ANNUAL REPORT 2016

Peninsula Energy Limited
ANNUAL REPORT 2016

Corporate Directory

Directors

John Harrison	*Non-Executive Chairman*
John (Gus) Simpson	*Managing Director / CEO*
Warwick Grigor	*Non-Executive Director*
Richard Lockwood	*Non-Executive Director*
Evgenij Iorich	*Non-Executive Director*
Harrison Barker	*Non-Executive Director*
Mark Wheatley	*Non-Executive Director*

Managing Director / CEO – Peninsula Energy
President – Strata Energy
Executive Chairman – Peninsula Uranium
John (Gus) Simpson

Chief Executive Officer – Strata Energy
Ralph Knode

Chief Executive Officer – South Africa
Willie Bezuidenhout

Chief Financial Officer
David Coyne

Company Secretary
Jonathan Whyte

Registered and Principal Office
Unit 17, Level 2, 100 Railway Road
Subiaco WA 6008

PO Box 8129, Subiaco East WA 6008

Telephone: +61 8 9380 9920
Facsimile: +61 8 9381 5064
Website: www.pel.net.au

Share Registry
Link Market Services Limited
Level 4, 152 St Georges Terrace
Perth WA 6000

Telephone: 1300 554 474
Facsimile: +61 2 9287 0303

Auditors
BDO Audit (WA) Pty Ltd
38 Station Street, Subiaco WA 6008

Stock Exchange
Peninsula Energy Limited is a public company listed on the Australian Securities Exchange and incorporated in Western Australia.

ASX Codes
PEN – Ordinary Fully Paid Shares
PENOD – Listed Options

ABN
67 062 409 303

Front cover photograph: *Central Processing Plant and Administration building at Lance Projects, USA*

CHAIRMAN'S REPORT

Dear Shareholder

I am pleased to present Peninsula Energy Limited's ("Peninsula" or "the Company") Annual Report and Financial Statements for the year ended 30 June 2016.

Undoubtedly the defining event of the 2016 financial year was the commencement of ISR mining operations at the Lance Projects in Wyoming, USA in December 2015. The final approval from the US Nuclear Regulatory Commission was the culmination of many years of hard work and I would like to extend my congratulations to the Company's management and staff, particularly those in Wyoming and also to our executive team and Board members for their contribution to this significant achievement.

At the operational level, good progress has been made. Whilst encountering the normal level of minor commissioning issues, to date the plant and well fields have been operating smoothly and safely, permeability of the ore body has been confirmed and production levels have increased as the ramp up continues. The Company made its first delivery of drummed uranium to a conversion facility in May 2016 and further shipments are now being made on a regular basis.

At the time of writing 4 header houses are in operation with the remaining 3 header houses that comprise Stage 1 all expected to be online by the end of the calendar year as the Company moves towards steady state production targets. The Company is currently working to secure funding, predominantly through a streaming facility, to commence Stage 2 construction which would bring online an additional 7 header houses. Stage 2 would also see all processing brought in-house which, along with the increased production levels, is forecast to reduce cash operating costs by US$9/10 per pound U_3O_8, thereby significantly increasing profitability of the operations.

The Stage 2 expansion is being timed to coincide with the ramp-up in delivery commitments under the Company's existing and expected new long term contracts. Peninsula has been very successful in securing attractively priced long term contracts, particularly in this current low uranium price environment. To date Peninsula has secured 5 long term contracts totalling 8.1 million pounds U_3O_8 with US and European utilities with a weighted average delivery price over the next 10 years of US$55 per pound U_3O_8.

These contracts provide the Company with an attractive and sizeable level of projected committed revenue while still maintaining quantities of estimated future production to be contracted at a later date, thus maintaining exposure to what is expected to be an improving pricing environment.

Similarly the Karoo Projects, which are now progressing through pre-feasibility, will provide Peninsula with further exposure to future pricing. The South African government has announced procurement plans to increase its nuclear capacity through a new nuclear plant build programme and the Karoo Projects remain well positioned to be a sustainable long-life domestic supplier of uranium to these new power plants.

On the funding front, the Company has received further support from its major shareholders Resource Capital Funds and Pala Investments, who together have provided a total of US$20 million in bridge financing required to complete the Stage 1 roll out and other activities while the Company works to finalise the broader Stage 2 funding package. As mentioned, a key component of this funding package is a planned US$25 million revenue streaming facility; negotiations on this facility have progressed during the year with a binding agreement now near completion.

At the Board level, the Company increased its depth of in house uranium industry knowledge with the appointments of Hink Barker and Mark Wheatley. Hink is a highly respected figure in the nuclear industry, having recently concluded a distinguished career at Dominion Resources in the US, primarily in a senior nuclear fuel procurement role. Mark is well known as a highly experienced mining executive and both appointments have enhanced the Board's expertise. During the year I have also increased my involvement with Peninsula, having accepted the position of Chairman.

Looking forward, the 2017 financial year should be an exciting one and there remains cause for optimism. There is no denying that the uranium market is extremely challenging at present and is largely forecast to remain so in the short term. However, with a healthy contract portfolio secured at prices well above the current and forecast term contract prices, Peninsula is insulated to a large extent from this currently depressed price environment. The fundamentals for uranium in the medium to long term remain strong and it is the belief of many industry analysts that the market has bottomed and demand led growth is around the corner. Peninsula, through its current ramp up and Stage 2 expansion, is positioning itself to capitalise on this eventual rebound in the sector.

Finally, on behalf of the Board of Directors, I would like to again extend my thanks to our staff across the Peninsula group for their dedicated work over the past year and also to our shareholders for their continued support.

John Harrison
Non-Executive Chairman

CORPORATE GOVERNANCE STATEMENT

Unless disclosed below, all of the best practice recommendations of the 3rd edition of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2016

BOARD COMPOSITION

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the Directors' Report.

The names of the Directors of the Company, or who have served as a Director during the year, are:

- John Harrison — Non-Executive Chairman (Independent)
- John Simpson — Managing Director / CEO
- Warwick Grigor — Non-Executive Director (Independent)
- Richard Lockwood — Non-Executive Director (appointed 1 July 2015) (Independent)
- Evgenij Iorich — Non-Executive Director
- Harrison Barker — Non-Executive Director (appointed 3 August 2015) (Independent)
- Mark Wheatley — Non-Executive Director (appointed 26 April 2016) (Independent)
- Neil Warburton — Non-Executive Director (resigned 26 April 2016) (Independent)

When determining whether a Non-Executive Director is independent, the Director must not fail any of the following materiality thresholds:

- Less than 10% of Company shares are held by the Director and any entity or individual directly or indirectly associated with the Director;
- No sales are made to or purchases made from any entity directly or indirectly associated with the Director; and
- None of the Directors' income or the income of an individual or entity directly or indirectly associated with the Director is derived from a contract with any member of the economic entity other than income derived as a Director of the entity.

Non-Executive Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Company's expense. Written approval must be obtained from the Chairman prior to incurring any expense on behalf of the Company.

The Board has formally adopted a Nomination Committee Charter but given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Nomination Committee Charter. When the Company is of sufficient size, a separate Nomination Committee will be formed. The Company regularly assesses the skills and competencies required on the Board.

ETHICAL STANDARDS

The Board acknowledges and emphasises the importance of all Directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring Directors and employees to:

- Act honestly and in good faith;
- Exercise due care and diligence in fulfilling the functions of office;
- Avoid conflicts and make full disclosure of any possible conflict of interest;
- Comply with the law;
- Encourage the reporting and investigating of unlawful and unethical behaviour; and

Directors are obliged to be independent in judgement and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

DIVERSITY

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

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

The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives. The Company has operations on three continents and is particularly focused on growing its relationship with its Black Economic Empowerment partners in South Africa.

GENDER DIVERSITY

The Company is focusing on the participation of women on its Board and within senior management. At an appropriate time in the future when the Company is of sufficient size and scale, the Board will determine appropriate measurable objectives for achieving gender diversity.

Women Employees, Executives and Board Members

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

- two accountants;
- a personal assistant;
- an accounts payable officer;
- a laboratory supervisor;
- a land administrator;
- a land access specialist; and
- a field technician,

whom represent approximately 17% of the total employees, executives and/or board members of the Company and its consolidated entities. There are currently no female members on the Board of the Company.

TRADING POLICY

The Board has formally adopted a Share Trading Policy in line with Corporate Governance guidelines which restricts Directors and employees/consultants from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee consists of three Non-Executive Directors and has an independent Chairman, consistent with the ASX Corporate Governance Council recommendations, and appropriate for the size of the Company and the financial expertise of the Committee members. The Company Secretary is also present at all Audit and Risk Management Committee meetings. The Audit and Risk Management Committee operates under a formal charter.

The names and qualifications of those appointed to the Audit and Risk Management Committee and their attendance at meetings of the Committee are included in the Directors' Report.

SHAREHOLDER RIGHTS

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of Directors, changes to the constitution and receipt of annual and interim financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Peninsula Energy Limited, to lodge questions to be responded to by the Board and/or the CEO, and are able to appoint proxies.

RISK MANAGEMENT

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. The Chief Financial Officer has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed as required. The volatile economic environment has emphasised the importance of managing and reassessing the Company's key business, social and environmental risks.

REMUNERATION POLICIES

The Remuneration Committee is responsible for determining and reviewing the appropriate compensation arrangements and policies for the Key Management Personnel, in accordance with the policies and procedures outlined in the Remuneration Committee Charter. The Remuneration Committee reviews executive packages annually by reference to Company performance, executive performance, comparable information from industry sectors and other listed companies.

The Company's Remuneration Policy is to ensure remuneration packages properly reflect each person's duties and responsibilities and support the Company's business objectives. The Policy is designed to attract the highest calibre directors, executives and senior staff, and reward them for performance which results in long-term growth in shareholder value.

Executives and selected senior staff are also entitled to participate in the employee share, performance rights, restricted share units and option arrangements.

The amount of remuneration for all Key Management Personnel of the consolidated group, including all monetary and non-monetary components, is detailed in the Remuneration Report within the Directors' Report. Shares given to Key Management Personnel are valued at the market price of those shares.

CORPORATE GOVERNANCE STATEMENT

Options are valued independently using a Black-Scholes model. Performance Rights with market based vesting conditions are valued independently using a hybrid employee share option pricing model that simulates the share price of Peninsula as at the expiry date using a Monte-Carlo model.

The Board believes that the remuneration structure implemented as of 1 July 2015 results in the Company being able to attract and retain the best directors, executives and senior staff to run the consolidated group. It will also provide executives with the necessary incentives to work and grow long-term shareholder value.

The payment of cash bonuses, share options and other incentive payments are reviewed by the Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All cash bonuses, share options and other incentives must be linked to predetermined performance criteria. The Board can exercise its discretion in relation to approving incentives, cash bonuses and share options and can recommend changes to the Remuneration Committee's recommendations. Any changes must be justified by reference to measurable performance criteria.

REMUNERATION COMMITTEE

The Remuneration Committee consists of three Non-Executive Directors and has an independent Chairman, consistent with the ASX Corporate Governance Council recommendations.

The names of the members of the Remuneration Committee and their attendance at meetings of the committee are detailed in the Directors' Report.

There are no schemes for retirement benefits for Directors other than the statutory superannuation for Non-Executive Directors.

OTHER INFORMATION

Further information relating to the Company's corporate governance practices and policies has been made available publicly on the Company's web site at www.pel.net.au.

Central Processing Plant, Lance Projects

DIRECTORS' REPORT

Your Directors present their report, together with the financial statements of the consolidated group (or Peninsula), being the Company and its controlled entities, for the financial year ended 30 June 2016.

DIRECTORS

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

- John Harrison
- John Simpson
- Warwick Grigor
- Richard Lockwood (appointed 1 July 2015)
- Evgenij Iorich
- Harrison Barker (appointed 3 August 2015)
- Mark Wheatley (appointed 26 April 2016)
- Neil Warburton (resigned 26 April 2016)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated group during the financial year consisted of uranium exploration, development and mining, with first production commencing at the Lance Projects in December 2015. There were no other significant changes in the nature of the consolidated group's principal activities during the financial year.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

The consolidated loss of the consolidated group after providing for income tax for the year ended 30 June 2016 amounted to US$3.53 million (2015: US$4.43 million).

REVIEW OF OPERATIONS 2016

Peninsula Energy Limited (PEN) is an ASX listed uranium mining company which commenced in-situ recovery (ISR) uranium operations in December 2015 at its Lance Projects in Wyoming, USA (Lance Projects). In parallel, Peninsula is progressing its Karoo Uranium Projects in South Africa (Karoo Projects) through feasibility.

An overview of operations during the year is as follows:

WYOMING, USA – LANCE URANIUM PROJECTS

(Peninsula Energy 100%)

Background

The Lance Projects are located on the north-east flank of the Powder River Basin in Wyoming. The original NuBeth Joint Venture between Nuclear Dynamics Inc, Bethlehem Steel Corporation and later Pacific Power and Hydro (NuBeth JV), discovered 13 substantial zones of uranium mineralisation associated with an extensive system of roll fronts confirmed by drilling between 1970 and 1979. As part of this exploration program, the NuBeth JV drilled more than 5,000 exploration and development holes, totalling in excess of 912,000 metres. A proprietary database of the historic drilling and pilot plant data was acquired by Peninsula in 2007, defining a then relatively unknown uranium district of which Peninsula is now the dominant mineral rights holder.

The Lance Projects have 305 line kilometres of identified roll fronts and an exploration target of 158-217mlbs U_3O_8 (169-196mt@426-530ppm U_3O_8) inclusive of JORC 2012 Code-compliant resource. These roll fronts stretch over 50 kilometres north-south and are open to the north, south and west. The Company has explored only part of this area since 2007 and has already successfully delineated over 53.7mlbs U_3O_8 JORC 2012 Code-compliant resource[1].

[1] *JORC Table 1 included in an announcement to the ASX presentation 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.*

In-situ uranium recovery operations commence

Following the satisfactory completion of a preoperational inspection by the U.S. Nuclear Regulatory Commission (NRC) during November 2015, Peninsula's wholly-owned subsidiary Strata Energy Inc. (Strata) began in-situ uranium recovery operations from the Ross Permit Area at the Lance Projects in December 2015. This followed a 10 month construction period for the plant, first wellfield header house and other associated infrastructure and site works.

Since the initial injection of O_2 and CO_2 at the first header house unit on 2 December 2015, production well flow-rates are meeting

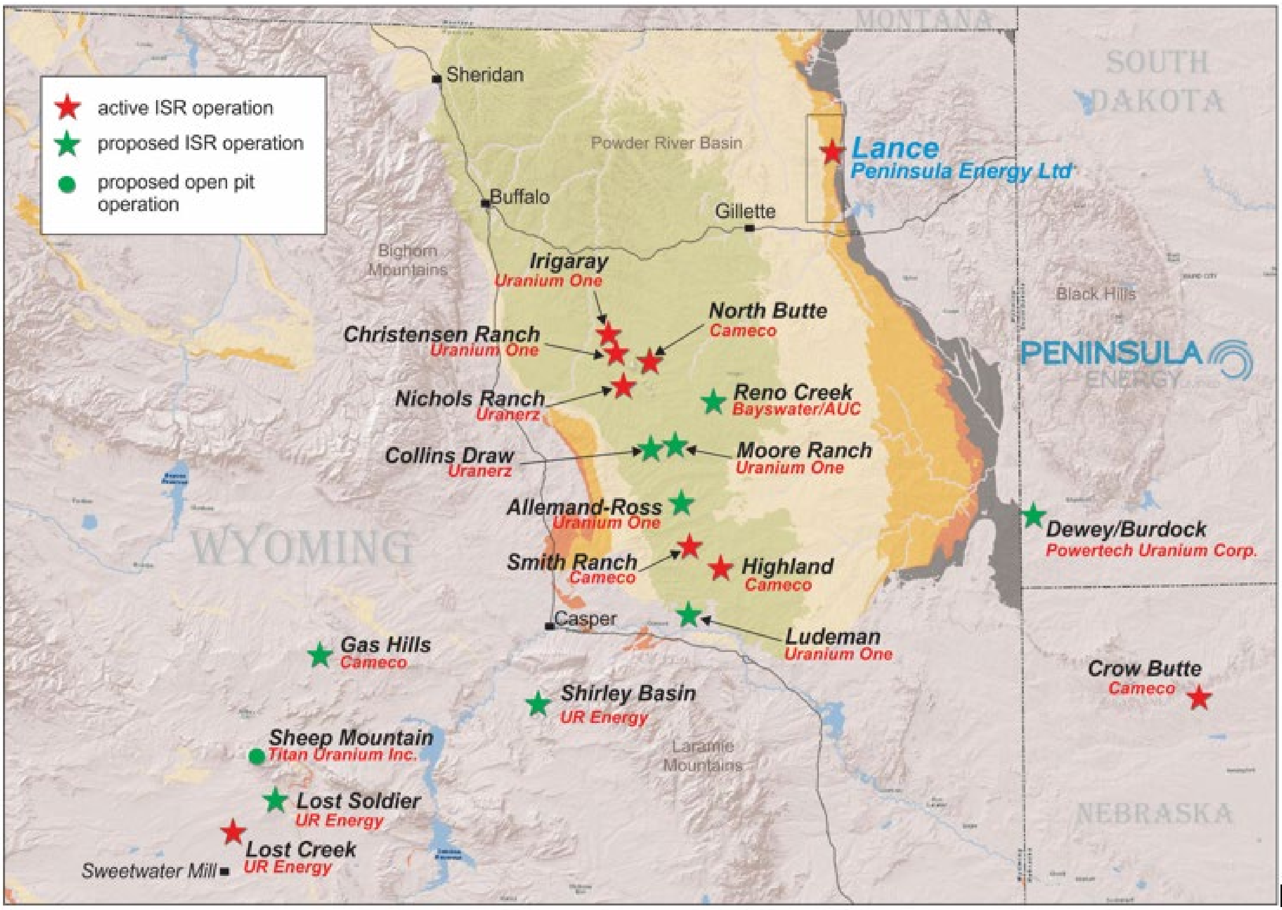

Figure 1: Lance Project Location, Wyoming, USA

expectations and substantially confirmed the permeability of the ore body, a key risk factor in ISR operations. To date the Central Processing Plant (CPP) and well field systems are operating as expected and production rates are increasing steadily.

28,858 lbs U_3O_8 were extracted from the Lance Projects in the June 2016 quarter, an increase of almost 20,000 lbs U_3O_8 over the quarter ended 31 March 2016. In total 37,992 lbs U_3O_8 were extracted from the Lance Projects to 30 June 2016 and the extraction rate continues to ramp up as more header houses come online.

Production up until June 2016 was primarily from header houses 1 and 2. Whilst header houses 3 and 4 were successfully commissioned prior to financial year end, meaningful quantities of uranium from both header houses only commenced during July 2016. Stage 1 full production will see up to seven header houses in simultaneous operation with all remaining header houses that comprise Stage 1 forecast to progressively come online during the second half of the 2016 calendar year.

Peninsula's scalable production development plan comprises a three stage ramp-up strategy with Stage 1 targeted production levels of 600,000 to 700,000 lbs U_3O_8 per annum, Stage 2 targeted production levels of 1,200,000 lbs U_3O_8 per annum and Stage 3 targeted production levels of 2,300,000 lbs U_3O_8 per annum.

The current rate of ramp up at the Lance Projects supports the targeted Stage 1 production level of 600,000 to 700,000 lbs U_3O_8 per annum in the first half of 2017.

In parallel with the Stage 1 ramp up above, Peninsula is targeting commencement of initial development activities for Stage 2 at the Lance Projects (subject to completion of the revenue streaming and other funding) followed by the commencement of construction of the Stage 2 CPP and the expansion up to fourteen header houses.

Bringing Stage 2 online is being planned to coincide with the conclusion of the current toll milling agreement, bringing this function in house, when combined with the cost benefits of increased production and greater economies of scale, is forecast to reduce all-in sustaining cash costs by US$9-10/lb at steady state Stage 2 production rates (as compared to Stage 1).

Figure 2: CPP and Admin Building, Lance Projects, Wyoming USA – June 2016

Figure 3: Well fields (and header house), Lance Projects – June 2016

DIRECTORS' REPORT

The scalable production development plan significantly reduced the initial funding required to commence sustainable production at the Lance Projects, decreased the volume of uranium needed to be contracted in Stage 1 and allows the Company to defer most of the future uranium sales contracts until such time as the uranium price is more attractive. In addition, the initial lower production rate enables the Company to deliver a higher proportion of uranium product into its existing sales contracts which have a weighted average price well above the current Spot and Term Contract uranium prices.

Please note that Production Targets within this report are based on a proportion of inferred resources. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resource or that the production target itself will be realised. The estimated mineral resources underpinning the production targets have been prepared by Jim Guilinger, a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

The basis of the Production and Financial Information within this report is included in a presentation 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 production and financial information 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.

As at 30 June 2016, average flow rates from extraction wells at header houses 1 and 2 are in excess of 20 gpm, and combined with the average uranium head grade that is increasing month on month, uranium production from these two header houses is in line with steady state target rates.

Deliveries of drummed uranium product commenced during the financial year, with the first delivery of Lance Projects drummed uranium received by a North American conversion facility in May 2016.

Uranium Sales and Marketing

The Company delivered 105,000 lbs of U_3O_8 during the 2016 financial year under existing long term uranium concentrate sale and purchase agreements at an average realised cash payment price of US$66 per pound (average price for accounting purposes US$55 per pound). Uranium for these deliveries was purchased on-market.

In March 2016 the Company entered into a long term uranium concentrate sale and purchase agreement with a major European utility and nuclear industry leader, for the sale and purchase of 4,000,000 pounds of U_3O_8 from the Lance Projects over a 10 year period beginning at the end of 2020. The agreement contemplates increasing this to 50% of annual mine production from 2026 onwards. The securing of such a significant contract was a substantial achievement for the Company and came after several years of negotiation and extensive due diligence on Peninsula and its projects.

In August 2015 Peninsula entered into two new uranium concentrate sale and purchase agreements with major United States power utilities. Deliveries of uranium concentrate commenced in 2016 and up to 1,935,000 pounds U_3O_8 will be delivered by Peninsula under the new agreements. The agreements contain prices that are consistent with the Term contract prices reported by uranium industry commentators during the first half of 2015. Other terms and conditions of the agreements reflect uranium industry norms.

As at 30 June 2016 Peninsula has 8,100,000 pounds of U_3O_8 remaining under contract for delivery to major utilities located in the United States and Europe. Projected revenue under these existing long term contracts is US$440 million. These contracts provide a substantial earnings stream to the Company whilst allowing it to retain significant quantities of planned U_3O_8 production for future contracting during periods of anticipated improved uranium prices.

The weighted average delivery price for these five contracts over the next 10 years is US$55/lb U_3O_8. The progressive expansion to Stage 2 will generate increased operating margins, (both in aggregate and on a per pound basis), and is projected to move the Company to significant profitability.

Regulatory Activities

In June 2016 the Commissioners of the NRC ruled in favour of the Company and denied a petition to appeal by the Natural Resources Defence Council and the Powder River Basin Resource Council (together, the Joint Intervenors). The Joint Intervenors petitioned to appeal against the Atomic Safety and Licensing Board's (ASLB) previous dismissal of all remaining environmental contentions (EC) brought against the Lance Projects.

In its January 2015 ruling the ASLB determined that the contentions raised by the Joint Intervenors were unable to be substantiated by the evidence presented. In denying the petition to appeal the previous dismissal, the NRC Commissioners reiterated that the Joint Intervenors are unable to substantiate the claims upon which the contentions are based.

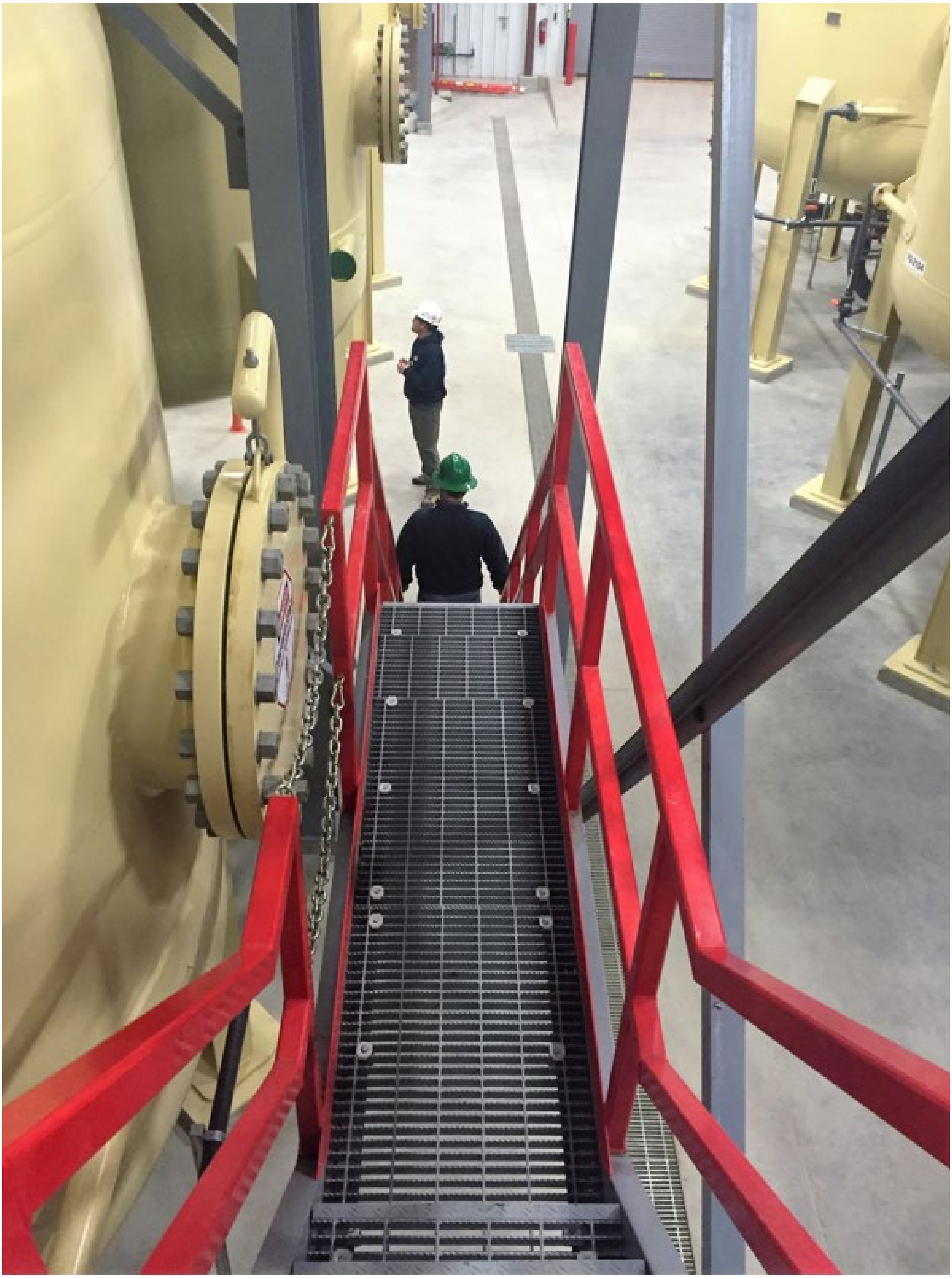

Figure 4: Ion Exchange Columns inside CPP, Lance Projects – April 2016

Figure 5: Inside CPP, Lance Projects – June 2016

SOUTH AFRICA - KAROO URANIUM EXPLORATION PROJECTS

(Peninsula Energy 74%, BEE Group 26%)

Background

During June 2016 Peninsula implemented a strategy to reduce the existing landholding comprising a 74% interest in 40 prospecting rights (PRs) covering 7,774 km^2 of the main uranium-molybdenum bearing sandstone channels in the Karoo Projects located in the Karoo Basin, South Africa. Once completed, the total tenement holding for the project area of interest will reduce to an area covering 4,657 km^2. The residual 26% interest remains with BEE partners as required by South African law. As illustrated in Figure 6, new applications for mining and prospecting rights have been submitted to initiate mining and extend the tenure of the title holdings.

The Karoo Projects are categorised into the Eastern and Western Sectors as shown in Figure 6. In the Eastern Sector, Peninsula has freehold ownership over an area of 322 km^2 which covers a significant proportion of the reported resource and allows unlimited surface access.

Pre-Feasibility Study Work

Peninsula has appointed DRA Projects SA (DRA) to complete the mining, processing and engineering components of the Pre-Feasibility Study (PFS) for the Karoo Projects. Peninsula had previously appointed DRA to complete the preliminary mining and process engineering and enhanced metallurgical test work to support the PFS at the Karoo Projects.

The PFS follows a preliminary technical and economic assessment concluded by DRA in late 2013 and additional metallurgical test work conducted during 2014-2016.

Metallurgical testing is primarily aimed at establishing the economic benefits of carbonate removal ahead of leaching along with confirmatory hydrometallurgical test work. Pending the outcome of this test work phase, the PFS process design will consider the incorporation of a carbonate rejection step ahead of leaching to optimise the process flow sheet and minimise operating costs.

The PFS will also include preliminary mine design and layout (both open pit and underground), all engineering works associated with the proposed mine, plant tailings storage facility and in-plant infrastructure.

Re-logging

Re-logging work was conducted throughout the reporting period, in holes originally drilled by Union Carbide Exploration Corporation (UCEX) during the 1970's and continues to successfully validate the location and grade of the mineralisation that was delineated by UCEX at that time. Results from all blocks investigated to date have demonstrated very high grade mineralisation at shallow depths.

Probing and re-logging occurred in areas that are outside the existing JORC Code-compliant resource and information from this work will be included in a future update of the JORC Code-compliant resource estimate for the Karoo Projects.

New Chief Executive Officer (South Africa) Appointed

Effective 1 June 2016, the Company appointed Mr Willie Bezuidenhout to the role of Chief Executive Officer (South Africa). Mr Bezuidenhout is overseeing the progression of the Karoo Projects through feasibility, financing, development and into operations. Mr Bezuidenhout is a highly credentialed senior mining executive with extensive uranium operational and financial management expertise. Mr Bezuidenhout has most recently held senior executive and management positions at Uranium One and its subsidiaries for close to a decade.

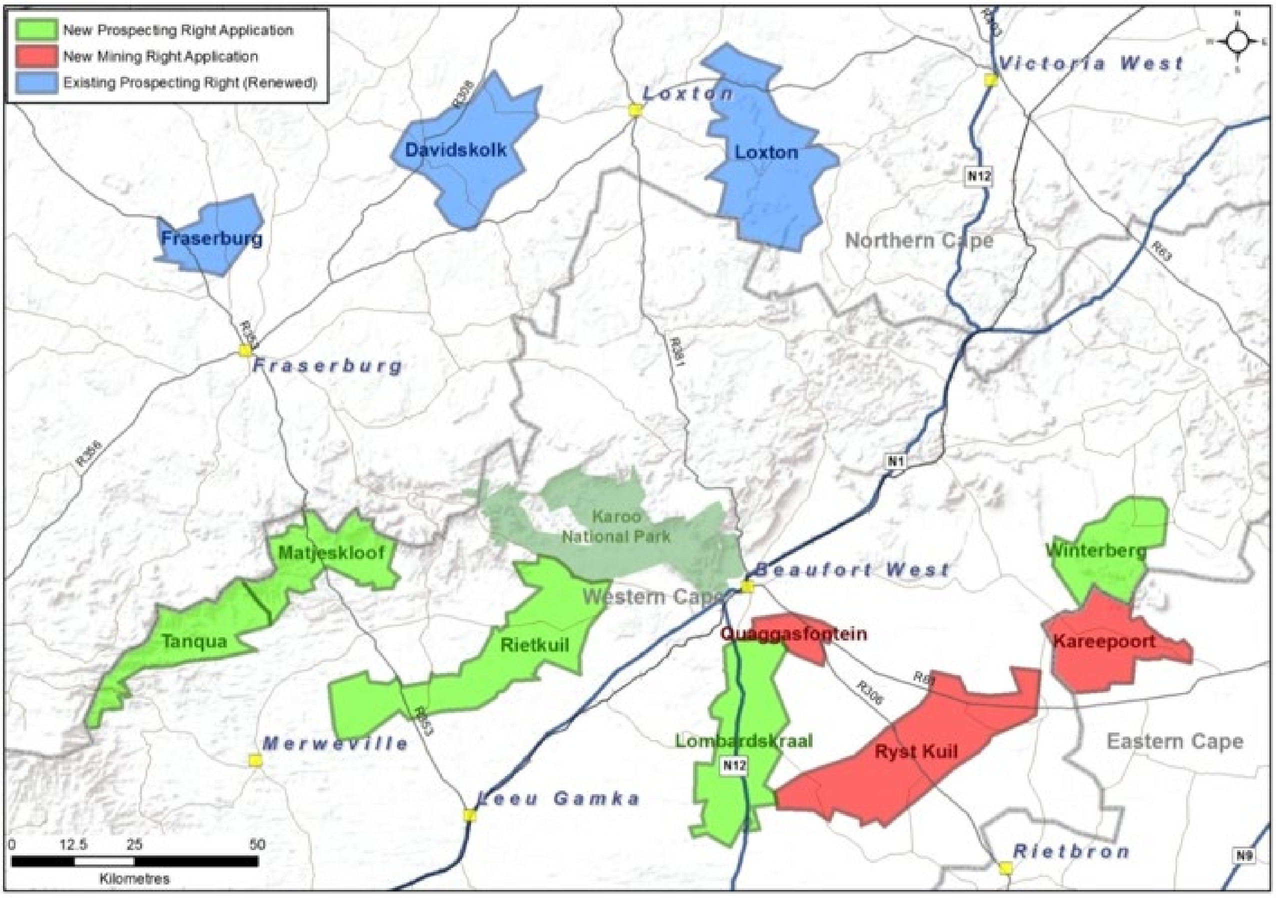

Figure 6: Karoo Uranium Project New Prospecting and Mining Right Locations, South Africa

MINERAL RESOURCE GOVERNANCE

Peninsula Energy Limited ensures that the Mineral Resource estimates for its Lance and Karoo Projects are subject to appropriate levels of governance and internal controls. The Mineral Resource estimation procedures are well established and are subject to annual review internally and externally undertaken by suitably competent and qualified professionals. This review process has not identified any material issues or risks associated with the existing Mineral Resource estimates. The Company periodically reviews the governance framework in line with the development of the business.

Peninsula reports its Mineral Resources in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition'.

Competent Persons named by the Company are Members or Fellows of the Australian Institute of Mining and Metallurgy and/or Members of Recognised Overseas Professional Organisations included in the list promulgated by ASX and qualify as Competent Persons as defined in the JORC Code.

The tables below set out the Company's Mineral Resources for 2015 and 2016.

Mineral Resource Statement

Resource Classification	Tonnes Ore (M)	U_3O_8 kg (M)	U_3O_8 lbs (M)	Grade (ppm U_3O_8)	Location
Measured	4.1	2.1	4.5	495	Wyoming, USA
Indicated	11.6	5.7	12.7	497	Wyoming, USA
Inferred	35.5	16.6	36.5	467	Wyoming, USA
Total	**51.2**	**24.4**	**53.7**	**476**	

Figure 7: Lance Projects Classified Resource Summary (U_3O_8)June 2016

Resource Classification	Tonnes Ore (M)	U_3O_8 kg (M)	U_3O_8 lbs (M)	Grade (ppm U_3O_8)	Location
Measured	4.1	2.1	4.5	495	Wyoming, USA
Indicated	11.6	5.7	12.7	497	Wyoming, USA
Inferred	35.5	16.6	36.5	467	Wyoming, USA
Total	**51.2**	**24.4**	**53.7**	**476**	

Figure 8: Lance Projects Classified Resource Summary (U_3O_8) June 2015

There have been no changes in the mineral resources at the Lance Projects from the previous financial year.

Resource Classification	eU_3O_8 (ppm) CUT-OFF	Tonnes (millions)	eU_3O_8 (ppm)	eU_3O_8 (million lbs)	Location
Indicated	600	8.0	1,242	21.9	Karoo, South Africa
Inferred	600	15.3	1,038	35.0	Karoo, South Africa
Total	**600**	**23.3**	**1,108**	**56.9**	

Figure 9: Karoo Projects Classified Resource Summary (eU_3O_8) June 2016

Resource Classification	eU_3O_8 (ppm) CUT-OFF	Tonnes (millions)	eU_3O_8 (ppm)	eU_3O_8 (million lbs)	Location
Indicated	600	8.0	1,242	21.9	Karoo, South Africa
Inferred	600	15.3	1,038	35.0	Karoo, South Africa
Total	**600**	**23.3**	**1,108**	**56.9**	

Figure 10: Karoo Projects Classified Resource Summary (eU_3O_8) June 2015

There have been no changes in the mineral resources at the Karoo Projects from the previous financial year.

Competent Person 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 has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

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 the Australian Institute of Mining and Metallurgy and 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'.

CORPORATE

Inventory Finance and Working Capital Facility

In December Peninsula entered into an agreement with Investec Bank Plc (Investec) for a US$15 million inventory finance facility (Facility).

The Facility serves as support financing to assist in covering inventory and other general costs, while production and revenue increase at the Lance Projects. Given the contractual norms within the uranium industry of quarterly and bi-annual uranium delivery schedules under Term contracts, this facility provides Peninsula with additional funding flexibility as and when required.

The Facility is a 2 year secured facility and is comprised of inventory finance and revolving loan components. The US$7.5 million Inventory Finance Facility which is drawable against uranium inventory delivered to uranium conversion facilities and has a margin of USD LIBOR + 2.5% and the US$7.5 million Revolving Loan Facility which is re-drawable and repayable at Peninsula's discretion, and has a margin of USD LIBOR + 3.5%. Drawings under the Facility are subject to meeting historical and forward looking financial covenants that are customary for a facility of this nature. An annual line fee of 2.0% applies and a one-off establishment fee of 1.5% was paid at the time of entry into the Facility.

Convertible Loan Facility

In April 2016 Peninsula entered into convertible loan agreements with major shareholders Resource Capital Fund VI L.P. (RCF VI) and Pala Investments Ltd (Pala) for a total of US$15 million (Convertible Loans) and was drawn in full on the date that it was signed. The US$15 million total loan amount is comprised of a US$9.63 million convertible loan provided by RCF VI and a US$5.37 million convertible loan provided by Pala.

Under the terms of the Convertible Loans, the Lenders may elect to convert all or part of the principal amount of the Convertible Loans (including any capitalised interest) into fully paid ordinary shares at any time at a conversion price that is the lower of A$0.80 per share or the price of any equity raised prior to repayment. The Convertible Loans bear interest at the rate of 8% per annum, payable quarterly in arrears in cash or shares at the Lenders election. The Maturity Date of the Convertible Loans is 22 April 2017.

Additionally, an arrangement fee of 2% of the amount available under the Convertible Loans is also payable in cash or in fully paid ordinary shares (at the Lenders election) using a conversion price of A$0.80 per share.

Proceeds from the convertible loans are being used for general wellfield development activities at the Lance Projects and for general working capital purposes.

Revenue Streaming Facility

Peninsula continues to work on a funding package for the Company's Stage 2 expansion and has progressed negotiations on a revenue streaming facility as the primary component of this package. Revenue streaming is a non-dilutive mechanism that sees a proportion of future sales revenue being exchanged for a one-off upfront cash payment that is to be used for development or expansion capital expenditure. The proportion of future sales revenue only applies for a finite time period and finite quantity of annual production.

During June 2016 technical and commercial due diligence was completed by the funding party and both parties are now working together to complete a final binding agreement in the near term.

The funding package would allow for the commencement of initial Stage 2 development at the Lance Projects, comprising the installation of the elution, precipitation, drying and packaging processes circuits in the central CPP and a doubling of the ion exchange capacity.

DIRECTORS' REPORT

NYSE MKT Listing Progressing

Peninsula is seeking a secondary listing of American Depositary Shares (ADS) on the NYSE MKT. During the reporting period Peninsula continued the review process with the United States Securities and Exchange Commission (SEC), including the submission of a revised registration statement on Form-20-F in response to SEC queries and recent updates provided by the Company. The Company now believes it has cleared the key outstanding items received to date. A Form 20-F, once declared effective by the SEC, registers a class of securities of a foreign issuer and is a requirement for trading on a U.S. stock exchange.

Peninsula has appointed Roth Capital, a US banking group to support the Company's planned ADS program upon the completion of the NYSE MKT listing. Subject to the Form 20-F being declared effective by the SEC and final clearance from the NYSE MKT to list, Peninsula is aiming to complete the NYSE MKT listing process in the second half of 2016.

Board Changes

In July 2015 Peninsula appointed Mr Richard Lockwood to the Board as Non-Executive Chairman. Mr Lockwood has over 50 years' experience in the funds management and mining investment sectors across the United Kingdom, Australia and South Africa.

In August 2015 Peninsula appointed Mr Harrison (Hink) Barker to the Board as a Non-Executive Director. Mr Barker was previously a senior manager at Dominion Resources (Dominion) in the United States, where he worked for over 40 years, primarily with commercial and technical responsibilities for fossil and nuclear fuel.

In April 2016, Peninsula appointed Mr Mark Wheatley to the Board as a Non-Executive Director and nominee of RCF VI, effective 26 April 2016. Mr Wheatley is an experienced resources company CEO, Non-Executive Director and Chairman with a career spanning more than 30 years in mining and related industries.

With the appointment of Mr Wheatley, Mr Neil Warburton retired from his role as Non-Executive Director. In addition to the above changes, Mr Richard Lockwood stepped down from the role of Non-Executive Chairman while remaining on the Board as Non-Executive Director. Mr John Harrison replaced Mr Lockwood as Non-Executive Chairman.

Share Consolidation

On 24 September 2015 shareholders voted to approve the consolidation of the Company's securities on a "1 for 40" basis. The consolidation was completed on 1 October 2015, with the result being that Company security holders held 1 security for every 40 securities held prior to the consolidation having taken place.

Exercise of PENOC Options

A total of 1,967,880 listed PENOC options were exercised prior to their expiry on 31 December 2015, raising approximately A$2.36 million (US$1.72 million).

Change of Reporting Currency

Effective 30 June 2016 Peninsula changed its reporting currency from Australian dollars to United States (US) dollars. With all of the Company's revenue received in US dollars, the majority of its expenditure incurred and paid in US dollars and the majority of global uranium mining companies reporting in US dollars, this change will enhance comparability and relevance of the Company's financial information.

Production Wells within Mine Unit 1, Lance Projects

FINANCIAL POSITION

The consolidated group's cash position excluding security deposits and performance bonds as at 30 June 2016 was US$3.76 million. The net assets of the consolidated group have decreased by US$4.54 million from 30 June 2015 to US$132.52 million at 30 June 2016.

The Company had 176,423,023 shares on issue as at 30 June 2016, 43,333,436 PENOD listed options, 2,569,748 unlisted options and 630,000 performance rights.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

- In August 2015 Peninsula entered into two new uranium concentrate sale and purchase agreements with major United States power utilities. Deliveries of up to 1,935,000 pounds of U_3O_8 will be delivered by Peninsula under the new agreements.
- On 24 September 2015 shareholders voted to approve the consolidation of the Company's securities on a "1 for 40" basis. The consolidation was completed on 1 October 2015, with the result being that Company security holders held 1 security for every 40 securities held prior to the consolidation having taken place.
- In December 2015 Peninsula's wholly-owned subsidiary Strata Energy Inc. began in-situ uranium recovery operations from the Ross Permit Area at the Lance Projects in December 2015. This followed an 11 month construction period for the plant, wellfields and other associated infrastructure and site works. In total 37,992 lbs U_3O_8 has been extracted from the Lance Projects to 30 June 2016 and the extraction rate continues to ramp up as more header houses come online.
- In December 2015 Peninsula entered into an agreement with Investec Bank Plc for a US$15 million inventory finance facility (Facility). The Facility serves as support financing to assist in covering inventory and other general costs over the next two years, while production and revenue increase at the Lance Projects. The Facility is a 2 year secured facility and is comprised of an inventory finance facility of US$7.5 million and a revolving loan facility of US$7.5 million.
- In March 2016 Peninsula entered into a long term uranium concentrate sale and purchase agreement with a major European utility and nuclear industry leader, for the sale and purchase of 4,000,000 pounds of U_3O_8 from the Lance Projects over a 10 year period beginning at the end of 2020.
- In April 2016 Peninsula entered into convertible loan agreements with major shareholders Resource Capital Fund VI L.P. (RCF VI) and Pala Investments Ltd (Pala) for a total of US$15 million and was drawn in full on the date that it was signed. The US$15 million total loan amount is comprised of a US$9.63 million convertible loan provided by RCF VI and a US$5.37 million convertible loan provided by Pala.
- Deliveries of drummed uranium product commenced, with the first delivery of Lance Projects drummed uranium received by a North American conversion facility in May 2016.
- During June 2016 Peninsula implemented a strategy to reduce the existing landholding comprising a 74% interest in 40 prospecting rights (PRs) covering 7,774 km² of the main uranium-molybdenum bearing sandstone channels at the Karoo Projects. Once completed, the total tenement holding for the project area of interest will reduce to an area covering 4,657 km^2. New applications for mining and prospecting rights have been submitted to initiate mining and extend the tenure of the title holdings.
- Effective 30 June 2016 Peninsula changed its reporting currency from Australian dollars to United States (US) dollars.

DIVIDENDS PAID OR RECOMMENDED

The Directors of the parent entity do not recommend the payment of a dividend in respect of the current financial year ended 30 June 2016.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

In total 37,830 lbs U_3O_8 has been extracted from the Lance Projects between 1 July 2016 and 31 August 2016 and the extraction rate continues to ramp up as more header houses come online.

On 4 August 2016 the Company entered into a subscription agreement with Concentrate Capital Partners (CCP) to progress the Karoo Projects Pre-Feasibility Study (PFS) services provided by DRA Projects SA (DRA). DRA is completing the mining, processing and engineering components of the PFS and Peninsula has issued 979,696 shares to CCP at an issue price of A$0.80 (A$783,757) upon receipt of invoice from DRA.

On 22 September 2016 the Board approved the payment of Short Term Incentive Plan (STIP) and Long Term Incentive Plan (LTIP) incentives for Key Management Personnel and senior staff in recognition of performance during the financial year to 30 June 2016. A total of 783,490 Restricted Share Units (RSUs) were subsequently issued, consisting of 727,240 RSUs under the LTIP and 56,250 RSUs under a service agreement. RSUs are held on trust and vest over a three year period commencing on 1 July

2017. These amounts have been accrued as at 30 June 2016 (refer to the Remuneration Report for further details).

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely future developments in the operations of the consolidated group are referred to in the Annual Report. Other than as referred to in this report, further information as to likely developments in the operations of the consolidated group and expected results of those operations, to the date of this report, are considered insufficiently developed or so variable in nature as to quantification they remain unable to be accurately reported.

ENVIRONMENTAL REGULATIONS

The consolidated group's operations are subject to significant environmental regulation and penalties under relevant jurisdictions in relation to its conduct of exploration, development and mining of uranium deposits. The Directors are of the opinion that sufficient procedures and reporting processes have been established to enable the consolidated group to meet its responsibilities and that the consolidated group's other business segment operations are not subject to any significant environmental regulations under Australian Law and International Legislation where applicable.

INFORMATION ON DIRECTORS

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

Mr John Harrison

Non-Executive Chairman

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. Prior to joining RFC Ambrian Ltd and 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 the former Non-Executive Chairman (UK) of international advisory and broking firm RFC Ambrian Ltd and is currently the Non-Executive Chairman of UK coking coal development company West Cumbria Mining Limited. Mr Harrison has the following interest in shares and options in the Company as at the date of this report – 20,000 ordinary shares and 47,849 unlisted options exercisable at $1.52 on or before 1 December 2019.

Mr John Simpson

Managing Director/Chief Executive Officer

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 30 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 is currently the Non-Executive Chairman of ASX-listed resource company Indus Energy NL. He brings a high level of strategic, commercial and corporate expertise to the Company. Mr Simpson has the following interest in shares and options in the Company as at the date of this report – 2,315,098 ordinary shares and 186,984 listed options exercisable at $2.00 on or before 31 December 2018.

Mr Warwick Grigor

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 left County in 1991 to found Far East Capital Limited that was established as a specialist mining company financier and corporate adviser, together with Andrew "Twiggy" Forrest. In 2008, Far East Capital sponsored the formation of a stockbroking company, BGF Equities, and Mr Grigor assumed the position of Executive Chairman. This was re-badged as Canaccord Genuity Australia Limited when a 50% stake was sold to Canaccord Genuity Group Inc. Mr Grigor retired from Canaccord in October 2014, returning to Far East Capital. He currently serves as Non-Executive Chairman of First Graphite Ltd. Mr Grigor's research knowledge and market intelligence gives Peninsula relevant market insight. Mr Grigor has the following interest in shares and options in the Company as at the date of this report – 434,125 ordinary shares, 67,091 listed options exercisable at $2.00 on or before 31 December 2018 and 47,849 unlisted options exercisable at $1.52 on or before 1 December 2019.

Mr Richard Lockwood

Non-Executive Director

Mr Lockwood is a director of London based Arlington Group Asset Management Limited and was previously the senior resources fund manager at CQS Asset Management Ltd having merged his New City Investment Management group with CQS in 2007. Mr Lockwood has over 50 years' experience in the funds management and mining investment sectors across the United Kingdom, Australia and South Africa. He 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 Guangdong Nuclear Power Corporation in 2012 for US$2 billion delivering substantial value to the shareholders of both companies. Mr Lockwood has the following interest in shares and options in the Company as at the date of this report – nil interest in shares and 73,614 unlisted options exercisable at $1.52 on or before 1 December 2019.

Mr Evgenij Iorich

Non-Executive Director

Mr Iorich is currently Vice President, Investment Team at Pala Investments Limited (Pala) and has extensive experience in the natural resources sector across a broad range of commodities with a focus on M&A opportunities, operational, financial planning and corporate structuring. Prior to joining Pala in 2006, Mr Iorich was a financial manager at Mechel, the Russian metals and mining company, where his responsibilities included all aspects of budgeting and financial modelling. Mr Iorich graduated from the University of Zurich with a Master of Arts degree and is currently a Non-Executive Director of TSX-listed Serinus Energy and TSX-V-listed Asian Mineral Resources. Mr Iorich has the following interest in shares and options in the Company as at the date of this report – nil interest in shares and 47,849 unlisted options exercisable at $1.52 on or before 1 December 2019.

Mr Harrison (Hink) Barker

Non-Executive Director

Harrison (Hink) Barker retired 1 June 2015 from the Generation segment of Dominion Resources with over 40 years of fossil and nuclear fuel commercial and technical responsibilities. Since 1992, Mr Barker had been the manager responsible for Dominion's procurement of nuclear fuel and the related processing steps of conversion from U_3O_8 to UF6, enrichment of UF6, and fabrication of nuclear fuel assemblies. He is a former Chair of the Nuclear Energy Institute's Utility Fuel Committee, and a past member of the World Nuclear Fuel Market Board of Directors (Chairman for two years). He served on an Advisory Board to American Uranium Corporation while they attempted to develop the Wyoming Reno Creek uranium deposit. From 1975 to 1984 he worked as an engineer and supervisor in the areas of nuclear fuel quality assurance, nuclear core design, nuclear fabrication contract administration, nuclear fuel procurement, spent fuel transportation and disposal planning during a period when Dominion was building its regulated nuclear operating fleet in Virginia. Mr Barker holds a Bachelor of Science degree in Electrical Engineering and a Master's in Nuclear Engineering Science both from the University of Florida. Mr Barker has the following interest in shares and options in the Company as at the date of this report – nil interest in shares and 54,737 unlisted options exercisable at $1.52 on or before 1 December 2019.

Mr Mark Wheatley

Non-Executive Director

Mr Wheatley is an experienced resources company CEO, Non-Executive Director and Chairman with a career spanning more than 30 years in mining and related industries. Mr Wheatley has 10 years' experience in the uranium industry and been involved in ISR project feasibility studies, start up, production, rehabilitation and closure. His uranium experience includes the roles of Chairman and CEO of Southern Cross Resources Inc., the operator of the Honeymoon ISR uranium project and Non-Executive Director of Uranium One Inc. and Uranium Resources Inc. He is currently Executive Chairman of Xanadu Mines Ltd. Mr Wheatley has nil interest in shares and options in the Company as at the date of this report.

COMPANY SECRETARY

The following person held the position of Company Secretary at the end of the financial year:

Jonathan Whyte

Mr Whyte is a Chartered Accountant and has extensive corporate, company secretarial financial accounting experience across a number of listed and unlisted resource sector companies. Mr Whyte is currently Non-Executive Director and Company Secretary of ASX listed Indus Energy NL and was previously Company Secretary of ASX listed Lefroy Resources Limited. Mr Whyte previously worked in the investment banking sector in London over a period of 6 years for Credit Suisse and Barclays Capital Plc. Mr Whyte has the following interest in shares and options in the Company as at the date of this report – 146,647 ordinary shares and nil interest in options.

Meetings of Directors

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

	Directors Meetings		Committee Meetings			
			Audit and Risk Management Committee		Remuneration Committee	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Warwick Grigor	15	14	2	2	2	2
Mark Wheatley (appointed 26 April 2016)	2	2	-	-	-	-
Neil Warburton (resigned 26 April 2016)	13	12	2	2	2	2
Harrison Barker (appointed 3 August 2015)	12	12	-	-	-	-
John Simpson	15	15	-	-	-	-
Richard Lockwood (appointed 1 July 2015)	15	14	1	1	-	-
John Harrison	15	15	-	-	2	2
Evgenij Iorich	15	14	1	1	-	-

Options

At the date of this report, the unissued ordinary shares of Peninsula under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number Under Option
Various	31/12/2018	$2.00	43,333,436
19/12/2012	31/12/2017	$3.20	2,250,001
Various	01/12/2019	$1.52	319,747

Option-holders do not have any rights to participate in any issue of shares or other interests in the Company or any other entity.

There have been no unissued shares or interests under option of any controlled entity within the consolidated group during or since reporting date.

For details of options issued to Directors and Executives as remuneration, refer to the Remuneration Report.

During the year ended 30 June 2016, 1,967,881 post-consolidation ordinary shares of Peninsula were issued on the exercise of options granted.

No amounts are unpaid on any of the shares. No person entitled to exercise the options had or has any rights by virtue of the option to participate in any share issue of any other body corporate.

Performance Rights

At 30 June 2016 there were 630,000 Performance Rights on issue as follows:

Grant Date	Date of Expiry	Number on Issue
Class F	13/10/2016	630,000
Total		**630,000**

All Performance Rights on issue are convertible into ordinary shares in Peninsula Energy Limited upon the achievement of performance hurdles, which confer a right of one ordinary share for every Performance Right held. Class F Performance Rights shall vest and convert to shares when the price of the Company's shares as traded on the ASX is at least A$6.40 or more for 30 consecutive trading days and expire on 13 October 2016.

Indemnifying Directors and Officers

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each Director and Officer against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was US$63,893 to insure the Directors and Officers of the Company.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-Audit Services

The Board of Directors, in accordance with advice from the Audit and Risk Management Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Audit and Risk Management Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid to the current external auditors during the year ended 30 June 2016:

Service	US$000s
Taxation Services	17
Total	**17**

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 33 of the Annual Report.

ASIC Legislative Instrument 2016/191 : Rounding of Amounts

The Company is an entity to which ASIC Legislative Instrument 2016/191 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

REMUNERATION REPORT - AUDITED

This report outlines the remuneration structure which is in place for Executive Directors, Non-Executive Directors and other Key Management Personnel.

Key Management Personnel include:

Non-Executive Directors

John Harrison	Non-Executive Chairman
Warwick Grigor	Non-Executive Director
Richard Lockwood	Non-Executive Director (appointed 1 July 2015)
Evgenij Iorich	Non-Executive Director
Harrison Barker	Non-Executive Director (appointed 3 August 2015)
Mark Wheatley	Non-Executive Director (appointed 26 April 2016)
Neil Warburton	Non-Executive Director (resigned 26 April 2016)

Executive Director

John Simpson	Managing Director / Chief Executive Officer

Other Key Management Personnel

Ralph Knode	Chief Executive Officer, Strata Energy, Inc.
Willie Bezuidenhout	Chief Executive Officer, South Africa (appointed 1 June 2016)
Glenn Black	Chief Executive Officer, South Africa (resigned 31 August 2015)
David Coyne	Chief Financial Officer
Jonathan Whyte	Company Secretary

This Remuneration Report, which has been audited, outlines the Key Management Personnel remuneration arrangements for the consolidated group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The principles adopted have been approved by the current Board of the Company and have been set out in the remuneration summary.

PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework which has been set out in detail under the remuneration structure above aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

(i) competitiveness and reasonableness;

(ii) aligns shareholders and executive interests;

(iii) performance based and aligned to strategic and business objectives; and

(iv) transparency.

Key Management Personnel

Fees and payments to Key Management Personnel reflect the demands which are made on, and the responsibilities of, the Key Management Personnel. Fees and payments are reviewed annually by the Remuneration Committee. The Remuneration Committee also ensures that Key Management Personnel fees and payments are appropriate and in line with the market. There are no retirement allowances or other benefits paid to Key Management Personnel other than superannuation guarantee amounts as required.

The executive remuneration and reward framework has three components:

(i) base pay and short-term incentives;

(ii) share-based payments; and

(iii) other remuneration such as superannuation and long service leave.

The combination of these comprises the Key Management Personnel total remuneration. Fixed remuneration, consisting of base salary and superannuation are reviewed annually by the Remuneration Committee, based on individual and area of responsibility performance, the overall performance of the Company and comparable market remunerations.

Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Non-Executive Directors. Non-Executive Directors' fees and payments are reviewed annually by the Remuneration Committee. For the year ended 30 June 2016, exclusive of the superannuation guarantee the annual remuneration for a Non-Executive Board Members was as follows:

(i) Non-Executive Chairman - A$100,000 per annum;

(ii) Non-Executive Director - A$65,000 per annum; and

(iii) A Non-Executive Director who serves as Chair of a Board Committee shall also receive an additional A$10,000 per annum in recognition of the additional demand on time required by the Non-Executive Director.

There are no retirement allowances or other benefits paid to Non-Executive Directors other than superannuation guarantee amounts as required. Only Australian resident Non-Executive Directors are eligible for superannuation guarantee amounts.

Summary of New Approach to Remuneration Effective 1 July 2015

In April 2015, the Remuneration Committee undertook a comprehensive review of remuneration practices and commissioned a benchmarking exercise of the Company's remuneration framework by external advisors. This review resulted in significant changes to the Company's remuneration framework, with the new remuneration structure taking effect from 1 July 2015.

The key outcomes of the review were:

- developing an overarching remuneration framework to formalise reward structures and to establish a framework to guide remuneration practices going forward;
- benchmarking Executive Director, Executive Officer and Non-Executive Director remuneration and consideration of typical market practice of global uranium peer companies to determine the competitiveness of current remuneration arrangements and to identify areas for change;
- design of a new short-term incentive (STI) plan to drive the collective efforts of the workforce in realising the short-term business strategy; and
- design of a new equity-based long-term incentive (LTI) plan for executives to encourage long-term sustainable performance.

The objective of the Company's executive reward structure is to ensure reward for performance is competitive and appropriate for the results delivered. The structure aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and reflects current market practice for delivery of reward. The Board aims to ensure that executive reward practices are aligned with good reward governance practices to ensure that executive remuneration is:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the consolidated group's strategic and business objectives, and the creation of shareholder value;
- transparent; and
- aligns shareholder and executive interests.

This structure will remain in place for the 2017 financial year.

Fixed remuneration (base salary inclusive of statutory superannuation)

In April 2015, benchmarking of executives' fixed remuneration was conducted against a custom peer group of global uranium companies to ensure remuneration levels set meet the objectives of the Company and are aligned to broader market trends within the global uranium mining industry for comparable roles.

The Company positioned its fixed remuneration between the 50th and 75th percentile of its peer group. Following this review, and the implementation of the new STI and LTI plans, the fixed remuneration for one executive was increased by 5% on 1 July 2015 and the fixed remuneration for the remainder of the executives remained unchanged (excluding the Managing Director / Chief Executive Officer).

On 1 July 2015, the Company appointed an independent Non-Executive Chairman of the Board. With effect on the same date, Mr Simpson relinquished the role of Executive Chairman of the Company and has taken on the expanded role of Managing Director / Chief Executive Officer of the Company and Executive Chairman of Peninsula Uranium Ltd (the sales and marketing arm of the Company). Following this change, fixed remuneration for Mr Simpson was decreased to A$600,000 per annum, a decrease of 20% on his previous fixed remuneration.

Short-term incentives

Purpose

To align with market practices of peer uranium companies and to provide a competitive total remuneration package, the Board introduced a more comprehensive STI Plan to motivate and reward executives for the achievement of key strategic goals. The quantum offered under the STI Plan is expressed as a set percentage of base salary, with executives' performance assessed against metrics contained within a weighted scorecard over a 12-month period

	Managing Director / CEO	Other Key Management Personnel
STI Target as a % of base salary[1]	50%	20%-40%
KPI alignment	100% aligned to corporate goals	90% aligned to corporate goals 10% aligned to personal performance

Notes:

(1) *STI percentage for other Key Management Personnel range from 20% to 40%, depending on an individual's role and level of seniority in the Company.*

Annual Corporate Goals

The STI Plan provides rewards where significant outperformance is achieved with any payouts earned being made in cash and capped to avoid excessive risk-taking behaviour. The majority of these metrics are specific, measurable and applicable to the key business outcomes required per the annual business plan of the Company. The payments will be made subsequent to the approval of the financial statements by the Board following the financial year end to ensure that any changes in financial or operational information are notified to the Remuneration Committee prior to the cash payment.

Corporate Gateway

A primary corporate gateway is also applied so that the STI would be reduced to nil in all cases if the corporate gateway is not achieved. The corporate gateway for the year ended 30 June 2016 was the commencement of uranium production at the Lance Projects by no later than 31 December 2015. As the Lance Projects commenced production in early December 2015, this gateway was achieved.

Once the corporate gateway is achieved, the STI is measured based on a mix of corporate and personal goals for each executive.

Corporate Goals

Metrics within the weighted scorecard are cascaded from the organisational strategy and fall within the following key strategic imperatives.

Strategic Goals	Performance Measure	Weighting (varies for each Executive)
Corporate responsibility goals which incorporates achieving metrics under people, health, safety, environment and corporate responsibility	Leading and lagging measures for safety and environmental performance and community engagement	20-30%
Project Development and Operations	Cost and schedule targets for the Lance Projects and Karoo Projects	20-50%
Capital management and financial strength	Company is adequately funded to achieve its objectives	20-30%
Clients and markets	Targets for the signing of new uranium concentrate sale and purchase agreements	20-30%

.

Personal Goals

Personal goals are measured by individual performance against a balanced scorecard applicable to the executive business unit or area of responsibility. The balanced scorecard for each individual is agreed with their immediate supervisor at the commencement of the financial year. Performance against the goals will be assessed at the completion of the financial year.

Final performance ratings for all Key Management Personnel is presented to and reviewed by the Remuneration Committee prior to the finalisation of the STI payment for any financial year.

Long-term incentives

In June 2015, the Board introduced a more structured approach to the delivery of equity to executives. The Board utilised the services of an external advisor to assist in setting the value of annual LTI available to executives and in the selection of the form of equity instrument to be used.

The LTI grants will be made to senior and executive employees (Eligible Participants) annually with vesting conditions to apply which will align executives' interests with those of shareholders and the generation of long-term sustainable value.

The value of grants made under the plan are made with reference to a set percentage of base salary, with the ability to earn an LTI grant assessed against a pre-determined Company performance gateway for that year. Once an LTI grant has been made to an Eligible Recipient, the grant shall vest in equal tranches over the next three financial years following the date of grant. The Eligible Recipient must still be employed by the Company on a vesting date to be entitled to receive the vested LTI.

Through the requirement for the Eligible Participant to remain employed with the Company as a condition of annual vesting of previously earned LTI amounts, the Board views this mechanism as an attractive means of incentivising long term retention of key personnel and aligning long term executive performance with shareholder interests.

The Company has chosen Restricted Share Units (RSU) as the form of LTI and has established a new LTI plan (Plan) for this purpose. A RSU is a right to acquire one fully paid ordinary share in the Company, which will initially be held by the trustee of the Plan. The Eligible Participant will be entitled to receive one share for each RSU that has vested and has not lapsed or expired. Until the Eligible Participants RSUs have vested and they have acquired Shares, a RSU will not give the Eligible Participant a legal interest in any shares, though the Eligible Participant will be able to participate in dividends and can direct the trustee to vote the underlying shares in certain circumstances.

Key terms of the LTI structure are:

	Managing Director / CEO	Other Key Management Personnel
LTI Target as a % of base salary[1]	70%	30%-50%
Performance Hurdle financial year 2016 (Series 1)	Targeted cash cost of production per pound U_3O_8 at Lance Projects between 1 January 2016 and 30 June 2016	Targeted cash cost of production per pound U_3O_8 at Lance Projects between 1 January 2016 and 30 June 2016
Performance Hurdle financial year 2017 (Series 2)	To be set by the Board on or before 1 July 2016	To be set by the Board on or before 1 July 2016
Performance Hurdle financial year 2018 (Series 3)	To be set by the Board on or before 1 July 2017	To be set by the Board on or before 1 July 2017
Vesting period	Equal tranches over the three years following the date of award of each RSU series	Equal tranches over the three years following the date of award of each RSU series

Notes:

(1) LTI percentage for other Key Management Personnel range from 30% to 50%, depending on an individual's role and level of seniority in the Company.

On the basis that an Eligible Participant remains employed by Peninsula as at the relevant dates below, an RSU Amount will be earned at the end of each year with a third vested over each of the following three years. A Participant will become entitled to be issued with or transferred the corresponding RSUs as they are earned as shown in the following tabular example (which presumes that the relevant performance hurdle for the award of RSUs is achieved each year):

1 July 2015	1 July 2016	1 July 2017	1 July 2018	1 July 2019
Performance hurdle set for FY2016 Series 1	Grant RSU Amount 1 Performance hurdle set for FY2017 Series 2	Vest 1/3 of RSU Amount 1 Grant RSU Amount 2 Performance hurdle set for FY2018 Series 3	Vest 1/3 of RSU Amount 1 Vest 1/3 of RSU Amount 2 Grant RSU Amount 3	Vest 1/3 of RSU Amount 1 Vest 1/3 of RSU Amount 2 Vest 1/3 of RSU Amount 3

The number of annual RSUs to be awarded to an Eligible Participant will be calculated by dividing the Eligible Participant's RSU Amount by the volume weighted average price of ordinary shares of Peninsula over the period 30 business days prior to the end of the respective financial year ending 30 June, as follows:

$$\frac{\text{Base salary x LTI percentage (applicable to role)}}{\text{30 day VWAP as at 30 June}}$$

For the 2016 financial year, following a detailed review of performance and a recommendation from the Remuneration Committee, the Board has determined that 50% of the maximum LTI payment has been earned by each Participant. A total of 727,240 RSUs have been issued and will be held in trust for the recipients to vest over a three year period. The number of RSUs issued has been determined using a share price of A$0.80 per share.

Manifolds inside Header House within Mine Unit 1, Lance Projects

Employment Details of Directors and Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, directors and members of Key Management Personnel of the consolidated group. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of share options, shares or performance rights for the year ended 30 June 2016.

Group Key Management Personnel	Position held at 30 June 2016[a]	Proportions of Elements of Remuneration Related to Performance		Proportions of Elements of Remuneration not Related to Performance		
		Non-Salary Cash Based Incentives %	Equity Based Incentives %	Fixed Salary/ Fees – Share Based %	Fixed Salary/ Fees – Cash Based %	Total %
John Simpson	Managing Director / Chief Executive Officer	11.47	52.81	-	35.72	100.00
John Harrison[a]	Chairman (Non-Executive)	-	28.89	-	71.11	100.00
Warwick Grigor	Director (Non-Executive)	-	28.12	-	71.88	100.00
Richard Lockwood[b]	Director (Non-Executive)	-	29.81	-	70.19	100.00
Evgenij Iorich	Director (Non-Executive)	-	28.57	-	71.43	100.00
Harrison Barker[c]	Director (Non-Executive)	-	22.02	-	77.98	100.00
Mark Wheatley[d]	Director (Non-Executive)	-	-	-	100.00	100.00
Neil Warburton[d]	Director (Non-Executive)	-	33.71	-	66.29	100.00
Ralph Knode	Chief Executive Officer (Strata Energy Inc.)	17.32	17.30	-	65.38	100.00
Willie Bezuidenhout[e]	Chief Executive Officer (South Africa)	-	-	-	100.00	100.00
Glenn Black[f]	Chief Executive Officer (South Africa)	-	38.16	-	61.84	100.00
David Coyne	Chief Financial Officer	17.59	18.12	-	64.29	100.00
Jonathan Whyte	Company Secretary	9.53	12.37	-	78.10	100.00

(a) On 26 April 2016, Mr Harrison replaced Mr Lockwood as Non-Executive Chairman.

(b) Mr Lockwood was appointed Non-Executive Chairman on 1 July 2015. On 26 April 2016, Mr Lockwood stepped down as Chairman while remaining on the Board as a Non-Executive Director.

(c) Mr Barker was appointed as Non-Executive Director effective 3 August 2015.

(d) Mr Wheatley was appointed as Non-Executive Director and Mr Warburton retired as Non-Executive Director effective 26 April 2016.

(e) Mr Bezuidenhout was appointed as Chief Executive Officer (South Africa) effective 1 June 2016.

(f) Mr Black resigned as Chief Executive Officer (South Africa) effective 31 August 2015.

Service Contracts

The employment terms and conditions of Key Management Personnel are formalised in contracts of employment. Terms of employment require that the relevant group entity provide an executive contracted person with a minimum one month notice prior to termination of contract. A contracted person deemed employed on a permanent basis may terminate their employment by providing at least one month's notice. Termination payments are not payable on resignation or under circumstances of unsatisfactory performance. On termination notice by the Company, any rights that have vested, or that will vest during the notice period, will be released. Rights that have not yet vested will be forfeited. Unless otherwise stated, the commencement date of the employment agreement is the appointment date to the role.

Mr John Simpson, Managing Director / CEO

Executive service employment agreement, effective from 1 July 2015, with no fixed term.
Base fixed salary of A$600,000 per annum, exclusive of superannuation.
Notice period 3 months.
12-month termination payment in certain circumstances.

CO_2 Tank and Back-up Generator, Lance Projects

Mr John Harrison, Chairman (Non-Executive)
Terms of agreement – no fixed term.
Base chairman fees, exclusive of superannuation of A$100,000.
No termination benefit is specified in the agreement.

Mr Warwick Grigor, Director (Non-Executive)
Terms of agreement – no fixed term.
Base director fees, exclusive of superannuation of A$65,000.
Audit and Risk Management Committee Chairman fee of A$10,000.
No termination benefit is specified in the agreement.

Mr Richard Lockwood, Director (Non-Executive)
Terms of agreement – no fixed term.
Base director fees, exclusive of superannuation of A$65,000.
No termination benefit is specified in the agreement.

Mr Evgenij Iorich, Director (Non-Executive)
Terms of agreement – no fixed term.
Base director fees, exclusive of superannuation of A$65,000.
No termination benefit is specified in the agreement.

Mr Harrison Barker, Director (Non-Executive)
Terms of agreement – no fixed term.
Base director fees, exclusive of superannuation of A$65,000.
No termination benefit is specified in the agreement.

Mr Mark Wheatley, Director (Non-Executive)
Terms of agreement – no fixed term.
Base director fees, exclusive of superannuation of A$65,000.
Remuneration Committee Chairman fee of A$10,000.
No termination benefit is specified in the agreement.

Mr Ralph Knode, Chief Executive Officer - Strata Energy Inc.
Terms of agreement – no fixed term.
Base salary, exclusive of superannuation of US$300,000.
Notice period 3 months.
14 month termination benefit under certain circumstances.

Mr Willie Bezuidenhout, Chief Executive Officer, South Africa
Terms of agreement – effective from 1 June 2016 with no fixed term.
Base salary, exclusive of superannuation of R3,000,000.
Notice period 3 months.
12 month termination benefit under certain circumstances.

Mr David Coyne, Chief Financial Officer
Terms of agreement – no fixed term.
Base salary, exclusive of superannuation of A$370,000.
Notice period 3 months.
9 month termination benefit under certain circumstances.

Mr Jonathan Whyte, Company Secretary
Consultancy agreement – no fixed term.
Daily rate of A$1,300.
Notice period 1 month.
3 month termination benefit under certain circumstances.

Table of Benefits and Payments for the Year Ended 30 June 2016

Group Key Management Personnel		Short-Term Benefits: Salary & Fees			Post-Employment Benefits	Equity Settled Share-based Payments		
		Cash based US$	Share based US$	Bonuses[j] US$	Super-annuation US$	Accounting charge for Rights	Shares & Options[j] US$	Total US$
Directors								
John Simpson[a][i]	2016	496,581	-	159,498	-	26,704	707,261	1,390,044
	2015	596,736	-	-	-	116,446	-	713,182
John Harrison[b][i]	2016	51,588	-	-	-	2,021	18,936	72,545
	2015	24,864	-	-	-	932	-	25,796
Warwick Grigor[i]	2016	54,623	-	-	5,145	4,451	18,936	83,155
	2015	29,837	-	-	2,834	19,408	-	52,079
Richard Lockwood[c]	2016	68,582	-	-	-	-	29,132	97,714
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Evgenij Iorich	2016	47,340	-	-	-	-	18,936	66,276
	2015	12,432	-	-	-	-	-	12,432
Harrison Barker[d]	2016	67,044	-	-	-	-	18,936	85,980
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mark Wheatley[e]	2016	8,637	-	-	865	-	-	9,502
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Neil Warburton[e][i]	2016	45,519	-	-	-	4,208	18,936	68,663
	2015	27,350	19,891	-	-	13,814	-	61,055
Alfred Gillman[f]	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	61,663	-	-	2,834	38,815	-	103,312
Other Executives								
Ralph Knode	2016	300,000	-	84,000	17,000	8,901	75,000	484,901
	2015	300,000	-	-	17,000	38,815	138,072	493,887
Willie Bezuidenhout[g]	2016	18,097	-	-	-	-	-	18,097
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Glenn Black[h]	2016	14,423	-	-	-	8,901	-	23,324
	2015	170,311	-	-	-	38,815	-	209,126
David Coyne	2016	269,471	-	78,686	18,208	13,716	67,368	447,449
	2015	290,080	-	29,008	20,720	13,675	159,621	513,104
Jonathan Whyte	2016	201,666	-	24,605	-	6,676	25,279	258,226
	2015	221,977	-	-	-	29,112	119,715	370,804
Total	**2016**	**1,643,571**	**-**	**346,789**	**41,218**	**75,578**	**998,720**	**3,105,876**
	2015	**1,735,250**	**19,891**	**29,008**	**43,388**	**309,832**	**417,408**	**2,554,777**

The amounts that appear under the heading "Accounting Charge for Rights" are the amounts required under the Accounting Standards to be expensed by the Company in respect of the allocation in prior years of Performance Rights to directors and Key Management Personnel. These Performance Rights have been expensed over a three year vesting period. Amounts shown in this column represent the expenses incurred during the year in respect of past Performance Rights allocations. Vesting conditions for all unvested Performance Rights previously allocated were not met and the amount shown in this column is not representative of amounts actually received by directors or Key Management Personnel during the current or previous years. All unvested Performance Rights held by Directors and certain members of Key Management Personnel were cancelled in full during the financial year.

(a) *On 23 October 2015, 555,556 (post-consolidation) fully paid ordinary shares were issued to Mr Simpson as approved by shareholders in the Extraordinary General Meeting held on 24 September 2015.*

(b) *On 26 April 2016, Mr Harrison replaced Mr Lockwood as Non-Executive Chairman.*

(c) *Mr Lockwood was appointed Non-Executive Chairman on 1 July 2015. On 26 April 2016, Mr Lockwood stepped down as Chairman while remaining on the Board as a Non-Executive Director.*

(d) *Mr Barker was appointed as Non-Executive Director effective 3 August 2015.*

(e) *Mr Wheatley was appointed as Non-Executive Director and Mr Warburton retired as Non-Executive Director effective 26 April 2016.*

(f) *Mr Gillman retired as Non-Executive Director effective 1 July 2015.*

(g) *Mr Bezuidenhout was appointed as Chief Executive Officer (South Africa) effective 1 June 2016.*

(h) *Mr Black resigned as Chief Executive Officer (South Africa) effective 31 August 2015.*

(i) *On 4 August 2015, all Performance Rights held by Mr Simpson, Mr Harrison, Mr Grigor and Mr Warburton were cancelled.*

(j) *Amounts for STI and LTI for the financial year ended 30 June 2016 have been accrued as at 30 June 2016, but were not paid until subsequent to year-end.*

Shares and Performance Rights Granted

	Grant Details			For the Financial Year Ended 30 June 2016			Overall		
Group Key Management Personnel	**Date**	**Number (post-consolidation)**	**Value US$**	**Vested No.**	**Converted No.**	**Cancelled No.**	**Fair Value Brought to Account %**	**Fair Value Not Yet Brought to Account %**	**Lapsed %**
Performance Rights									
Directors									
John Simpson[a]	28/11/12	900,000	559,334	-	-	(900,000)	100.00%	-	100.00%
John Harrison[a]	02/12/14	150,000	2,840	-	-	(150,000)	100.00%	-	100.00%
Warwick Grigor[a]	28/11/12	150,000	93,222	-	-	(150,000)	100.00%	-	100.00%
Other Executives									
Ralph Knode[a]	28/11/12	300,000	186,445	-	-	(300,000)	100.00%	-	100.00%
David Coyne[a]	21/06/13	300,000	58,264	-	-	(300,000)	100.00%	-	100.00%
Jonathan Whyte[a]	28/11/12	225,000	139,834	-	-	(225,000)	100.00%	-	100.00%
Total		**2,025,000**	**1,039,937**	**-**	**-**	**(2,025,000)**	**100.00%**	**-**	**100.00%**
Ordinary Shares									
Directors									
John Simpson[b]	23/10/15	555,556	554,318	555,556	N/A	N/A	100.00%	-	-
Neil Warburton[c]	23/10/15	18,194	10,925	18,194	N/A	N/A	100.00%	-	-
Total		**573,750**	**565,243**	**573,750**	**N/A**	**N/A**	**100.00%**	**-**	**-**
Restricted Share Units									
Directors									
John Simpson[d]	23/09/16	262,500	152,943	-	-	-	100.00%	-	-
Other Executives									
Ralph Knode[d]	23/09/16	128,725	75,000	-	-	-	100.00%	-	-
David Coyne[d]	23/09/16	115,625	67,368	-	-	-	100.00%	-	-
Jonathan Whyte[d]	23/09/16	43,888	25,279	-	-	-	100.00%	-	-
Total		**550,738**	**320,590**	**-**	**-**	**-**	**100.00%**	**-**	**-**

a) *In July and August 2015 all Performance Rights held by Key Management Personnel were cancelled.*

b) *On 23 October 2015, 555,556 (post-consolidation) fully paid ordinary shares were issued to Mr Simpson as approved by shareholders in the Extraordinary General Meeting held on 24 September 2015.*

c) *On 28 August 2013 the Company announced that directors and senior executives had adopted a Salary Sacrifice Program. Under the terms of the program a proportion of directors' fees and senior executive remuneration were paid as equity; Peninsula fully paid ordinary shares. Mr Warburton's salary sacrifice shares were included in his remuneration for the year ended 30 June 2015 and subsequently approved for issue by shareholders at the Extraordinary General Meeting held on 24 September 2015.*

d) *LTI RSUs were approved for issue by the Board subsequent to year end in recognition of milestones achieved during the financial year to 30 June 2016. RSUs will be held in trust for the recipients to vest over a three year period. The number of RSUs issued has been determined using a share price of A$0.80 per share. No RSU will vest for any participant before 1 July 2017.*

Number of Shares Held by Key Management Personnel 30 June 2016

Group Key Management Personnel	Balance at 1 July 2015 (pre-consolidation)	Share Consolidation[a]	On-Market Trades	Options Exercised	Net Change Other	Balance at 30 June 2016
Directors						
John Simpson[b]	67,674,946	(65,983,071)	1,000	66,667	555,556	2,315,098
John Harrison	-	-	20,000	-	-	20,000
Warwick Grigor	14,926,369	(14,553,210)	-	40,000	20,966	434,125
Richard Lockwood[c]	N/A	-	-	-	-	-
Evgenij Iorich	-	-	-	-	-	-
Harrison Barker[d]	N/A	-	-	-	-	-
Mark Wheatley[e]	N/A	-	-	-	-	-
Neil Warburton[f]	2,655,787	(2,589,392)	-	-	18,194	N/A
Alfred Gillman[g]	12,476,731	(12,164,813)	-	-	-	N/A
Other Executives						
Ralph Knode[h]	10,469,535	(10,207,797)	-	-	160,185	421,923
Willie Bezuidenhout[i]	N/A	-	-	-	-	-
Glenn Black[j]	577,754	(563,310)	-	-	-	N/A
David Coyne[h]	3,118,085	(3,040,133)	-	-	185,185	263,137
Jonathan Whyte[h]	3,071,984	(2,995,184)	(69,041)	-	138,889	146,648
Total	**114,971,191**	**(112,096,910)**	**(48,041)**	**106,667**	**1,078,975**	**3,600,931**

a) *On 24 September 2015 shareholders voted to approve the consolidation of the Company's securities on a "1 for 40" basis. This consolidation was completed on 1 October 2015, with the result being that Company security holders now hold 1 security for every 40 securities held prior to the consolidation having taken place.*

b) *On 23 October 2015, 555,556 (post-consolidation) fully paid ordinary shares were issued to Mr Simpson as approved by shareholders in the Extraordinary General Meeting held on 24 September 2015.*

c) *Mr Lockwood was appointed Non-Executive Chairman on 1 July 2015. On 26 April 2016, Mr Lockwood stepped down as Chairman while remaining on the Board as a Non-Executive Director.*

d) *Mr Barker was appointed as Non-Executive Director effective 3 August 2015.*

e) *Mr Wheatley was appointed as Non-Executive Director effective 26 April 2016.*

f) *On 28 August 2013 the Company announced that directors and senior executives had adopted a Salary Sacrifice Program. Under the terms of the program a proportion of directors' fees and senior executive remuneration were paid as equity; Peninsula fully paid ordinary shares. Mr Warburton's salary sacrifice shares were included in his remuneration for the year ended 30 June 2015 and subsequently approved for issue by shareholders at the Extraordinary General Meeting held on 24 September 2015. Mr Warburton retired as Non-Executive Director effective 26 April 2016.*

g) *Mr Gillman retired as Non-Executive Director effective 1 July 2015.*

h) *On 12 June 2015, the Board approved the issue of shares to certain employees of the Company, including members of Key Management Personnel. The share issue was made to recognise contributions of certain employees toward the achievement of the major Company milestones of completion of permitting at the Lance Projects and securing funding for Stage 1 of the Lance Projects. Amounts shown in the column header "Net Change Other" represent the shares to employees which were subsequently issued on 17 July 2015.*

i) *Mr Bezuidenhout was appointed as Chief Executive Officer (South Africa) effective 1 June 2016.*

j) *Mr Black resigned as Chief Executive Officer (South Africa) effective 31 August 2015.*

Number of Options Held by Key Management Personnel 30 June 2016

Group Key Management Personnel	Balance at 1 July 2015	Share Consolidation[(a)]	Granted as Remuneration [(b)]	Options Exercised	Net Change Other[(c)]	Balance at 30 June 2016	Total Vested
Directors							
John Simpson	14,482,436	(14,120,374)	-	(66,667)	(108,411)	186,984	186,984
John Harrison	-	-	47,849	-	-	47,849	47,849
Warwick Grigor	13,299,047	(12,962,904)	47,849	(40,000)	(229,052)	114,940	114,940
Richard Lockwood	N/A	-	73,614	-	-	73,614	73,614
Evgenij Iorich	-	-	47,849	-	-	47,849	47,849
Harrison Barker	N/A	-	54,737	-	-	54,737	54,737
Mark Wheatley	N/A	-	-	-	-	-	-
Neil Warburton	505,669	(493,027)	47,849	-	-	N/A	N/A
Alfred Gillman	1,625,000	(1,584,375)	-	-	-	N/A	N/A
Other Executives							
Ralph Knode	1,993,426	(1,943,590)	-	-	-	49,836	49,836
Willie Bezuidenhout	N/A	-	-	-	-	-	-
Glenn Black	-	-	-	-	-	N/A	N/A
David Coyne	593,692	(578,850)	-	-	-	14,842	14,842
Jonathan Whyte	-	-	-	-	-	-	-
Total	**32,499,270**	**(31,683,120)**	**319,747**	**(106,667)**	**(337,463)**	**590,651**	**590,651**

a) *On 24 September 2015, shareholders voted to approve the consolidation of the Company's securities on a "1 for 40" basis. This consolidation was completed on 1 October 2015, with the result being that Company security holders now hold 1 security for every 40 securities held prior to the consolidation having taken place.*

b) *On 23 October 2015, unlisted options exercisable at $1.52 on or before 1 December 2019 were issued to Mr Harrison, Mr Grigor, Mr Lockwood, Mr Iorich and Mr Warburton as approved by shareholders at the Extraordinary General Meeting held on 24 September 2015. On 24 November 2015, unlisted options exercisable at $1.52 on or before 1 December 2019 were issued to Mr Barker as approved by shareholders at the Annual General Meeting held on 19 November 2015.*

c) *PENOC options held by Key Management Personnel expired on 31 December 2015.*

Swabbing of Production Wells, Lance Projects


Ion Exchange Tanks inside Central Processing Plant, Lance Projects

Number of Performance Rights Held by Key Management Personnel 30 June 2016

Group Key Management Personnel	Balance at 1 July 2015	Share Consolidation [(a)]	Granted as Remuneration	Vested	Converted	Cancelled/ Lapsed[(b)]	Balance at 30 June 2016
Directors							
John Simpson	36,000,000	(35,100,000)	-	-	-	(900,000)	-
John Harrison	6,000,000	(5,850,000)	-	-	-	(150,000)	-
Warwick Grigor	6,000,000	(5,850,000)	-	-	-	(150,000)	-
Richard Lockwood	N/A	-	-	-	-	-	-
Evgenij Iorich	-	-	-	-	-	-	-
Harrison Barker	N/A	-	-	-	-	-	-
Mark Wheatley	N/A	-	-	-	-	-	-
Neil Warburton	6,000,000	(5,850,000)	-	-	-	(150,000)	N/A
Alfred Gillman	12,000,000	(11,700,000)	-	-	-	(300,000)	N/A
Other Executives							
Ralph Knode	12,000,000	(11,700,000)	-	-	-	(300,000)	-
Willie Bezuidenhout	N/A	-	-	-	-	-	-
Glenn Black	12,000,000	(11,700,000)	-	-	-	(300,000)	N/A
David Coyne	12,000,000	(11,700,000)	-	-	-	(300,000)	-
Jonathan Whyte	9,000,000	(8,775,000)	-	-	-	(225,000)	-
Total	**111,000,000**	**(108,225,000)**	**-**	**-**	**-**	**(2,775,000)**	**-**

a) *On 24 September 2015, shareholders voted to approve the consolidation of the Company's securities on a "1 for 40" basis. This consolidation was completed on 1 October 2015, with the result being that Company security holders now hold 1 security for every 40 securities held prior to the consolidation having taken place.*

b) *In July and August 2015 all Performance Rights held by Key Management Personnel were cancelled.*

c) *On 12 June 2015, the Board approved the issue of shares to certain employees of the Company, including members of Key Management Personnel. The share issue was made to recognise contributions of certain employees toward the achievement of the major Company milestones of completion of permitting at the Lance Projects and securing funding for Stage 1 of the Lance Projects. Shares to employees were subsequently issued on 17 July 2015. On the same date that the shares were issued, all Performance Rights held by those employees issued shares were cancelled.*

Voting at Last Annual General Meeting

At the last AGM, shareholders indicated their support of the Company's remuneration practices with 88% of the votes cast being in favour of the adoption of the Remuneration Report.

End of Audited Remuneration Report

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

John Harrison (Non-Executive Chairman)
Dated this 30th day of September 2016

AUDITOR'S INDEPENDENCE DECLARATION

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY WAYNE BASFORD TO THE DIRECTORS OF PENINSULA ENERGY LIMITED

As lead auditor of Peninsula Energy Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Peninsula Energy Limited and the entities it controlled during the period.

Wayne Basford

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Notes	2016 US$000s	2015 US$000s
Continuing operations			
Revenue	2	5,771	-
Cost of sales	3	(3,110)	-
Gross profit		**2,661**	**-**
Other income	2	44	193
Selling and marketing expenses		(1,050)	-
Administration expenses		(3,836)	(3,931)
Depreciation expense	11	(201)	(202)
Foreign exchange gain		1,094	1,435
Other expenses	3	(1,644)	(1,278)
Loss before interest and tax from continuing operations	4	**(2,932)**	**(3,783)**
Finance costs		(597)	(647)
Net loss before income tax		**(3,529)**	**(4,430)**
Income tax expense	5	-	-
Loss for the year from continuing operations		**(3,529)**	**(4,430)**
Other comprehensive loss:			
Other comprehensive loss may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(4,195)	(5,698)
Total comprehensive loss for the year		**(7,724)**	**(10,128)**
Loss from continuing operations attributable to:			
Equity holders of the Parent		(3,529)	(4,430)
Non-controlling interests		-	-
		(3,529)	**(4,430)**
Total comprehensive loss attributable to:			
Equity holders of the Parent		(7,486)	(9,915)
Non-controlling interests		(238)	(213)
		(7,724)	**(10,128)**
Loss per share attributable to the members of Peninsula Energy Limited:			
Basic loss per share (cents per share)	24	(2.018)	(3.513)

The above consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	2016 US$000s	2015 US$000s
CURRENT ASSETS			
Cash and cash equivalents	6	3,759	24,990
Trade and other receivables	7	3,672	2,872
Inventory	8	2,221	-
TOTAL CURRENT ASSETS		9,652	27,862
NON-CURRENT ASSETS			
Trade and other receivables	7	3,117	-
Property, plant and equipment	11	29,101	13,143
Mineral exploration and evaluation	12	8,181	9,040
Mineral development	13	110,737	91,758
Other financial assets	9	3	3
TOTAL NON-CURRENT ASSETS		151,139	113,944
TOTAL ASSETS		160,791	141,806
CURRENT LIABILITIES			
Trade and other payables	15	3,164	2,835
Borrowings	16	17,988	204
Deferred revenue	2	1,119	-
Provisions	17	70	50
TOTAL CURRENT LIABILITIES		22,341	3,089
NON-CURRENT LIABILITIES			
Borrowings	16	692	899
Provisions	17	5,234	753
TOTAL NON-CURRENT LIABILITIES		5,926	1,652
TOTAL LIABILITIES		28,267	4,741
NET ASSETS		**132,524**	**137,065**
EQUITY			
Issued capital	18	184,073	181,013
Reserves	19	3,237	7,071
Accumulated losses		(55,890)	(52,361)
Equity attributable to equity holders of the Parent		131,420	135,723
Non-controlling interest	10	1,104	1,342
TOTAL EQUITY		**132,524**	**137,065**

The above consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	Notes	Issued Capital US$000s	Accumulated Losses US$000s	Share Based Payments Reserve US$000s	Foreign Currency Translation Reserve US$000s	Total US$000s	Non-controlling interest US$000s	Total Equity US$000s
30 June 2014 - Restated		**125,212**	**(48,068)**	**11,245**	**215**	**88,604**	**1,555**	**90,159**
Transactions With Owners								
Shares issued during the year	18(b)	57,463	-	-	-	57,463	-	57,463
Share-based payment expense	23	84	-	1,145	-	1,229	-	1,229
Salary Sacrifice Program shares	18(b)	22	-	(2)	-	20	-	20
Issue of shares under debt facility agreement	18(b)	159	-	-	-	159	-	159
Issue of options under equity facility agreement	18(b)	(90)	-	90	-	-	-	-
Transaction costs	18(b)	(1,837)	-	-	-	(1,837)	-	(1,837)
Total Transactions With Owners		55,801	-	1,233	-	57,034	-	57,034
Comprehensive Income/(Loss)								
Foreign exchange translation reserve		-	-	-	(5,698)	(5,698)	-	(5,698)
Non-controlling interest		-	-	-	213	213	(213)	-
Foreign translation reclassification		-	137	-	(137)	-	-	-
Loss for the year		-	(4,430)	-	-	(4,430)	-	(4,430)
Total Comprehensive Loss		**-**	**(4,293)**	**-**	**(5,622)**	**(9,915)**	**(213)**	**(10,128)**
30 June 2015		**181,013**	**(52,361)**	**12,478**	**(5,407)**	**135,723**	**1,342**	**137,065**
Transactions With Owners								
Shares issued during the year	18(b)	1,720	-	-	-	1,720	-	1,720
Share-based payment expense	23	1,121	-	134	-	1,255	-	1,255
Salary Sacrifice Program shares	18(b)	11	-	(11)	-	-	-	-
Issue of shares under debt facility agreement	18(b)	302	-	-	-	302	-	302
Transaction costs	18(b)	(94)	-	-	-	(94)	-	(94)
Total Transactions With Owners		3,060	-	123	-	3,183	-	3,183
Comprehensive Income/(Loss)								
Foreign exchange translation reserve		-	-	-	(4,195)	(4,195)	-	(4,195)
Non-controlling interest		-	-	-	238	238	(238)	-
Loss for the year		-	(3,529)	-	-	(3,529)	-	(3,529)
Total Comprehensive Loss		**-**	**(3,529)**	**-**	**(3,957)**	**(7,486)**	**(238)**	**(7,724)**
Balance at 30 June 2016		**184,073**	**(55,890)**	**12,601**	**(9,364)**	**131,420**	**1,104**	**132,524**

The above consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

	Notes	2016 US$000s	2015 US$000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,436	-
Payments to suppliers and employees		(8,132)	(3,877)
Facility fees paid		-	(322)
Interest paid		(43)	-
Interest received		44	153
Net cash (used in) operating activities	32	(4,695)	(4,046)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for mineral exploration and evaluation		(816)	(1,167)
Payments for mineral development		(26,605)	(10,886)
Payments for interest on capitalised borrowings costs		-	(1,062)
Payments for mineral exploration performance bonds and rental bonds		(682)	(191)
Proceeds from sale of property, plant & equipment		325	-
Purchase of property, plant & equipment		(7,727)	(4,957)
Payments for acquisition of prospects		(20)	-
Net cash (used in) investing activities		(35,525)	(18,263)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	57,463
Equity raising transaction costs		(94)	(1,838)
Proceeds from application to exercise options		1,720	-
Proceeds from borrowings		18,500	-
Repayment of borrowings		(276)	(15,865)
Capitalised borrowing costs		(907)	-
Return of unused restricted cash held in escrow		-	(7,158)
Net cash provided by financing activities		18,943	32,602
Net increase/(decrease) in cash held		(21,277)	10,293
Cash and cash equivalents at the beginning of financial year		24,990	16,154
Effects of exchange rate fluctuations on cash held		46	(1,457)
Cash and cash equivalents at the end of financial year	6	**3,759**	**24,990**

The above consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of Peninsula Energy Limited and controlled entities (consolidated group).

Basis of Preparation

The consolidated general purpose financial statements of the consolidated group have been prepared in accordance with the requirements of the *Corporations Act 2001*, International Accounting Standards and other authoritative pronouncements of the International Accounting Standards Board (IASB). These financial statements also comply with Australian Accounting Standards and Interpretations as issued by the Australian Accounting Standards Board (AASB). Compliance with International Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the IASB. Peninsula Energy Limited is a for-profit entity for the purpose of preparing financial statements.

International Accounting Standards set out accounting policies that the IASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and in the supporting notes and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and going concern basis, and is based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

The consolidated financial statements were approved for issue by the board of directors on 30 September 2016.

Change in Presentation Currency

Peninsula has changed its reporting (presentation) currency from Australian dollars to US dollars in the 2016 financial year. The Company believes that the change in reporting currency to US dollars will enhance comparability with Peninsula's industry peer group, the majority of which report in US dollars.

The change in reporting currency represents a voluntary change in accounting policy which is accounted for retrospectively. Comparative information included in this financial report, previously reported in Australian dollars, has been restated into US dollars using the procedures outlined below:

The Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statements of Cash Flows have been translated to US dollars using average exchange rates for the relevant period.

Assets and Liabilities in the Consolidated Statement of Financial Position have been translated to US dollars using the exchange rate as at the relevant balance dates. The exchange rates were as follows:

As at:
30 June 2016: 0.7417
30 June 2015: 0.7655

The Equity section of the Consolidated Statement of Financial Position has been converted to US dollars using historical exchange rates between 30 June 1994 and 30 June 2015.

Going concern

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

The consolidated group made a loss of US$3.53 million for the year ended 30 June 2016 (2015: $4.43 million) and negative operating cash outflows of US$4.70 million (2015: US$4.05 million). The net working capital deficit of the consolidated group at 30 June 2016 was US$12.69 million (2015: surplus of US$24.77 million). Included in current liabilities of US$22.34 million is an amount due to convertible note holders Resource Capital Fund VI L.P. and Pala Investments Ltd of US$15 million (refer to Note 16) which is due and payable by 22 April 2017.

The ability of the consolidated entity to continue as a going concern is dependent on the successful negotiation with the convertible note holders (per above) with respect to settlement of amounts owed by way of equity issue, sourcing incremental debt or equity proceeds to assist funding working capital requirements, and successful progression of Stage 1 Lance Projects operations and generation of positive cash flows. Should these not occur, the consolidated entity will be required to secure additional funding through debt or equity to continue to fund its operational and development activities and meet its debts and working capital requirements in the next 12 months.

These conditions indicate a material uncertainty that may cast a significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The consolidated group is in the process of ramping up production activities at its Lance Projects which is expected to generate positive operating cash flows in the near term. In addition, the consolidated group has available to it a working capital debt facility that is only partially drawn down (future drawdowns are subject to compliance with historical and forward looking financial covenants customary for a facility of this nature). The Directors have an appropriate plan to raise additional funds as and when it is required and are currently in the process of negotiations with the convertible note holders regarding the conversion of the debt to equity on or before the maturity date. The Company has a track record of successfully securing additional funding as and when required from both the debt and equity capital markets, which is further enhanced by the relatively low level of gearing currently maintained by the Company.

The Company is also in the process of finalising its funding for the Stage 2 expansion at the Lance Projects that is predominantly comprised of a $25 million revenue stream facility. A non-binding term sheet was signed in March 2016, technical and commercial due diligence has been completed by the stream provider and documentation of a binding agreement is nearing completion. The Directors believe that any additional capital required can be raised in the debt and equity markets.

Accordingly, the Directors are satisfied the going concern basis of preparation for the financial statements is appropriate.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

New and Amended Standards Adopted for the First Time by the Consolidated Group

The Company has not adopted any new and amended International Financial Reporting Standards as issued by the International Accounting Standards Board as of 1 July 2015.

Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Peninsula Energy Limited at the end of the reporting year. A controlled entity is any entity over which Peninsula Energy Limited has the power to govern the financial and operating policies of, so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights is considered.

Where controlled entities have entered or left the consolidated group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 10 of the Notes to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Business combinations by the group are accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Rounding of amounts

The consolidated group has applied the relief available to it under ASIC Legislative Instrument 2016/191. Accordingly, amounts in the Financial Report have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Value Added Taxes

Revenues, expenses and assets are recognised net of the amount of value added taxes, except where the amount of value added tax incurred is not recoverable from the relevant tax authority. In these circumstances the value added tax is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of value added tax. Cash flows are presented in the cash flow statement on a gross basis, except for the value added tax component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of value added tax recoverable from, or payable to, a taxation authority.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. When the consolidated group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in the financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Key Estimates, Judgements and Assumptions

The preparation of the consolidated group's financial statements requires management to make estimates, judgements and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are disclosed in the relevant notes.

2. REVENUE AND OTHER INCOME

	2016 US$000s	2015 US$000s
Revenue from continuing operations		
Sale of goods	5,771	-
Total revenue from continuing operations	**5,771**	**-**
Other income		
Interest received	44	153
Management fees	-	40
Total other income	**44**	**193**

Accounting Policy

Sales Revenue

Revenue from uranium sales is recognised when persuasive evidence of an arrangement exists, the risks and rewards of ownership pass to the purchaser, including delivery of the product and transfer of legal title, the selling price is set or determinable, and collectability is reasonably assured.

On deliveries to conversion facilities ("Converters"), the Converter credits the Company's account for the volume of accepted uranium. Based on delivery terms in a sales contract with its customer, the Company instructs the Converter to transfer title of a contractually specified quantity of uranium to the customer's account at the Converter. At this point, the Company invoices the customer and recognizes revenue for the uranium supplied.

Deferred Revenue

Where agreements with purchasers contain commercial factors that are realised over the term of the agreement, or are linked to other agreements with the same purchaser or purchaser group, the effect of these commercial factors is recognised over the term of the respective agreements by way of a blended rate which periodically gives rise to deferred revenue assets or deferred revenue liabilities.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of the amount of value added tax (VAT), goods and services tax (GST) or other similar taxes.

3. COST OF SALES AND OTHER EXPENSES

	2016 US$000s	2015 US$000s
Cost of sales		
Production costs before depreciation and amortisation	1,818	-
Depreciation and amortisation	542	-
Purchased uranium	3,328	-
Inventory movement	(2,578)	-
Total cost of sales	**3,110**	**-**
Other expenses		
Share-based payments expense (Note 23)	1,255	1,229
Inventory Net Realisable Value write-down (Note 8)	357	-
Impairment expense	95	-
Capitalised costs written off	-	39
Sale of fixed assets (gain)/loss	(63)	10
Total other expenses	**1,644**	**1,278**

4. LOSS FOR THE YEAR

	2016 US$000s	2015 US$000s
Loss before income tax includes the following specific expenses:		
Employee Benefits Expense		
-defined contribution superannuation expense	42	45
Rental expense on operating leases		
-minimum lease payments	189	230

5. INCOME TAX

	2016 US$000s	2015 US$000s
(a) Income tax expense:		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) Reconciliation of income tax to prima facie tax payable:		
Accounting loss before tax	(3,529)	(4,430)
Income tax expense/(benefit) @ 30% (2015: 30%)	(1,059)	(1,329)
Add tax effect of:		
- Share based payments	376	369
- Other	1,544	1,430
- Deferred tax assets - tax losses not recognised	8,014	8,474
- Movement in unrecognised temporary differences	(8,812)	(8,859)
- Utilisation of prior year tax loss previously unrecognised	(380)	-
- Foreign tax rate differential	317	(56)
- Mineral exploration, evaluation and development	-	(29)
Total income tax expense/(benefit)	**-**	**-**

	2016 US$000s	2015 US$000s
(c) Deferred Tax Liabilities		
Exploration and evaluation expenditure - Foreign	33,661	27,901
Temporary differences - Australia	652	361
	34,313	28,262
Offset of deferred tax assets	(34,313)	(28,262)
Net deferred tax liabilities recognised	-	-
(d) Unrecognised deferred tax assets arising on timing differences		
Tax losses - Australia	1,686	2,445
Tax losses - Foreign	40,979	36,801
Temporary differences - Australia	847	780
Temporary differences - Foreign	53	35
	43,565	40,061
Offset of deferred tax liabilities	(34,313)	(28,262)
Net deferred tax assets not brought to account	9,252	11,799

Accounting Policy

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered within a reasonable time period.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit and loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Key Estimates, Judgements and Assumptions

Balances disclosed in the financial statements and the notes related to taxation, are based on the best estimates of directors and take into account the financial performance and position of the consolidated group as they pertain to current income tax legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets, when recognised, are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are only recognised to the extent that it is probable that there are future taxable profits available against which deductible temporary differences can be utilised.

6. CASH AND CASH EQUIVALENTS

	2016 US$000s	2015 US$000s
Cash at bank and in hand	3,759	5,170
Short-term bank deposits	-	19,820
	3,759	**24,990**

Bank bills and other money market investments are typically held for 30 to 90 days and earn interest at the prevailing rates. Refer to Note 26 for analysis of risk exposure for cash and cash equivalents.

Reconciliation of Cash	2016 US$000s	2015 US$000s
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	3,759	24,990
	3,759	**24,990**

Accounting Policy

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the Consolidated Statement of Financial Position.

7. TRADE AND OTHER RECEIVABLES

	2016 US$000s	2015 US$000s
CURRENT		
Trade debtors	3,453	-
Prepayments	41	30
GST receivable	29	124
Sundry receivables	149	218
Bonds and security deposits(i)	-	2,500
	3,672	**2,872**
NON-CURRENT		
Bonds and security deposits(i)	3,117	-
	3,117	-

(i) Consists of the cash on deposit as security for Permit to Mine Bond and Environmental Performance Bonds for the construction and operating activities at the Lance Projects and rental bond for office premises.

No receivables are past due or impaired. Refer to Note 26 for analysis of risk exposure for trade and other receivables.

Accounting Policy

Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Sundry receivables are recognised at amortised cost, less any provision for impairment. Bonds and security deposits include restricted cash amounts and amounts placed on deposit as security for restoration and rehabilitation obligations.

8. INVENTORY

	2016 US$000s	2015 US$000s
Inventory	2,578	-
Net Realisable Value write-down(i)	(357)	-
	2,221	**-**

(i) The carrying value of inventory was reviewed as at 30 June 2016. An expense has been recorded to write inventory down to the lower of cost and net realisable value (NRV). The NRV has been calculated using the average selling price of the Company's existing off-take agreements.

Accounting Policy

Because of the nature of in situ operations, it is not economically feasible to accurately measure the amount of in-process inventory at any given time. We use a combination of calculating estimated uranium captured per sampling applied to total lixiviant flow rates to determine the estimated U_3O_8 pounds captured. In-process inventory represents uranium that has been extracted from the wellfield and captured in the ion exchange columns and the elution tanks in the processing plant and is currently being transformed into a saleable product. Plant inventory is U_3O_8 that is contained in yellowcake, which has been dried and packaged in drums, but not yet transported to the conversion facility. The amount of U_3O_8 in the plant inventory is determined by weighing and assaying the amount of U_3O_8 packaged into drums at the plant. Conversion facility inventory is U_3O_8 that has been transported to and received at the conversion facility. The amount of U_3O_8 in the conversion facility inventory includes the amount of U_3O_8 contained in drums shipped to the conversion facility plus or minus any final weighing and assay adjustments per the terms of the uranium supplier's agreement with the conversion facility. The consolidated group's inventories are measured at the lower of cost or net realisable value and reflect the U_3O_8 content in various stages of the production and sales process including in-process inventory, plant inventory and conversion facility inventory. Operating supplies are expensed when purchased.

Finished goods and work in progress inventory are valued at the lower of cost and net realisable value using the weighted average cost method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Where it is probable that the inventory will be delivered into existing agreements with purchasers, the estimated selling price is the average price contained in the existing agreements, otherwise current market prices are used to determine the estimated selling price.

Production costs include the cost of raw materials, direct labour, mine-site related overhead expenses and depreciation of mineral interests, property, plant and equipment.

9. OTHER FINANCIAL ASSETS

	2016 US$000s	2015 US$000s
NON-CURRENT		
Available-for-sale financial assets (i)	3	3
Total Non-Current Assets	**3**	**3**

(i) Available-for-sale financial assets as at 30 June 2016 comprised a holding of 543,750 shares in Terrain Minerals Limited (Terrain) (ASX:TMX). There were no fixed returns or fixed maturity date attached to these investments. The price of Terrain ordinary shares as at 30 June 2016 was A$0.007 per share.

10. CONTROLLED ENTITIES

(a) Controlled entities consolidated

	Country of Incorporation	Percentage Ownership (%) 2016	2015
Parent entity			
Peninsula Energy Limited	Australia		
Subsidiaries of Peninsula Energy Limited			
Tasman Pacific Minerals Limited	Australia	100%	100%
Tasman RSA Holdings (Pty) Ltd	South Africa	100%	100%
Tasman Mmakau JV Company (Pty) Ltd	South Africa	100%	100%
Tasman Lukisa JV Company (Pty) Ltd	South Africa	74%	74%
Beaufort West Minerals (Pty) Ltd	South Africa	74%	74%
PM Prospecting Pty Ltd	Australia	100%	100%
PM Energy Pty Ltd	Australia	100%	100%
Peninsula USA Holdings Inc.	USA	100%	100%
Strata Energy Inc.	USA	100%	100%
Resource and Capital Management (SA) Pty Ltd[(i)]	Australia	-	100%
Trove Resources Pty Ltd	Australia	100%	100%
Imperial Mining (Fiji) NL	Australia	100%	100%
Pen Limited[(ii)]	Jersey	-	100%
Peninsula Energy LTIP Pty Ltd	Australia	100%	100%
Peninsula Uranium Limited	UK	100%	100%

(i) Resource and Capital Management (SA) Pty Ltd was deregistered on 4 February 2016.

(ii) Pen Limited was dissolved on 12 August 2015.

(b) Acquisition and disposal of controlled entities

There were no acquisitions or disposals of controlled entities during the year.

(c) Non-controlling interests (NCI)

Set out below is summarised financial information for the Lukisa Joint Venture. The amounts disclosed are before inter-company eliminations:

	2016 US$000s	2015 US$000s
Summarised balance sheet		
Current assets	194	268
Non-current assets	7,254	7,950
Total assets	7,448	8,218
Current liabilities	79	60
Non-current liabilities	3,121	2,993
Total liabilities	3,200	3,053
Net assets	**4,248**	**5,165**
Accumulated NCI	**1,104**	**1,342**

Summarised statement of comprehensive income

There were no movements in the statement of comprehensive income for the period.

	2016 US$000s	2015 US$000s
Summarised cash flows		
Cash flows from investing activities	(685)	(1,201)
Cash flows from financing activities	685	1,201
Net increase in cash and cash equivalents	**-**	**-**

Key Estimates, Judgements and Assumptions

In determining whether the consolidated group has control over subsidiaries that are not wholly owned, judgement is applied to assess the ability of the consolidated group to control the day to day activities of the partly owned subsidiary and its economic outcomes. In exercising this judgement, the commercial and legal relationships that the consolidated group has with other owners of partly owned subsidiaries are taken into consideration. Whilst the consolidated group is not able to control all activities of a partly owned subsidiary, the partly owned subsidiary is consolidated within the consolidated group where it is determined that the consolidated group controls the day to day activities and economic outcomes of a partly owned subsidiary. Changes in agreements with other owners of partly owned subsidiaries could result in a loss of control and subsequently de-consolidation.

Upon acquisition of partly owned subsidiaries by the consolidated group, judgement is exercised concerning the value of net assets acquired on the date of acquisition. Minority owner interest share of net assets acquired, and subsequent period movements in value thereof, are disclosed as outside equity interests.

On 18 December 2013, the Company acquired a 74% interest in Lukisa JV Company (Pty) Ltd. Under the terms of the shareholders' agreement in place with the holder of the 26% minority interest, the Company has judged that the Company has sufficient capability under the shareholders' agreement to control the day to day activities and economic outcomes of Lukisa JV Company (Pty) Ltd. Future changes to the shareholders' agreement may impact on the ability of the Company to control Lukisa JV Company (Pty) Ltd. The Company may be liable in the future to make an additional payment of US$45 million to the vendor. After assessment of the conditions that would require this payment to be made in the future, the Company has judged that this possible future payment is a contingent liability, refer to Note 29 for further details.

11. PROPERTY, PLANT & EQUIPMENT

	Consolidated Group	
	2016 US$000s	2015 US$000s
Plant and Equipment		
- At cost	22,639	6,215
- Accumulated depreciation	(664)	(445)
Total Plant and Equipment	**21,975**	**5,770**
Land and Buildings		
- At cost	7,293	7,581
- Accumulated depreciation	(167)	(208)
Total Land and Buildings	**7,126**	**7,373**
Total Property, Plant and Equipment	**29,101**	**13,143**

30 June 2016	Plant and Equipment US$000s	Land and Buildings US$000s	Total US$000s
(a) Movement in carrying amounts			
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.			
Balance at the beginning of the year	5,770	7,373	13,143
Additions	7,761	-	7,761
Transfers from Mineral Development (i)	8,666	1,016	9,682
Disposals	-	(229)	(229)
Depreciation expense	(163)	(38)	(201)
Depreciation expense included in Cost of Sales	(59)	(8)	(67)
Foreign exchange translation	-	(988)	(988)
Carrying amount at the end of the year	**21,975**	**7,126**	**29,101**

(i) The Company made an election to commence expensing production costs on 1 May 2016 and costs relating the Central Processing Plant were transferred from Mineral Development into Property, Plant and Equipment. Refer to Note 13 for further details.

30 June 2015	Plant and Equipment US$000s	Land and Buildings US$000s	Total US$000s
(a) Movement in carrying amounts			
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.			
Balance at the beginning of the year	2,494	8,284	10,778
Additions	3,436	-	3,436
Disposals	(9)	-	(9)
Depreciation expense	(139)	(63)	(202)
Foreign exchange translation	(12)	(848)	(860)
Carrying amount at the end of the year	**5,770**	**7,373**	**13,143**

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

Accounting Policy

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their cost, less accumulated depreciation on buildings.

Plant and Equipment

Plant and equipment are measured on a cost basis.

The carrying amount of plant and equipment is reviewed to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit and loss and other comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit and loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Depreciation

The carrying amounts of mineral interests, property, plant and equipment are depreciated to their estimated residual value over the estimated economic life of the specific assets to which they relate, or using the straight-line method over their estimated useful lives indicated below.

Estimates of residual values and useful lives are reassessed annually and any change in estimate is taken into account in the determination of remaining depreciation charges. Depreciation commences on the date when the asset is available for use.

- Mine plant and equipment - based on recoverable resources or reserves on a unit of production basis
- Assets under construction - not depreciated
- Property, plant and equipment - 2 to 15 years straight-line or on a unit of production basis
- Buildings - 6 to 40 years straight-line or on a unit of production basis

12. MINERAL EXPLORATION AND EVALUATION

	2016 US$000s	2015 US$000s
Exploration and evaluation		
Balance at the beginning of the year	9,040	9,250
Exploration and evaluation costs incurred	816	1,050
Foreign exchange translation	(1,675)	(1,260)
Carrying amount at the end of the year	**8,181**	**9,040**

Accounting Policy

Mineral exploration and evaluation costs incurred are accumulated in respect of each identifiable area of interest. These costs are only carried forward where rights to the area of interest are current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable resources or reserves.

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

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Notwithstanding the fact that a decision not to abandon an area of interest has been made, based on the above, the exploration and evaluation assets in relation to an area may still be impaired or written off if it is considered appropriate to do so.

Key Estimates, Judgements and Assumptions

The consolidated group capitalises expenditure relating to exploration and evaluation costs where they are considered to be likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of economically recoverable resources. Capitalisation of expenditure requires the consolidated group to make a judgement on the extent that expenditure on exploration and evaluation assets will likely be recovered in the future through mineral extraction or some other form of commercialisation of the exploration and evaluation stage assets.

The future recoverability of capitalised exploration and evaluation costs are dependent on a number of factors, including whether the consolidated group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

13. MINERAL DEVELOPMENT

	2016 US$000s	2015 US$000s
Development		
Balance at the beginning of the year	91,758	74,900
Development costs	24,722	12,432
Rehabilitation costs	4,481	752
Transfers to Property, Plant & Equipment	(9,682)	-
Amortisation of development costs	(542)	-
Capitalised interest and borrowing costs	-	3,710
Capitalised costs written off	-	(36)
Carrying amount at the end of the year	**110,737**	**91,758**

Accounting Policy – Amortisation of Development Costs

Amortisation of development costs is charged on a units of production basis over the life of economically recoverable resources. Mineral development costs are amortised on the following basis for the Company's operating in-situ recovery project:

- Mine Units – Wellfield development costs (mine unit wellfield data package costs, mining wells, monitor wells and header houses) within a mine unit are amortised on a units of production basis over the expected uranium to be recovered from that mine unit;
- Permit Area – Capitalised exploration, trunkline installation, permitting costs and restoration and rehabilitation costs are amortised on a units of production basis over the expected uranium to be recovered from that permit area; and
- Life of Mine – Capitalised borrowing costs and capitalised pre-production costs are amortised amortised on a units of production basis over the expected uranium to be recovered over the life of mine from all permit areas.

Amortisation of Ross Permit Area costs commenced on 1 May 2016 upon the election to commence commercial operations.

Accounting Policy – Rehabilitation

The consolidated group's operations are subject to significant environmental regulation under international legislation in relation to its conduct of development and operation of uranium projects. The Directors are of the opinion that sufficient procedures and reporting processes have been established to enable the consolidated group to meet its environmental responsibilities, including future restoration and rehabilitation obligations.

Accounting Policy – Impairment of Assets

Development activities commence after commercial viability and technical feasibility of the project is established. At the end of each reporting period, the consolidated group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit and loss and other comprehensive income.

For mineral exploration and evaluation assets, at each reporting date the consolidated group considers whether or not sufficient data exists to indicate that it is likely that development of an area of interest will proceed, the extent of approved budgeted and planned exploration and evaluation expenditure on each area of interest and the value that could be achieved through sale of these assets in their current state. Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

During the financial year, reported Term contract prices decreased from $44.00/lb U_3O_8 to $38.00/lb U_3O_8 and reported Spot prices decreased from $36.00/lb U_3O_8 to $26.00/lb U_3O_8. Whilst the Company is largely insulated from movements in the market price of uranium through its existing long term contracts (committed long term contracts of 8,100,000lbs U_3O_8 comprise approximately 61% of production from the Ross and Kendrick permit areas at a weighted average price of US$55 per pound), this price decrease is an indication that the value of the assets may be impaired. To assess whether the value of the assets are impaired, the Company has carried out a value in use assessment of the Lance Projects.

Value in use for the Lance Projects has been determined by applying a discounted cash flow model for the Ross and Kendrick Permit Areas and applying an in-ground value of the resource for the Barber Permit Area. The Lance Projects model is supported by technical and economic studies including input from external parties.

The estimates of future cash flows for are based on significant assumptions including:

- Future uranium prices, specifically prices for uncontracted uranium under the consolidated group's preferred selling model of long term contracts. Uncontracted uranium is assumed to be sold at nominal prices sourced from Consensus Economics Inc as at July 2016 ranging from US$31.20/lb U_3O_8 in FY2017 to US$60.64/lb U_3O_8 in FY2021 and beyond (escalated at 1.0% per annum);
- Within the Ross and Kendrick Permit Areas, 72% of the Measured and Indicated mineral resource is receovered and 48% of the Inferred mineral resource is recovered;
- Within the Ross and Kendrick Permit Areas, 73% of production is sourced from Measured and Indicated resources and 27% is sourced from Inferred resources;
- Within the discounted cash flow model, Measured and Indicated resources comprise production during the first 70% of the mine life, with Inferred resources only contributing to production during the final 30% of the mine life;
- Production and capital costs being consistent with feasibility and optimisation study outcomes and detailed budgets approved by the Board;
- Estimates of the quantity of mineral resources for which there is a high degree of confidence of economic extraction at rates consistent with Board approved budgets and long term development plans;
- Estimates of the rate of production at each stage of development being consistent with modelled rates at each stage of development;
- A pre-tax nominal discount rate of 10.4% has been utilised, with a downside sensitivity scenario undertaken using a pre-tax nominal discount rate of 11.5%; and
- Future changes in assumptions upon which these estimates are based may give rise to a material adjustment by impairing the development expenditure.

The value of the in-ground resource assigned to the Barber Permit Area is based on a review of comparable transactions of sandstone hosted pre-operational uranium deposits that contain greater than 50% Inferred resources. Excluding outliers, comparable transactions adjusted for movement in the price of uranium range from a low of US$0.96/lb U_3O_8 resource to a high of US$2.20/lb U_3O_8 resource. A base value of US$1.15/lb U_3O_8 in-ground resource was used.

Key Estimates, Judgements and Assumptions

Pre-production costs are deferred as development costs until such time as the asset is capable of being operated in a manner intended by management and depreciated on a units of production basis. Post-production costs are recognised as a cost of production.

Determining when a project has commenced commercial operations involves judgement. Management performs this assessment for each development project. Amongst the criteria that are evaluated for in-situ recovery and operations are: the level of wellfield flow rates relative to design capacity; the level of production relative to design capacity and the sustainability of this level; the period of time since the start of uranium production; and, an assessment of the sustainability of profitable operations. These factors can be subjective and no one factor by itself is necessarily indicative. Management exercises judgment in evaluating these factors based on its knowledge of the project's operations.

This assessment impacts the balance sheet and income statement, as upon commencement of commercial operations, development expenditures cease to be capitalised, revenue is recognised from any sales when the appropriate criteria have been met, and the assets included in assets under construction are reclassified to property, plant and equipment.

The Company made an election to commence expensing production costs on 1 May 2016 due to the commissioning of the Central Processing Plant, deep disposal well and Stage 1 flow rate capacity reaching almost 50%.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable resources or reserves. For ISR operations where a reserve (by definition under the relevant JORC-Code), cannot be determined until a sufficient period of economic operations have occurred, the rate of depletion shall be based on economically recoverable resources. In determining economically recoverable resources, management makes certain estimates and assumptions as to future events, including the future price of uranium.

14. JOINT ARRANGEMENTS

Interest in Joint Operations

The consolidated group's share of assets employed in joint operations that are included in the consolidated financial statements are as follows:

Geopacific (Fiji) Joint Venture

Peninsula Energy has a 50% interest in the Geopacific Resources NL Joint Venture, whose principal activity is gold exploration.

All capitalised expenditure relating to the Geopacific Joint Venture was fully impaired at 30 June 2013.

Mmakau (RSA) Joint Venture	2016 US$000s	2015 US$000s
Peninsula Energy has a 74% interest in the Mmakau Joint Venture, whose principal activity is uranium exploration in the Karoo region of the Republic of South Africa. The 74% interest in this joint venture is proportionately consolidated. BEE partner Mmakau Mining (Pty) Ltd holds a 26% interest.		
NON-CURRENT ASSETS		
Mineral exploration and evaluation	5,775	6,780

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Accounting Policy

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The consolidated group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

15. TRADE AND OTHER PAYABLES

	2016 US$000s	2015 US$000s
CURRENT		
Trade payables	3,164	2,835
Total trade and other payables	**3,164**	**2,835**

Trade and other payables are non-interest bearing and generally settled on 30 day terms. Due to their short-term nature, their carrying amount is assumed to approximate their fair value.

Accounting Policy

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the consolidated group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

16. BORROWINGS

	2016 US$000s	2015 US$000s
CURRENT		
Borrowings – Convertible Bridge Loan[(a)]	14,883	-
Borrowings – Investec[(b)]	3,012	-
Borrowings - Strata[(c)]	93	204
Total current financial liabilities	**17,988**	**204**
NON-CURRENT		
Borrowings - Strata[(c)]	537	702
Lukisa Joint Venture loans[(d)]	155	197
Total non-current financial liabilities	**692**	**899**

(a) On 26 April 2016 Peninsula announced it had executed convertible loan agreements with major shareholders Resource Capital Fund VI L.P (RCF VI) and Pala Investments Ltd (Pala) for a total of US$15 million (Convertible Loans).

Under these agreements, RCF VI and Pala (Lenders) have each provided Peninsula with a convertible loan facility, with participation in proportion to their existing shareholdings in the Company. The US$15 million total loan amount is comprised of a US$9.63 million convertible loan provided by RCF VI and a US$5.37 million convertible loan provided by Pala.

Under the terms of the Convertible Loans, the Lenders may elect to convert all or part of the principal amount of the Convertible Loans (including any capitalised interest) into fully paid ordinary shares at any time prior to maturity at a conversion price that is the lower of A$0.80 per share or the price of any equity raised prior to repayment. The Convertible Loans bear interest at the rate of 8% per annum, payable quarterly in arrears in cash or shares at the Lenders election. The Maturity Date of the Convertible Loans is 22 April 2017.

(b) In December 2015, the Company entered into an agreement with Investec Bank Plc for a US$15 million finance facility, which will serve as support financing to assist in covering inventory and other general costs over the next two years, while production and revenue increase at the Lance in-situ recovery uranium projects in Wyoming, USA.

(c) Balances consist of the current and non-current portions of a mortgage over the Strata Energy Inc. office building, Nuclear Regulatory Commission Promissory Note and loans for vehicles and equipment.

(d) In December 2013, the Company completed the acquisition of the South African uranium assets previously owned by AREVA. The assets were acquired by the acquisition of the AREVA held shares in Tasman-Lukisa JV Company (Pty) Ltd, which resulted in the Company acquiring 74% of this entity. The remaining 26% is held by the Black Economic Empowerment partner – Lukisa Invest 100 (Pty) Ltd. On the date of completion, Tasman-Lukisa JV Company (Pty) Ltd owed certain amounts by way of loans to AREVA and its subsidiaries (shareholder loans). These shareholder loans were acquired by the Company and Lukisa Invest 100 (Pty) Ltd in proportion to the respective ownership interests in Tasman-Lukisa JV Company (Pty) Ltd. As the Company consolidates the Tasman-Lukisa JV Company (Pty) Ltd in its financial statements, the amount shown represents the 26% share of the loans acquired by the shareholders that is attributable to Lukisa Invest 100 (Pty) Ltd. The acquired loans have a face value of US$117,721,899 at the date of acquisition, however, they were acquired for US$1 only by each of the Company and Lukisa Invest 100 (Pty) Ltd. The value of the acquired loans have been recognised at their fair value that has been determined by escalating the cash flow stream for a period of 30 years and discounting the value back to present value using a pre-tax discount rate of 30%. Under the terms of the shareholders agreement, the acquired loans are subordinated to other liabilities of Tasman-Lukisa JV Company (Pty) Ltd, including subordinated to the actual cash amounts that the Company has provided to the Tasman-Lukisa JV Company (Pty) Ltd to progress exploration and evaluation activities.

(e) The value of assets pledged as security under the Convertible Loans and Investec Facility is US$146.9 million.

Other finance facilities:	2016 US$000s	2015 US$000s
Off-balance sheet arrangements		
Surety bonds[(a)]	10,221	6,397
Total off-balance sheet arrangements	**10,221**	**6,397**

(a) In the normal course of business, the Company is a party to certain off-balance sheet arrangements. These arrangements include guarantees and financial instruments with off-balance sheet risk, such as letters of credit and surety bonds. No liabilities related to these arrangements are reflected in this consolidated Statement of Financial Position, other than the rehabilitation provision.

US federal and state laws require the Company to secure certain long-term obligations, such as asset retirement obligations. We have secured these obligations with surety bonds and we have supported our surety bonds with cash deposits that represent a percentage of the face value of the obligation. The surety bond provider has a first ranking charge over these cash deposit amounts. We believe these bonds will expire without any claims or payments thereon, and accordingly we do not expect any material adverse effect on our financial condition, results of operations or cash flows therefrom.

Accounting Policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost or fair value. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale. Borrowing costs cease to be capitalised upon the earlier of extinguishment of the liability or the commencement of commercial production from the qualifying asset.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Key Estimates, Judgements and Assumptions

Balances disclosed in the financial statements and notes related to financial liabilities are shown at their amortised cost or fair value. When measuring fair value of financial liabilities owed by the consolidated group to minority owners of partly owned subsidiaries within the consolidated group, judgement is made on the future maturity date of the financial instruments and the discount rate applied to future cash flow streams to determine fair value at each reporting date. The discount rate takes into account a risk factor applicable to each such financial liability on each reporting date. At the time of completion of the acquisition of the 74% interest in the Lukisa JV Company (Pty) Ltd, the Company and the holder of the 26% minority interest each acquired from the vendor certain loans owing from the Lukisa JV Company (Pty) Ltd to the vendor. The Company has recognised the value of these loans at their fair value.

The expected maturity date and discount factor applied at each reporting date may change as a result of changes in development, operations or future prospects of partly owned subsidiaries and uranium market conditions.

17. PROVISIONS

	2016 US$000s	2015 US$000s
CURRENT		
Employee Entitlements - Annual Leave	70	50
Total current provisions	**70**	**50**
NON-CURRENT		
Rehabilitation Provision(i)	5,234	753
Total non-current provisions	**5,234**	**753**

(i) A provision for restoration is recognised in relation to the exploration and development activities for costs associated with the restoration of various sites. Estimates of the restoration obligations are based on anticipated technology and legal requirements and future costs. In determining the restoration provision, the Company has assumed no significant changes will occur in the relevant Federal and State legislation in relation to restoration in the future.

Provisions

Provisions are recognised when the consolidated group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Employee Benefits

Provision is made for the consolidated group's liability for employee benefits arising from services rendered by employees to the reporting date. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Defined Superannuation Schemes

Australian employees receive a superannuation guarantee contribution required by the government, which is currently 9.50%, and do not receive any other retirement benefits. United States employees receive retirement contributions under a 401(k) plan established by Strata, which is currently 5.0% of ordinary earnings, and do not receive any other retirement benefits.

Key Estimates, Judgements and Assumptions

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of the mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, for example, in response to changes in resources or to production rates. In recognising the amount of decommissioning and restoration obligation at each reporting date, judgement is made on the extent of decommissioning and restoration that the consolidated group is responsible for at each reporting date. For ISR operations, this requires an assessment to be made on not only physical above ground disturbances but also on below ground disturbances in mining zone aquifers that have occurred through the use of the ISR mining method. Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

18. ISSUED CAPITAL

A reconciliation of the movement in capital and reserves for the consolidated group can be found in the Statement of Changes in Equity.	2016 US$000s	2015 US$000s
176,423,023 fully paid ordinary shares (2015: 6,906,810,221 pre-consolidation)	184,073	181,013

(a) Ordinary shares

	2016 No.	2015 No.
At the beginning of the reporting year (pre-consolidation)	6,906,810,221	3,426,402,505
Shares issued during the year		
- Equity raising – Share Placement (pre-consolidation)	-	840,000,000
- Equity raising – Entitlement Offer (pre-consolidation)	-	2,626,627,006
- Shares issued under service agreement (pre-consolidation) (Note 23)	740,000	3,360,215
- Salary Sacrifice Scheme (pre-consolidation)	-	1,419,282
- BlackRock facility fees (pre-consolidation)	-	8,000,000
- Shares issued on exercise of options (pre-consolidation)	-	1,213
- Employee incentive shares issued (pre-consolidation) (i)	28,777,778	-
- Shares issued under employment agreement (pre-consolidation) (Note 23)	500,000	1,000,000
- Share consolidation (ii)	(6,763,405,205)	-
- Shares issued to Managing Director/CEO (post-consolidation) (Note 23)	555,556	-
- Salary Sacrifice Scheme (post-consolidation) (iii)	18,194	-
- Shares issued on exercise of options (post-consolidation)	1,967,881	-
- Debt facility fee (post-consolidation)	458,598	-
Total at the end of the year	**176,423,023**	**6,906,810,221**

(b) Ordinary shares

	2016 US$000s	2015 US$000s
At the beginning of the reporting year	181,013	125,212
Shares issued during the year		
- Equity raising – Share Placement	-	13,924
- Equity raising – Entitlement Offer	-	43,540
- Shares issued under service agreement (Note 23)	13	67
- Salary Sacrifice Scheme (iii)	11	22
- BlackRock facility fees	-	159
- Shares issued on exercise of options	1,720	-
- Employee incentive shares issued (i)	545	-
- Shares issued under employment agreement (Note 23)	9	17
- Shares issued to Managing Director/CEO (Note 23)	554	-
- Debt facility fee	302	-
- Capital raising fees – equity facility agreement	-	(90)
- Capital raising fees – other	(94)	(1,838)
Total at the end of the year	**184,073**	**181,013**

(i) 28,777,778 (pre-consolidation) ordinary shares were issued to employees and consultants on 17 July 2015 at both Peninsula and Strata for achievements relating to the successful financing in February 2015 and the completion of key permitting milestones. The issue of the shares was approved by the Board on 12 June 2015.

(ii) On 24 September 2015 shareholders voted to approve the consolidation of the Company's securities on a "1 for 40" basis. This consolidation was completed on 1 October 2015, with the result being that Company security holders now hold 1 security for every 40 securities held prior to the consolidation having taken place.

(iii) On 23 October 2015, shares were issued in lieu of director's fees under the salary sacrifice program as approved by shareholders in the Extraordinary General Meeting held on 24 September 2015.

(c) Options and Performance Rights

The total number of options on issue at 30 June 2016 was 45,903,184. The options include 43,333,436 listed PENOD options on issue exercisable at A$2.00 on or before 31 December 2018, 2,250,001 unlisted options exercisable at A$3.20 on or before 31 December 2017 and 319,747 unlisted options exercisable at A$1.52 on or before 1 December 2019.

The total number of Performance Rights on issue at 30 June 2016 was 630,000 Class F Performance Rights. Refer to Note 23 for more details.

A reconciliation of the total options on issue as at 30 June 2016 is as follows:

	PENOC	PENOD	UNLISTED
At the beginning of the year	786,926,064	1,733,313,722	98,000,000
Share consolidation	(767,252,408)	(1,689,980,286)	(95,549,999)
Issued during the year	-	-	319,747
Expired during the year	(17,705,776)	-	(200,000)
Exercised during the year	(1,967,880)	-	-
Total at the end of the year	**-**	**43,333,436**	**2,569,748**

For information relating to share options and performance rights issued to Key Management Personnel during the financial year, refer to Note 23 Share Based Payments.

(d) Capital Management

Management controls the capital of the consolidated group in order to maintain an appropriate debt to equity ratio and ensure that the consolidated group can fund its operations and continue as a going concern. The consolidated group currently has no long term debt other than a small quantity of equipment hire purchase and a building mortgage. There are no externally imposed capital requirements.

Management effectively manages the consolidated group's capital by assessing financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the consolidated group since the prior year.

Accounting Policy

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

19. RESERVES

(a) Share Based Payments Reserve

The share based payments reserve records items recognised as expenses on valuation of employee share options and performance rights.

(b) Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign operations.

Refer to the Statement of Changes in Equity for a reconciliation of movements in the Share Based Payments Reserve and Foreign Currency Translation Reserve during the year.

Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the consolidated group's entities is measured using the currency of the primary economic environment in which that entity operates. The functional currency of the parent entity is Australian dollars. The consolidated financial statements are presented in United States dollars which is the parent entity's presentation currency. The functional currency of a material subsidiary, Strata Energy, Inc. is United States dollars. The functional currency of a material subsidiary, Tasman RSA Holdings (Pty) Ltd is South African rand. The functional currency of a material subsidiary, Peninsula Uranium Limited is Great Britain pounds.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the exchange rate on the last day of the reporting period. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit and loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge. The parent entity of the consolidated group provides the majority of funding to subsidiaries by way of US dollar denominated intercompany loans, thereby generating a net investment hedge where the gain or loss on consolidation is taken to other comprehensive income in the consolidated statement of profit and loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit and loss and other comprehensive income.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the consolidated group's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the reporting period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than United States dollars are recognised in Other Comprehensive Income and included in the foreign currency translation reserve in the statement of financial position.

20. AUDITORS' REMUNERATION

	2016 US$000s	2015 US$000s
Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report	80	58
- Additional audits(i)	-	133
- Other services(ii)	17	66
Fees charged by BDO affiliated offices:		
- Auditing or reviewing the financial report	29	80
Total auditors' remuneration	**126**	**337**

(i) Additional audit procedures required for NYSE MKT listing submission, including re-audit of 2013 and 2014 financial years to obtain United States Public Company Accounting Oversight Board (PCAOB) audit compliance. In August 2015 Peninsula received consent from the Australian Securities and Investments Commission (ASIC) to the resignation of the Company's auditors, Somes Cooke, which was subsequently ratified at the Company's Annual General Meeting. The reason for the change of auditor was due to the fact that the Company is preparing an application for a secondary listing on the NYSE MKT and is therefore required to have an auditor registered with the PCAOB. BDO are a PCAOB registered auditor whereas Somes Cooke are not.

(ii) 2015 fees charged before the appointment of auditor.

21. KEY MANAGEMENT PERSONNEL COMPENSATION

Names and positions held of consolidated and parent entity Key Management Personnel in office at any time during the financial year are:

Key Management	***Position***
John Harrison	Chairman (Non-Executive)
John Simpson	Managing Director / CEO
Warwick Grigor	Director (Non-Executive)
Richard Lockwood	Director (Non-Executive) (appointed 1 July 2015)
Evgenij Iorich	Director (Non-Executive)
Harrison Barker	Director (Non-Executive) (appointed 3 August 2015)
Mark Wheatley	Director (Non-Executive) (appointed 26 April 2016)
Neil Warburton	Director (Non-Executive) (resigned 26 April 2016)
Willie Bezuidenhout	Chief Executive Officer (South Africa) (appointed 1 June 2016)
Glenn Black	Chief Executive Officer (South Africa) (resigned 31 August 2015)
David Coyne	Chief Financial Officer
Ralph Knode	Chief Executive Officer (Strata Energy Inc.)
Jonathan Whyte	Company Secretary

Refer to the Remuneration Report contained in the Report of the Directors for details of the remuneration paid or payable to each member of the consolidated group's Key Management Personnel for the year ended 30 June 2016.

The totals of remuneration paid to Key Management Personnel of the Company and the consolidated group during the year are as follows:

	2016 US$000s	2015 US$000s
Short-term employee benefits	1,990	1,785
Post-employment benefits	41	43
Share-based payments	1,075	727
	3,106	**2,555**

22. EVENTS AFTER THE REPORTING DATE

In total 37,830 lbs U_3O_8 has been extracted from the Lance Projects between 1 July 2016 and 31 August 2016 and the extraction rate continues to ramp up as more header houses come online.

On 4 August 2016 the Company entered into a subscription agreement with Concentrate Capital Partners (CCP) to progress the Karoo Projects Pre-Feasibility Study (PFS) services provided by DRA Projects SA (DRA). DRA is completing the mining, processing and engineering components of the PFS and Peninsula has issued 979,696 shares to CCP at an issue price of A$0.80 (A$783,757) upon receipt of invoice from DRA.

On 22 September 2016 the Board approved the payment of Short Term Incentive Plan (STIP) and Long Term Incentive Plan (LTIP) incentives for Key Management Personnel and senior staff in recognition of performance during the financial year to 30 June 2016. A total of 783,490 Restricted Share Units (RSUs) were subsequently issued, consisting of 727,240 RSUs under the LTIP and 56,250 RSUs under a service agreement. RSUs are held on trust and vest over a three year period commencing on 1 July 2017. These amounts have been accrued as at 30 June 2016 (refer to the Remuneration Report for further details).

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

23. SHARE-BASED PAYMENTS

Share-based payment expense for the year to 30 June 2016 comprises:

	2016 US$000s	2015 US$000s
Shares issued under service agreement (i)	13	67
Employee incentive shares issued(ii)	9	17
Options issued to Directors(iii)	124	-
Shares issued to Managing Director/CEO(iv)	554	-
Accrual for LTIP shares(v)	425	-
Accrual for employee incentive shares	-	620
Performance Rights expensed	130	525
Total share-based payments expense	**1,255**	**1,229**

(i) 740,000 ordinary shares (pre-consolidation) issued under a service agreement during the period. Fair value of the shares issued was the market value on the date of issue.

(ii) 500,000 ordinary shares (pre-consolidation) issued to employees under existing contracts during the period. Fair value of the shares issued was the market value on the date of issue.

(iii) Issues of 265,010 and 54,737 (post-consolidation) unlisted options to Non-Executive Directors as approved by shareholders in the Extraordinary General Meeting held on 24 September 2015 and the Annual General Meeting held on 19 November 2015 respectively. The options were valued independently using the Black & Scholes option model, refer to the relevant Notice of Meetings released on the ASX on 25 August 2015 and 16 October 2015 respectively for detailed valuation assumptions.

(iv) Issue of 555,556 (post-consolidation) ordinary shares to the Managing Director/CEO as approved by shareholders in the Extraordinary General Meeting held on 24 September 2015. Fair value of the shares issued was the market value on the date of issue.

(v) Refer to the Remuneration Report for further details of Restricted Share Units granted under the Long Term Incentive Plan for Key Management Personnel and senior staff.

All options granted to Key Management Personnel are convertible into ordinary shares in Peninsula, which confer a right of one ordinary share for every option held.

Accounting Policy

The consolidated group operates equity-settled share-based payment employee share, performance rights, restricted share unit and option schemes. The fair value of the equity in which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares and restricted share units is ascertained as the market bid price at the time of issue. The fair value of performance rights is ascertained independently on the effective date of grant using a hybrid option pricing model, with the expected share price at the expiry date simulated using a Monte-Carlo model. The fair value of options is ascertained independently using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares, restricted stock units and options expected to vest is reviewed and, where expectations relate to non-market performance conditions, adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Key Estimates, Judgements and Assumptions

Share-based payment transactions, in the form of options, restricted share units and performance rights, are valued using the pricing models as outlined above. Models use assumptions and estimates as inputs.

Performance Rights on issue are as follows:

Grant Date	Class	Granted	Cancelled during the year[(i)]	Share consolidation	Lapsed to 30 June 2016 [(ii)]	Balance at 30 June 2016
28 November 2012	D	48,000,000	(23,000,000)	(24,375,000)	(625,000)	-
27 February 2015	D	2,000,000	(2,000,000)	-	-	-
29 May 2013	D	4,900,000	(4,900,000)	-	-	-
21 June 2013	D	4,000,000	(4,000,000)	-	-	-
28 November 2012	E	48,100,000	(23,000,000)	(24,472,500)	(627,500)	-
27 February 2013	E	2,000,000	(2,000,000)	-	-	-
29 May 2013	E	4,900,000	(4,900,000)	-	-	-
21 June 2013	E	4,000,000	(4,000,000)	-	-	-
28 November 2015	E	3,000,000	(3,000,000)	-	-	-
28 November 2012	F	48,200,000	(23,000,000)	(24,570,000)	-	630,000
27 February 2013	F	2,000,000	(2,000,000)	-	-	-
29 May 2013	F	4,900,000	(4,900,000)	-	-	-
21 June 2013	F	4,000,000	(4,000,000)	-	-	-
28 November 2015	F	3,000,000	(3,000,000)	-	-	-
Total		**183,000,000**	**(107,700,000)**	**(73,417,500)**	**(1,252,500)**	**630,000**

(i) Various Performance Rights previously issued were cancelled on 17 July 2015 and 4 August 2015. A total of 107,700,000 Pre-consolidation Performance Rights were cancelled.

(ii) The remaining Class D and Class E Performance Rights expired on 23 October 2015. A total of 1,252,000 Post-consolidation Performance Rights expired.

Performance Rights - Valuations and Assumptions

Tranche 1	Class F
Number on issue	630,000
Effective grant date	28 Nov 2012
Dividend yield	0.00%
Expected volatility	85%
Risk-free interest rate	2.63%
Exercise price	Nil
Expected life (years)	3.87
Share price on effective date of grant	A$0.041
Fair value on effective date of grant	A$0.022

All Performance Rights on issue are convertible into ordinary shares in Peninsula Energy Limited upon the achievement of performance hurdles, which confer a right of one ordinary share for every Performance Right held. Class F Performance Rights shall vest and convert to shares when the price of the Company’s shares as traded on the ASX is at least A$6.40 or more for 30 consecutive trading days and expire on 13 October 2016.

All equity transactions with specified directors and specified executives have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

24. LOSS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

(a) Reconciliation of earnings to loss	2016 US$000s	2015 US$000s
Loss	(3,529)	(4,430)
Earnings used to calculate basic and diluted EPS	(3,529)	(4,430)

(b) Weighted average number of ordinary shares outstanding during the year	2016 No.	2015 No.
Weighted average number of ordinary shares used in calculating basic and diluted EPS (post-consolidation)	174,916,373	126,123,397

All options on issue (Note 18) are considered anti-dilutive and thus have not been included in the calculation of diluted loss per share. These options could potentially dilute earnings per share in the future.

Earnings Per Share

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

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

25. CAPITAL, LEASING AND DELIVERY COMMITMENTS

	Consolidated Group	
	2016 US$000s	2015 US$000s
(a) Exploration Tenement Leases		
Payable - Exploration Tenement Leases (not later than one year)	**1,079**	**1,030**

The consolidated group has certain obligations with respect to mining tenements and minimum expenditure requirements on areas held. For exploration licence expenditures, commitments are only expected for the following year. Financial commitments for subsequent periods are contingent upon future exploration results and cannot be estimated.

	2016 US$000s	2015 US$000s
(b) Capital Commitments		
Payable – Equipment Items (not later than one year)	**-**	**10,508**

As part of the construction of the CPP, Strata had capital commitments to the building contractor, Trec Inc. at 30 June 2015 but nil at 30 June 2016 following completion of construction of the CPP during the year.

	2016 US$000s	2015 US$000s
(c) Office Building Lease		
Payable – Commercial Lease (not later than one year)	214	214
Payable – Commercial Lease (later than one year and not later than five years)	249	463
	463	**677**

On 8 August 2013, Peninsula completed a sale and lease back agreement of its Head Office premises in Perth. The lease agreement is for a term of five years on standard commercial terms.

	2016 US$000s	2015 US$000s
(d) Mobile Equipment Leases		
Payable –Operating Lease (not later than one year)	**71**	**71**

(e) U_3O_8 Delivery Commitments

As at 30 June 2016 Peninsula has 8,100,000 pounds of U_3O_8 remaining under contract for delivery to major utilities located in the United States and Europe.

In March 2016 the Company entered into a long term uranium concentrate sale and purchase agreement with a major European utility and nuclear industry leader, for the sale and purchase of 4,000,000 pounds of U_3O_8 from the Lance Projects over a 10 year period beginning at the end of 2020. The agreement contemplates increasing this to 50% of annual mine production from 2026 onwards.

In August 2015 Peninsula entered into two new uranium concentrate sale and purchase agreements with major United States power utilities. Deliveries of uranium concentrate commenced in 2016 and up to 1,935,000 pounds of U_3O_8 will be delivered by Peninsula under the new agreements.

Summary of Delivery Commitments over next five years:

Financial Year	Total Pounds U_30_8 Contractually Committed
2017	325,000
2018	450,000
2019	531,500
2020	540,500
2021	647,500

Accounting Policy

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Key Estimates, Judgements and Assumptions

Judgement is required to determine whether the consolidated group's U_3O_8 delivery commitments satisfy the "own-use exemption" contained within IAS 39. The standard applies to contracts to buy or sell a non-financial item that can be settled net in cash or in another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale, or usage requirements.

With the continued ramp-up of Lance Projects production, management is confident that all future delivery commitments will be met from internal production and meet the "own-use exemption" definition. Therefore, the commitments fall outside the scope of IAS 39 and no derivative has been recognised.

26. FINANCIAL RISK MANAGEMENT

The consolidated group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts receivable and payable, notes issued to debt providers, loans to subsidiaries, bills and leases.

Financial Risk Management Policies

The consolidated group manages its exposure to a variety of financial risks, market risk (including currency risk, commodity price risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk in accordance with the Audit and Risk Management Committee Charter and specific approved group policies. These policies are developed in accordance with the consolidated group's operational requirements. The consolidated group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessment of prevailing and forecast interest rates and foreign exchange rates. The consolidated group manages credit risk by only dealing with recognised, creditworthy third parties and liquidity risk is managed through the budgeting and forecasting process.

Specific Financial Risk Exposures and Management

The main risks the consolidated group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and equity price risk.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the consolidated group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for approval, granting and removal of credit limits, regular monitoring of exposures against such limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from invoice date.

Risk is also minimised by investing surplus funds in financial institutions that maintain a high credit rating.
Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the reporting date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The consolidated group has no significant concentration of credit risk with any single counterparty or group of counterparties. However, on a geographical basis, the consolidated group has significant credit risk exposures to the United States, South Africa, United Kingdom and Australia given the substantial operations in those regions. Details with respect to credit risk of Trade and Other Receivables are provided in Note 7. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 7.

Credit risk related to balances with banks and other financial institutions are managed in accordance with approved Board policy. The consolidated group's current investment policy is aimed at maximising the return on surplus cash, with the aim of outperforming the benchmark within acceptable levels of risk return exposure and to mitigate the credit and liquidity risks that the consolidated group is exposed to through investment activities.

The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	2016 US$000s	2015 US$000s
Cash and Cash Equivalents		
- A Rated	3,759	24,990
	3,759	24,990

(b) Liquidity Risk

Liquidity risk arises from the possibility that the consolidated group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The consolidated group manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The consolidated group's liquidity needs can be met through a variety of sources, including the issue of equity instruments and short or long term borrowings.

Alternative sources of funding in the future could include project debt financing and equity raisings, and future operating cash flow. These alternatives will be evaluated to determine the optimal mix of capital resources.

The following table details the consolidated group's non-derivative financial instruments according to their contractual maturities. The amounts disclosed are based on contractual undiscounted cash flows. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial Asset and Financial Liability Maturity Analysis

	Within 1 Year		1-5 Years		Over 5 Years		Totals	
	2016	2015	2016	2015	2016	2015	2016	2015
Financial Assets	US$000s	US$000s	US$000s	US$000s	US$000s	US$000s	US$000s	US$000s
Cash & cash equivalents	3,759	24,990	-	-	-	-	3,759	24,990
Trade and other receivables	3,672	2,872	3,117	-	-	-	6,789	2,872
Other financial assets	-	-	3	3	-	-	3	3
Total Financial Assets	**7,431**	**27,862**	**3,120**	**3**	**-**	**-**	**10,551**	**27,865**
Financial Liabilities								
Trade and other payables	3,164	2,835	-	-	-	-	3,164	2,835
Borrowings	19,191	204	537	702	155	197	19,883	1,103
Total Financial Liabilities	**22,355**	**3,039**	**537**	**702**	**155**	**197**	**23,047**	**3,938**

(c) Market Risk

(i) Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The consolidated group does not use derivatives to mitigate these exposures.

At the reporting date, the details of outstanding contracts are as follows:

	Effective Average Fixed Interest Rate			
	2016	2015	2016	2015
Maturity of Amounts	%	%	$	$
Less than 1 year	1.52	1.33	2,834	21,677
1 to 2 years	-	-	-	-
2 to 5 years	-	-	-	-
Total Financial Assets			**2,834**	**21,677**

	2016	2015	2016	2015
Maturity of Amounts	%	%	$	$
Less than 1 year	8.02	6.70	17,988	204
1 to 2 years	8.69	6.90	537	702
2 to 5 years	3.75	3.75	155	197
Total Financial Liabilities			**18,680**	**1,103**

(ii) Foreign Exchange Risk

The consolidated group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency of the relevant group company. The consolidated group's borrowings and deposits are largely denominated in US dollars. Currently there are no foreign exchange hedge programmes in place. However, the consolidated group treasury function manages the purchase of foreign currency to meet operational requirements.

As at 30 June 2016 the consolidated group's net exposure to foreign exchange risk was as follows:

	Currency	2016 $000s	2015 $000s
Functional currency of individual entity: AUD			
Net Foreign Currency Financial Assets			
Cash & cash equivalents	USD	3,256	22,182
Net Foreign Currency Financial Liabilities			
Borrowings	USD	(17,895)	-
Total net exposure	USD	(14,639)	22,182

The effect of a 10% strengthening of the USD against the AUD at the reporting date on the USD-denominated assets and liabilities carried within the AUD functional currency entity would, all other variables held constant, have resulted in an increase in post-tax loss for the year and decrease of net assets of US$1.46 million (2015: decrease in loss and increase in net assets of US$2.2 million).

(iii) Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors of commodities. The consolidated group is also exposed to securities price risk on investments held for trading or for medium or longer terms. The value of the consolidated group's investments, as detailed in Note 9, is not material enough to be considered a risk at the reporting date.

Fair Value

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

- Cash and short-term investments – the carrying amount approximates fair value because of their short term to maturity;
- Trade receivables and trade creditors – the carrying amount approximates fair value;
- Listed investments: for financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset adjusted for transaction costs necessary to realise the asset; and
- Other assets and liabilities approximate their carrying value.
- The fair value of non-current borrowings as disclosed in Note 16 approximately equals the carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below:

2016

Financial Assets	**Level 1 US$000s**	**Level 2 US$000s**	**Level 3 US$000s**	**Total US$000s**
Available-for-sale financial assets:				
- Listed investments[(i)]	3	-	-	3
Total Financial Assets	**3**	**-**	**-**	**3**
Financial Liabilities				
Borrowings:				
- Convertible Bridge Loan[(ii)]	-	-	14,883	14,883
Total Financial Liabilities	**-**	**-**	**14,883**	**14,883**

2015

Financial Assets	**Level 1 US$000s**	**Level 2 US$000s**	**Level 3 US$000s**	**Total US$000s**
Available-for-sale financial assets:				
- Listed investments	3	-	-	3
Total Financial Assets	**3**	**-**	**-**	**3**

(i) The fair value of the listed investments have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

(ii) The fair value of the Convertible Bridge Loan has been determined using the amounts drawn under the facility less establishment fees, less the estimated fair value of the equity component attributable to the conversion feature, which was valued using an option pricing model. The estimated fair value of the equity component was not considered material at 30 June 2016.

Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the consolidated group commits itself to either the purchase or sale of the asset (i.e., trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through the profit or loss', in which case transaction costs are expensed to profit and loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value or amortised cost using the effective interest rate method. Mortgages and finance leases are measured at amortised cost and all other financial instruments are measured at fair value. *Fair Value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised Cost is calculated as:

a) the amount at which the financial asset or financial liability is measured at initial recognition;
b) less principal repayments;
c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
d) less any reduction for impairment.

The consolidated group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost or fair value. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Available-for-sale financial assets include non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost or fair value.

(iv) Fair value

Fair value for financial assets is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Fair value for financial liabilities is determined by reference to comparable arm's length transactions or by reference to factors that would apply on an arm's length transaction. In determining fair value, the projected cash flow stream of the financial liability is escalated to a future date using the interest rate applicable to the financial liability instrument. Future cash flows are discounted back to present value using a discount rate that reflects the expected rate of return and level of risk inherent within each financial liability instrument.

(v) Impairment

At each reporting date, the consolidated group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit and loss and other comprehensive income.

(vi) Financial guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with IAS 18: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under IAS 18.

(vii) De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

27. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

Ultimate Parent Entity

Peninsula Energy Limited is the ultimate parent entity. The parent entity has related party transactions with its subsidiaries whereby the parent funds exploration, evaluation and development expenses, and general and administrative expenses incurred by its subsidiaries. These expenses are charged to the subsidiaries through inter-company loans.

Service Agreements

Peninsula Energy Limited charged its wholly owned subsidiaries, Tasman Pacific Minerals Limited and Strata Energy Inc, a management fee for the provision of corporate, financial management, administration and other services during the year. The total management fee charged was US$1,675,525 (2015: US$2,890,761).

In prior years, Peninsula Energy Limited charged a related party with a director in common, Indus Energy NL, for the provision of financial management and administrative functions. All prior charges were impaired at 30 June 2016 due to being unpaid and overdue, resulting in a write-down of US$96,136.

28. OPERATING SEGMENTS

The consolidated group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors and Managing Director / CEO (chief operating decision makers) in assessing performance and determining the allocation of resources. Segments are identified on the basis of area of interest. Financial information about each segment is provided to the chief operating decision makers on at least a monthly basis.

The consolidated group has three reportable operating segments as follows:

- Lance Uranium Projects, Wyoming USA;
- Karoo Uranium Projects, South Africa; and
- Corporate/Other.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless otherwise stated, all amounts reported to the Board of Directors and Managing Director / CEO, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the consolidated group.

(b) Inter-segment transactions

Corporate charges are allocated to reporting segments based on an estimation of the likely consumption of certain head office expenditure that should be used in assessing segment performance.

(c) Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives the majority asset economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(d) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of that segment. Borrowings and tax liabilities are generally considered to relate to the consolidated group as a whole and are not allocated. Segment liabilities include trade and other payables.

(e) Unallocated items

The following items of revenue, expenditure, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Net gains on disposal of available-for-sale financial investments;
- Impairment of assets and other non-recurring items of revenue and expense; and
- Other financial liabilities.

Segment Performance

30 June 2016	Lance Projects Wyoming, USA US$000s	Karoo Projects South Africa US$000s	Corporate/ Other US$000s	Total US$000s
Revenue and Other Income				
External sales	5,771	-	-	5,771
Cost of sales	(3,110)	-	-	(3,110)
Gross Profit	**2,661**	**-**	**-**	**2,661**
Inter-segment sales	-	-	3,128	3,128
Inter-segment interest	-	-	3,299	3,299
Interest revenue	5	1	38	44
Total Other Income	**5**	**1**	**6,465**	**6,471**
Inter-segment elimination	-	-	(6,427)	(6,427)
Total Revenue and Other Income	**5**	**1**	**38**	**2,705**
Expenses				
Depreciation and amortisation	(189)	(2)	(10)	(201)
Selling and marketing	-	-	(1,050)	(1,050)
Administration expenses	-	-	(3,836)	(3,836)
Allocated Segment Expenses	**(189)**	**(2)**	**(4,896)**	**(5,087)**
Unallocated				
Foreign exchange gain/(loss)	-	-	-	1,094
Other expenses	-	-	-	(1,644)
Finance costs	-	-	-	(597)
Loss after income tax	**-**	**-**	**-**	**(3,529)**
Segment Assets				
Exploration & evaluation	-	8,181	-	8,181
Development	110,737	-	-	110,737
Property, plant and equipment	24,604	4,451	46	29,101
Cash and cash equivalents	270	87	3,402	3,759
Trade and other receivables	6,050	223	516	6,789
Inventory	2,221	-	-	2,221
Other financial assets	-	-	3	3
Total Assets	**143,882**	**12,942**	**3,967**	**160,791**

30 June 2015	Lance Projects Wyoming, USA US$000s	Karoo Projects South Africa US$000s	Corporate/Other US$000s	Total US$000s
Revenue and Other Income				
Inter-segment sales	-	-	2,891	2,891
Inter-segment interest	-	-	1,980	1,980
Interest revenue	9	-	144	153
Other income	-	-	40	40
Total Revenue and Other Income	**9**	**-**	**5,055**	**5,064**
Inter-segment elimination	-	-	(4,871)	(4,871)
Total Revenue and Other Income	**9**	**-**	**184**	**193**
Expenses				
Depreciation and amortisation	(188)	(4)	(10)	(202)
Allocated Segment Expenses	**(188)**	**(4)**	**(10)**	**(202)**
Unallocated				
Administration expenses	-	-	-	(3,931)
Foreign exchange gain/(loss)	-	-	-	1,435
Other expenses	-	-	-	(1,278)
Finance costs	-	-	-	(647)
Loss after income tax	**-**	**-**	**-**	**(4,430)**
Segment Assets				
Exploration & evaluation	-	9,040	-	9,040
Development	91,758	-	-	91,758
Property, plant and equipment	7,668	5,443	32	13,143
Cash and cash equivalents	785	140	24,065	24,990
Trade and other receivables	1,922	280	670	2,872
Other financial assets	-	-	3	3
Total Assets - Restated	**102,133**	**14,903**	**24,770**	**141,806**

29. CONTINGENT LIABILITIES

In December 2013, the Company completed the acquisition of the South African uranium assets held by AREVA. As part of the commercial arrangements, an additional amount of US$45 million is to be paid to AREVA at the time that at least 50% of project development funding is secured. If 50% of project development funding is not secured within 25 years, no additional contingent payment is liable to be made. In order to achieve at least 50% of project development funding, additional exploration and delineation drilling is required, a bankable feasibility study needs to be completed and a mineral reserve to support the first five to seven years of mining operations is required. Until these activities are completed, it is improbable that this additional payment is required.

The Board is not aware of any other circumstances or information which leads them to believe there are any other material contingent liabilities outstanding as at 30 June 2016.

Key Estimates, Judgements and Assumptions

Amounts disclosed as contingent liabilities are judgements based on commercial arrangements entered into by the consolidated group. When making judgement on contingent liabilities, consideration is given the past or future event that gives rise to a possible liability in the future and to the probability that the liability will be actually required to be settled in the future. Under the terms of the agreement to acquire a 74% interest in Lukisa JV Company (Pty) Ltd, the Company may be liable in the future to make an additional payment of US$45 million to the vendor. After assessment of the conditions that would require this payment to be made in the future, the Company has judged that this possible future payment is a contingent liability as described above. Change in circumstances or the future attainment of objectives may cause liabilities that are currently assessed as being contingent to be reclassified as financial liabilities.

30. PARENT ENTITY INFORMATION

	2016 US$000s	2015 US$000s
Current assets	3,829	24,726
Total assets	**132,524**	**137,064**
Current liabilities	18,719	637
Total liabilities	**18,719**	**637**
Issued capital	184,073	181,013
Accumulated losses	(80,558)	(46,920)
Share-based payment reserve	12,601	12,478
Foreign currency translation reserve	(2,311)	(10,144)
Total equity	**113,805**	**136,427**
Profit/(loss) of parent entity	**(33,638)**	**(9,382)**
Other comprehensive income	-	-
Total comprehensive profit/(loss) of the parent entity	**(33,638)**	**(9,382)**

31. RETIREMENT BENEFIT OBLIGATIONS

(a) Superannuation

The parent contributes to a non-company sponsored or controlled superannuation fund. Contributions are made to an accumulation fund and are at least the minimum required by law. There is no reason to believe that funds would not be sufficient to pay benefits as vested in the event of termination of the fund on termination of employment of each employee.

32. CASH FLOW INFORMATION

(a) Reconciliation of cash flow from operations with loss after income tax	2016 US$000s	2015 US$000s
Loss after income tax	(3,529)	(4,430)
Non-cash flows in loss:		
Sale of fixed assets (gain)/loss	(63)	10
Depreciation (including depreciation charged to cost of sales)	743	202
Non-cash financing costs	554	325
Capitalised costs written off	-	39
Share-based payments expense	1,255	1,229
Salary Sacrifice Shares	-	22
Inventory NRV and impairment expense	452	-
Unrealised foreign exchange (gain)/loss	(1,094)	1,231
Change in assets and liabilities		
Decrease/(increase) in trade and other receivables relating to operating activities	(3,917)	(290)
Decrease/(increase) in inventories	(2,221)	-
(Decrease)/increase in trade and other payables	1,447	5
Increase in provisions relating to operating activities	21	17
Movement in trade and other payables relating to investment activities	1,657	(2,406)
Cash flow from operations	**(4,695)**	**(4,046)**

(b) Acquisition and disposal of entities

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

(c) Non cash investing and financing activities

During the financial year, Peninsula made a number of share-based payments, which are outlined at Note 23.

DIRECTORS' DECLARATION

For the year ended 30 June 2016

In accordance with a resolution of the Board of Directors, I state that:

In the opinion of the Directors:

(1) (a) the consolidated financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and accompanying notes are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated group's financial position at 30 June 2016 and of its performance for the year ended on that date;

(ii) complying with Accounting Standards and Corporations Regulations 2001; and

(iii) other mandatory professional reporting requirements.

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(c) the audited remuneration disclosures set out in the Remuneration Report of the Directors' Report for the year ended 30 June 2016 comply with section 300A of the *Corporations Act 2001*.

(2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2016.

(3) The consolidated group has included in the notes to the consolidated financial statements and explicit and unreserved statement of compliance with International Financial Reporting Standards.

On behalf of the Board

John Harrison
Non-Executive Chairman

Perth, 30 September 2016

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Peninsula Energy Limited

Report on the Financial Report

We have audited the accompanying financial report of Peninsula Energy Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Peninsula Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Peninsula Energy Limited is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report which describes the conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 31 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Peninsula Energy Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Wayne Basford

Director

Perth, 30 September 2016

ASX ADDITIONAL INFORMATION

a) Distribution of Shareholders (as at 29 September 2016)

Spread of Holdings	Number of Ordinary Shareholders	Number of Shares
1 - 1,000	3,376	1,326,755
1,001 - 5,000	2,707	6,887,782
5,001 - 10,000	784	5,774,883
10,001 - 100,000	1,175	33,423,536
100,001 - and over	126	130,810,753
TOTAL	**8,168**	**178,223,709**

b) Top Twenty Shareholders (as at 29 September 2016)

Name	Number of Ordinary Shares held	%
1. MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	38,204,376	21.53
2. CITICORP NOMINEES PTY LIMITED	22,551,759	12.71
3. NATIONAL NOMINEES LIMITED	13,968,811	7.87
4. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,170,552	6.86
5. J P MORGAN NOMINEES AUSTRALIA LIMITED	7,515,689	4.24
6. BNP PARIBAS NOMS PTY LTD	5,841,981	3.29
7. MR GULKESH TINKU SINGH KOONER	2,619,086	1.48
8. MR GAVIN MCPHERSON	1,729,222	0.97
9. ETCHELL CAPITAL PTY LTD	982,043	0.55
10. CCP TECHNICAL LIMITED	979,696	0.55
11. CITICORP NOMINEES PTY LIMITED	836,941	0.47
12. BNP PARIBAS NOMINEES PTY LTD	648,291	0.37
13. ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	594,692	0.34
14. BLOODSTONE LIMITED	555,556	0.31
15. MR WALLY MICHAEL YURYEVICH	524,875	0.30
16. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	516,370	0.29
17. KELLCO TECHNOLOGIES PTY LTD	492,313	0.28
18. EAGLE GROUP INVESTMENTS PTY LTD	475,738	0.27
19. MR REZA REZAZADEH VIND	475,000	0.27
20. SKEGGS GOLDSTIEN PLANNERS PTY LIMITED	470,000	0.26
Total Top 20	**112,152,991**	**62.93**
Other Shareholders	66,070,718	37.07
Total Ordinary Shares on Issue	**178,223,709**	**100.00**

The number of shareholders holding less than a marketable parcel of shares is 3,073, totalling 1,038,054 ordinary shares.

c) **Distribution of PENOD Option Holders (as at 29 September 2016)**

Spread of Holdings	Number of Ordinary Shareholders	Number of Options
1 - 1,000	874	266,018
1,001 - 5,000	397	905,565
5,001 - 10,000	109	803,443
10,001 - 100,000	132	3,197,698
100,001 - and over	17	38,160,712
TOTAL	**1,529**	**43,333,436**

d) **Top Twenty PENOD Option Holders (as at 29 September 2016)**

Name	Number of Ordinary Shares held	%
1. MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	18,887,802	43.59
2. CITICORP NOMINEES PTY LIMITED	5,751,997	13.27
3. J P MORGAN NOMINEES AUSTRALIA LIMITED	4,419,994	10.20
4. NATIONAL NOMINEES LIMITED	3,904,351	9.01
5. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,218,706	2.81
6. MR GAVIN MCPHERSON	1,001,252	2.31
7. CITICORP NOMINEES PTY LIMITED	808,851	1.87
8. MR KIRIL RUVINSKY	413,100	0.95
9. MR JOHN FREDERICK MASON & MRS CHRISTINE ANNE MASON	309,070	0.71
10. FORSYTH BARR CUSTODIANS LTD	306,131	0.71
11. MR NEVILLE HINRICHSEN & MRS ANNETTE HINRICHSEN	260,352	0.60
12. ETCHELL CAPITAL PTY LTD	186,984	0.43
13. MR ALAN EDWIN OLSEN	157,782	0.36
14. HABIBIE PTY LTD	153,125	0.35
15. MR PETER PAUL KOZLOWSKI	131,250	0.30
16. LSA DISTRIBUTORS (QLD) PTY LTD	129,965	0.30
17. MR WARREN RICHARD HUGHES	120,000	0.28
18. MR WALLY MICHAEL YURYEVICH	99,938	0.23
19. SKEGGS GOLDSTIEN PLANNERS PTY LIMITED	81,250	0.19
20. MR FREDERICK JOHN ABBEY & MRS SHIRLEY ANN ABBEY	75,000	0.17
Total Top 20	**38,416,900**	**88.64**
Other PENOD Option holders	4,916,536	11.36
Total PENOD Options on Issue	**43,333,436**	**100.00**

e) **Unlisted Options:**

There are 2,250,001 unlisted options over unissued shares on issue, in the class exercisable at $3.20 per share on or before 31 December 2017. There are two holders in this class of option. There are 319,747 unlisted options over unissued shares on issue, in the class exercisable at $1.52 per share on or before 1 December 2019. There are six holders in this class of option.

f) **Voting Rights**

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

g) **Schedule of Interests in Mining Tenements:**

Location/Project Name	Tenement	Percentage Held
South Africa (Tasman Pacific Minerals Limited)		
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) 168	74%
Karoo Uranium, South Africa	PR (WC) 170	74%
Karoo Uranium, South Africa	PR (WC) 177	74%
Karoo Uranium, South Africa	PR (WC) 178	74%
Karoo Uranium, South Africa	PR (WC) 179	74%
Karoo Uranium, South Africa	PR (WC) 180	74%
Karoo Uranium, South Africa	PR (WC) 187	74%
Karoo Uranium, South Africa	PR (WC) 188	74%
Karoo Uranium, South Africa	PR (WC) 207	74%
Karoo Uranium, South Africa	PR (WC) 208	74%
Karoo Uranium, South Africa	PR (WC) 228	74%
Karoo Uranium, South Africa	PR (WC) 257	74%
Karoo Uranium, South Africa	PR (EC) 07	74%
Karoo Uranium, South Africa	PR (EC) 08	74%
Karoo Uranium, South Africa	PR (EC) 09	74%
Karoo Uranium, South Africa	PR (EC) 12	74%
Karoo Uranium, South Africa	PR (EC) 13	74%
Karoo Uranium, South Africa	PR (NC) 330	74%
Karoo Uranium, South Africa	PR (NC) 331	74%
Karoo Uranium, South Africa	PR (NC) 347	74%

Fiji		
RakiRaki (Geopacific JV)	SPL 1231	50%
RakiRaki (Geopacific JV)	SPL 1373	50%
RakiRaki (Geopacific JV)	SPL 1436	50%

Location/Project Name	Tenement	Percentage
Wyoming, USA (Strata Energy Inc.)		
Private Land (FEE) – Surface Access Agreement	Approx 24,581 acres	100%
Private Land (FEE) – Mineral Rights	Approx 10,078 acres	100%
Federal Mining Claims – Mineral Rights	Approx 12,717 acres	100%
Hauber Federal Mining Claims – Mineral Rights	Approx 847 acres	100%
Federal – Surface Access – Grazing Lease	Approx 40 acres	
State Leases – Mineral Rights	Approx 10,690 acres	100%
State Leases – Surface Access	Approx 1,229 acres	
Strata Owned – Surface Access	Approx 320 acres	

This page has been left blank intentionally

This page has been left blank intentionally

This page has been left blank intentionally

PENINSULA ENERGY LIMITED