sodium bicarbonate system and valving;
- contracts awarded for electrical, instrumentation and control systems and the heating, ventilating, and air conditioning systems; and
- the continuation of site grading work.

The commencement of excavation of the retention ponds follows final approval received during the quarter from the United States Environmental Protection Agency (EPA) for Strata to construct two holding ponds in the Ross Project Area of the Lance Projects. The approval was in response to the design report submissions made in May 2014 and November 2014 and rules that the holding ponds are designed in compliance with the US Code of Federal Regulations (CFR).

Deep Disposal Well successfully completed

Drilling of the Deep Disposal Well (DDW) commenced in March 2015 and was drilled to a target depth of 8,607 feet ahead of schedule. On conclusion of the primary drilling activity, a work-over and completion rig was mobilised to site in April 2015 to finalise completion of the well and carry out well performance tests.

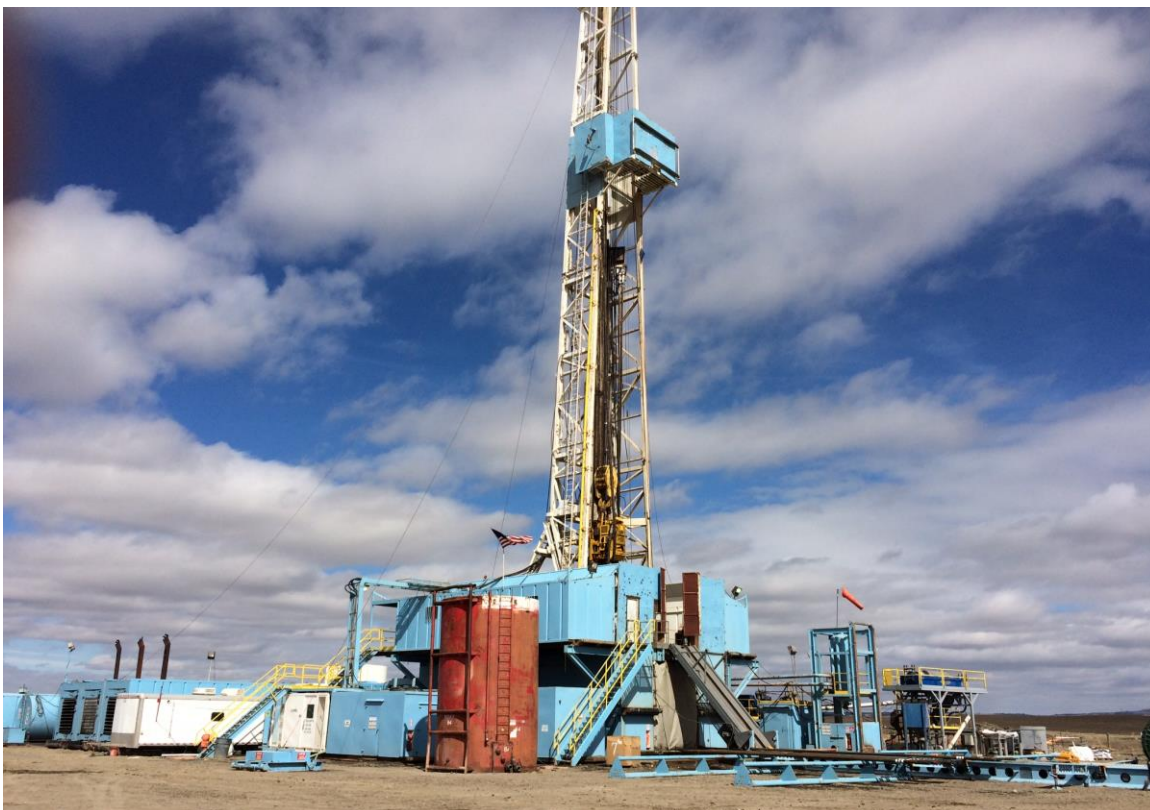


Figure 5: Drilling of Deep Disposal Well

An 18-hour performance test of the DDW demonstrated an injection rate of 35 gallons per minute (gpm), well in excess of the 20 gpm requirement for Stage 1 operations. The 35 gpm injection rate was achieved using a pump pressure of only 27 pounds per square inch (psi) while the well is approved for pumping pressure of up to 1,000psi. Simulation modelling also confirmed the expectation that the DDW will be available for approximately 10 years use.



The completion and performance of the DDW is an outstanding success and at a cost of approx. US\$3.3m was the major cost over-run risk to the project. Other recent uranium project start-ups in Wyoming have had to complete up to three DDW's before achieving the required disposal rate.

Operational Readiness

Alongside construction and wellfield development progress, the quarter also saw significant progression in operational readiness activities. Submissions on all pre-operational license conditions have now been made to the NRC. The NRC have confirmed acceptance of the submissions and are currently reviewing them. These pre-operational conditions are a regular component of the Source Materials License issued by the NRC, and establish specific conditions to be met prior to commencing production. Final closure of the remainder of the conditions will be achieved during the pre-operational site inspection by the NRC that will take place shortly before production commences.

Project staffing numbers continue to increase in the lead-up to the commencement of production. As at 30 June 2015, a total of 25 employees are now directly employed on the project (excluding construction and drilling contractor personnel). Training programs have been developed for wellfield and CPP operations. The majority of personnel hired during the calendar year are residents of Crook County or counties close to the Lance Projects.

SOUTH AFRICA – KAROO PROJECTS

(Peninsula Energy 74% / BEE Groups 26%)

Peninsula has a 74% interest in a total of 40 prospecting rights (PRs) covering 7,774 km² of the main uranium-molybdenum bearing sandstone channels in the Karoo Basin (Karoo Projects) (see Figure 6). The residual 26% interest remains with BEE partners as required by South African law. The Karoo Projects are categorised into the Eastern and Western Sectors as shown in the diagram below. In the Eastern Sector, Peninsula has freehold ownership over an area of 322 km² which covers a significant proportion of the reported resource and allows unlimited surface access.

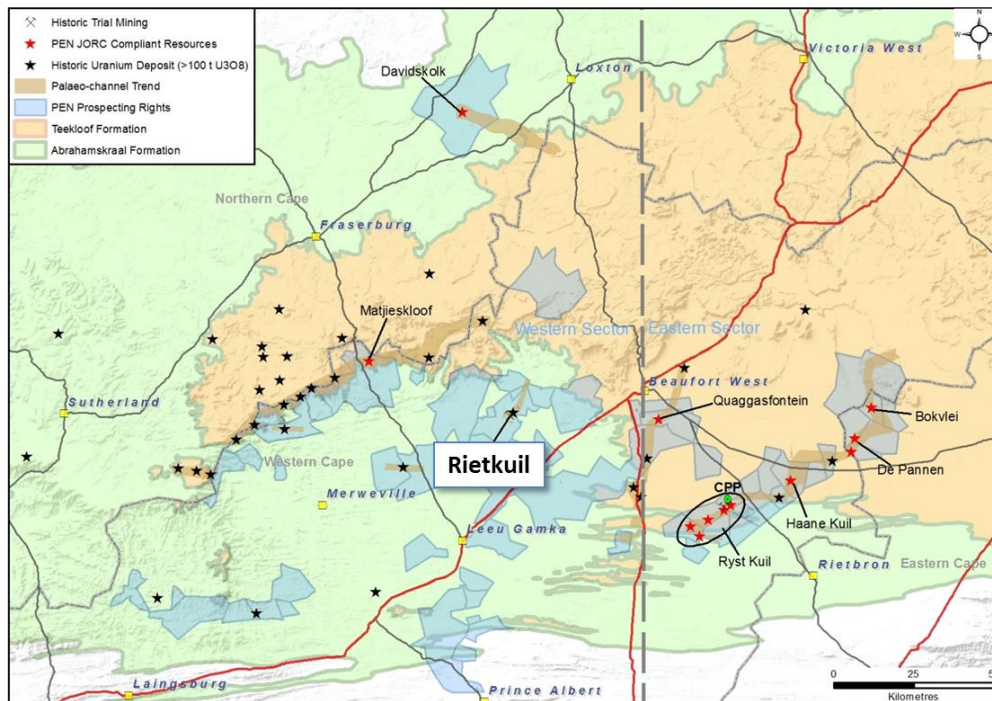


Figure 6: South Africa – Karoo Uranium Project Area Locations



Further high grade uranium mineralisation confirmed from re-logging at Rietkuil

During the quarter Peninsula continued the radiometric re-logging program at the Rietkuil project area (Rietkuil), with gamma probing conducted at the remaining Blocks F(N), E(N) and E(S). This has delivered further very high grade results at shallow depths, returning 29 significant intersections from 112 holes re-logged since November 2014.

Significant intercepts from the re-logging during the quarter were: 3.6ft @ 5,618ppm eU3O8 from 42.3ft, 3.6ft @ 3,516ppm eU3O8 from 21.7ft, 3.3ft @ 3,531ppm eU3O8 from 27.2ft, 2.8ft @ 3,627ppm eU3O8 from 19.9ft and 3.0ft @ 3,282ppm eU3O8 from 48.9ft.

These results further reinforce the shallow, high grade historic mineralisation in the Rietkuil area. In addition, the re-logging of existing holes at Rietkuil continues to be successful in validating the location and grade of the mineralisation that was delineated by Union Carbide Exploration Corporation in the 1970s. Probing and re-logging is occurring in areas that are outside the existing JORC Code-compliant resource and information from this work will be included in a recalculation of the JORC Code-compliant resource estimate for the Karoo Projects.

For a comprehensive description of assessment and reporting criteria used for reporting of the exploration results, readers are referred to the JORC Table 1 declaration included in the announcement released to ASX on 28 April 2015 titled "Further High Grade Uranium Mineralisation Confirmed at Karoo Projects".

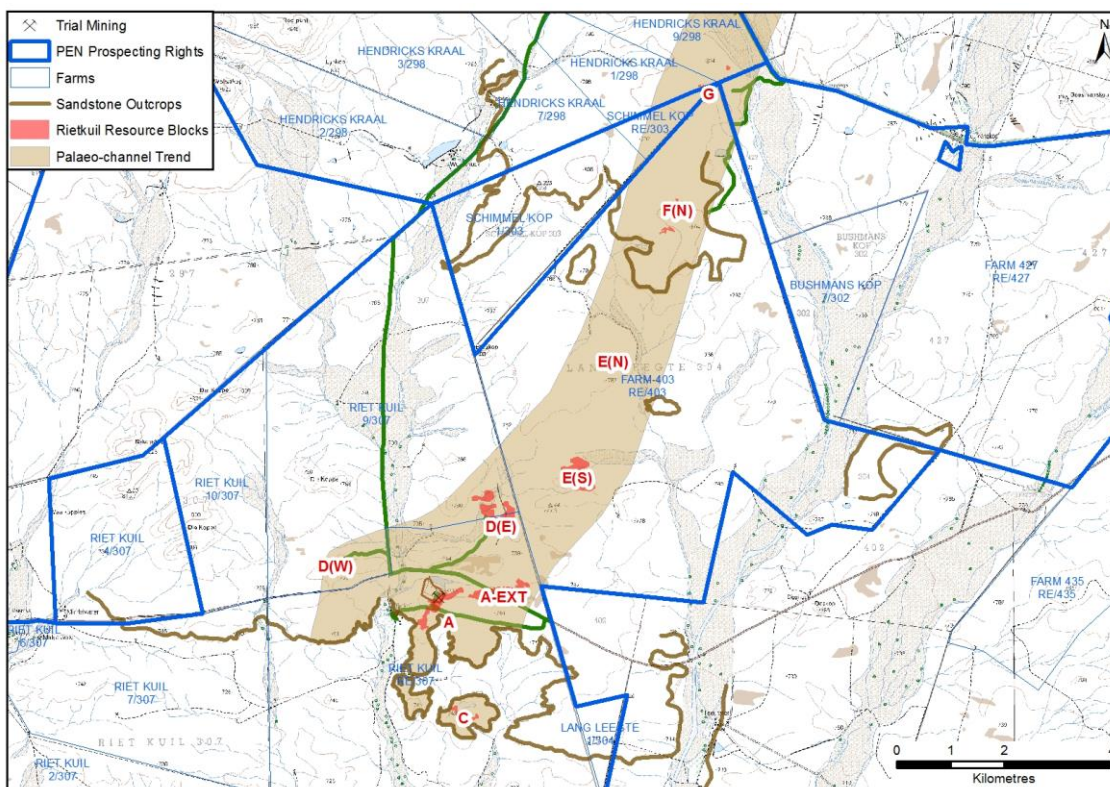


Figure 7: Geology and distribution of mineralisation blocks at Rietkuil



CORPORATE

New York Stock Exchange Listing

During the quarter Peninsula commenced the application process to list its shares on the New York Stock Exchange (NYSE-MKT). The US listing is scheduled to be completed in Q4 CY2015, subject to all regulatory and shareholder approvals. The US listing will be a dual listing with the Company maintaining its Australian Securities Exchange (ASX) listing.

Listing on a US stock exchange is expected to provide a number of benefits to the Company. As the largest generator of nuclear power in the world, the US provides access to not only the largest pool of capital globally, but also access to an active market well versed in the benefits of nuclear power generation. Average daily turnover of uranium peer companies dual listed on a US stock exchange consistently exceed the liquidity levels achieved on their non-US exchange by factor of 4 to 7 times.

Uranium companies with a listing on a US stock exchange benefit from a higher relative valuation than companies that do not have a US listing. Comparable In-Situ Recovery (ISR) companies with a US listing outperform companies that do not have a US listing by a factor of 2 to 3 times enterprise value per pound of measured and indicated resource. It is also important to note that many US investors are unable to or not willing to invest in non-US listed companies.

The NYSE-MKT (formerly known as the American Stock Exchange or AMEX) is a leading equities capital market for high growth companies. It is a fully automated, transparent platform that accepts the majority of home exchange filings from recognised foreign exchanges such as the ASX, allowing open trading of a company's securities in the US by both US retail and institutional investors and full access to the world's largest debt and equity markets.

Sale Contracts

Negotiations with several major utilities for additional new uranium concentrate sale agreements progressed significantly during the quarter. Negotiations with each utility are at various stages of progression. Similar to the existing sale contracts that the Company has secured, new contracts that are under negotiation are Term contracts that will utilise a base price that will be subject to quarterly escalation.

New Board and Executive Appointments

During the quarter Peninsula advised that it has appointed Mr. Richard Lockwood to the Board as Non-Executive Chairman, effective 1 July 2015.

Mr. Lockwood has over 50 years' experience in the funds management and mining investment sectors across the United Kingdom, Australia, and South Africa. Mr. Lockwood has extensive involvement with the uranium sector via institutional investment markets including being the founder of specialist uranium investment fund Geiger Counter Ltd. Mr Lockwood also played a pivotal role at Board level and was a director of AIM-listed uranium company Kalahari Minerals, which held a 42.74% interest in Extract Resources. Extract Resources was the owner of the Husab uranium project in Namibia. Kalahari Minerals and Extract Resources were taken over by China Guandong Nuclear Power Corporation in 2012.

With Mr. Lockwood's appointment as Non-Executive Chairman, Mr. John (Gus) Simpson has moved to an expanded role which includes Executive Chairman of Peninsula Uranium Limited and Managing Director and Chief Executive Officer of Peninsula Energy Limited. Peninsula Uranium Limited is the dedicated uranium sales and marketing arm of the Company.

As part of the Board restructuring, Mr. Alfred Gillman retired as a Non-Executive Director, effective 1 July 2015.



Cash Position

The Company's cash position at the end of the quarter, including commercial bills, bonds and security deposits was A\$35.6 million. Drawn debt at the end of the quarter was A\$1.2 million.

For further information please contact:

John Simpson (Gus)
Managing Director/Chief Executive Officer
Telephone: +61 9380 9920

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves at the Lance Projects is based on information compiled by Mr Jim Guilinger. Mr Guilinger is a Member of a Recognised Overseas Professional Organisation included in a list promulgated by the ASX (Member of Mining and Metallurgy Society of America and SME Registered Member of the Society of Mining, Metallurgy and Exploration Inc). Mr Guilinger is Principal of independent consultants World Industrial Minerals. Mr Guilinger have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in this report that relates to Exploration Results and Exploration Potential at Peninsula's Karoo projects is based on information compiled by Mr George van der Walt. Mr van der Walt is a member of a Recognised Overseas Professional Organisation included in a list promulgated by the ASX (The South African Council of Natural Scientific Professions, Geological Society of South Africa). Mr van der Walt is a Director of Geoconsult International. Mr van der Walt has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

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

Disequilibrium Explanatory Statement: eU_3O_8 refers to the equivalent U_3O_8 grade. This is estimated from gross-gamma down hole measurements corrected for water and drilling mud in each hole. Geochemical analysis may show higher or lower amounts of actual U_3O_8 , the difference being referred to as disequilibrium. Disequilibrium factors were calculated using the Peninsula PFN database and categorized by area and lithological horizon. Specific disequilibrium factors have been applied to the relevant parts of the resource based on comparative studies between PFN and gamma data. There is an average positive 11% factor applied. All eU_3O_8 results above are affected by issues pertaining to possible disequilibrium and uranium mobility.

1 Detailed Classified JORC-Compliant Resource Estimate, Lance Projects: U3O8

Resource Classification	Tonnes Ore (M)	U3O8 kg (M)	U3O8lbs (M)	Grade (ppm U3O8)
Measured	4.1	2.1	4.5	495
Indicated	11.6	5.7	12.7	497
Inferred	35.5	16.6	36.5	467
Total	51.2	24.4	53.7	476

2 Detailed Classified JORC-Compliant Resource Estimate, Karoo Projects: eU3O8

Classification	Sector	eU ₃ O ₈ (ppm) CUT-OFF	Tonnes (millions)	eU ₃ O ₈ (ppm)	eU ₃ O ₈ (million lbs)
Indicated	Eastern	600	7.1	1,206	18.7
	Western	600	0.9	1,657	3.2
Inferred	Eastern	600	11.8	1,046	27.2
	Western	600	3.5	1,019	7.8
Total	Total	600	23.3	1,108	56.9



Schedule of Interests in Mining Tenements at 30 June 2015

Location/Project Name	Tenement	Percentage Held
<u>Karoo Region, South Africa (Karoo Projects)</u>		
Karoo Uranium, South Africa	PR (WC) 25	74%
Karoo Uranium, South Africa	PR (WC) 33	74%
Karoo Uranium, South Africa	PR (WC) 34	74%
Karoo Uranium, South Africa	PR (WC) 35	74%
Karoo Uranium, South Africa	PR (WC) 47	74%
Karoo Uranium, South Africa	PR (WC) 59	74%
Karoo Uranium, South Africa	PR (WC) 60	74%
Karoo Uranium, South Africa	PR (WC) 61	74%
Karoo Uranium, South Africa	PR (WC) 80	74%
Karoo Uranium, South Africa	PR (WC) 81	74%
Karoo Uranium, South Africa	PR (WC) 127	74%
Karoo Uranium, South Africa	PR (WC) 137	74%
Karoo Uranium, South Africa	PR (WC) 151	74%
Karoo Uranium, South Africa	PR (WC) 152	74%
Karoo Uranium, South Africa	PR (WC) 153	74%
Karoo Uranium, South Africa	PR (WC) 154	74%
Karoo Uranium, South Africa	PR (WC) 156	74%
Karoo Uranium, South Africa	PR (WC) 158	74%
Karoo Uranium, South Africa	PR (WC) 162	74%
Karoo Uranium, South Africa	PR (WC) 167	74%
Karoo Uranium, South Africa	PR (WC) 177	74%
Karoo Uranium, South Africa	PR (WC) 178	74%
Karoo Uranium, South Africa	PR (WC) 179	74%
Karoo Uranium, South Africa	PR (WC) 180	74%
Karoo Uranium, South Africa	PR (WC) 187	74%
Karoo Uranium, South Africa	PR (WC) 188	74%
Karoo Uranium, South Africa	PR (WC) 207	74%
Karoo Uranium, South Africa	PR (WC) 208	74%
Karoo Uranium, South Africa	PR (WC) 228	74%
Karoo Uranium, South Africa	PR (WC) 257	74%
Karoo Uranium, South Africa	PR (EC) 07	74%
Karoo Uranium, South Africa	PR (EC) 08	74%
Karoo Uranium, South Africa	PR (NC) 331	74%
Karoo Uranium, South Africa	PR (NC) 347	74%
Karoo Uranium, South Africa	PR (EC) 09	74%
Karoo Uranium, South Africa	PR (EC) 12	74%
Karoo Uranium, South Africa	PR (EC) 13	74%
Karoo Uranium, South Africa	PR (WC) 168	74%
Karoo Uranium, South Africa	PR (WC) 170	74%
Karoo Uranium, South Africa	PR (NC) 330	74%



Location/Project Name	Tenement	Percentage held
<p><u>Wyoming, USA (Lance Projects)</u></p> <p>Lance Projects are located within the area contained within Township and A Township and Range System in Crook County, Wyoming USA. USA, including various surface and mineral right holdings, hence tenement references are not applicable.</p> <p>Private Land (FEE) – Surface Access Agreements (approx. 26,856 acres)</p> <p>Private Land (FEE) – Mineral Rights (approx.9,375 acres)</p> <p>Federal Mining Claims – Mineral Rights (approx. 12,006 acres)</p> <p>State Leases – Mineral Rights (approx.10,590 acres)</p>	N/A	100%

Location/Project Name	Tenement	Percentage held
<p><u>VitiLevu, Fiji (RakiRaki Project)</u></p> <p>Raki Raki (Geopacific JV)</p> <p>Raki Raki (Geopacific JV)</p> <p>Raki Raki (Geopacific JV)</p>	<p>SPL 1231</p> <p>SPL 1373</p> <p>SPL 1436</p>	<p>50%</p> <p>50%</p> <p>50%</p>

