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Companies Announcement Office  
Via Electronic Lodgement

## URANIUM PRODUCTION STEADILY INCREASING AT LANCE PROJECTS

### Highlights

- 29,000 pounds of U<sub>3</sub>O<sub>8</sub> produced from Lance Projects during June quarter
- 7,000 pounds of U<sub>3</sub>O<sub>8</sub> already produced from Lance wellfields in first 10 days of July
- Header houses 1 and 2 producing uranium at 105% of steady state target rates
- 55,000 lbs U<sub>3</sub>O<sub>8</sub> delivered during June quarter at average price of US\$62.80/lb

Peninsula Energy Limited (**Peninsula or Company**) is pleased to provide an update on production and ramp-up at the Lance Projects in Wyoming, USA (**Lance Projects**).

### June Quarter

During the quarter ended 30 June 2016, 28,858 lbs U<sub>3</sub>O<sub>8</sub> were extracted from the Lance Projects, an increase of almost 20,000 lbs U<sub>3</sub>O<sub>8</sub> over the quarter ended 31 March 2016. A 7-day plant outage adversely impacted June production by approximately 3,000 lbs U<sub>3</sub>O<sub>8</sub>. Production for the June quarter was primarily from header houses 1 and 2. Whilst header houses 3 and 4 were successfully commissioned during the June quarter, meaningful quantities of uranium from both header houses commenced during July.

Average flowrates from extraction wells at header houses 1 and 2 are in excess of 20gpm (as per forecasts) and combined uranium head grade from these two header houses now exceed the life of mine average head grade of 38 mg/L. As a result, these two header houses are now producing uranium at 105% of steady state target rates.

A further 55,000 lbs of U<sub>3</sub>O<sub>8</sub> were delivered during the June quarter under the Company's existing long term uranium concentrate sale and purchase agreements at an average realised price of US\$62.80 per pound. Uranium for these deliveries was purchased on-market.

### Production Ramp-up

The rate of production continues to accelerate in early July with approximately 7,000 lbs U<sub>3</sub>O<sub>8</sub> extracted from wellfields between 1 July and 10 July. The current rate of ramp up at the Lance Projects supports the targeted Stage 1 production level of 600,000 to 700,000 lbs per annum in the first half of 2017.

Managing Director/CEO Mr. Gus Simpson stated *"the last 5 weeks have seen the rate of uranium production increase dramatically and augurs well for the Lance Projects to meet the expectations of the Company going forward"*.

*Updated Company Presentation*

Attached to this announcement is an updated Company presentation that contains additional information on the Lance Projects ramp-up and information on the existing long term uranium concentrate sale and purchase agreements.

Yours sincerely



**John (Gus) Simpson**  
**Managing Director/CEO**

For further information, please contact our office on +61 (0)89380 9920 during normal business hours.