



PENINSULA ENERGY LIMITED

ABN 67 062 409 303

Prospectus

For the offer of up to 7,331,794 New Shares, 2 Convertible Notes and New Shares to be issued under the conversion of the principal component of the Convertible Notes (**Offer**)

IMPORTANT NOTICE

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

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

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

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

Legal Adviser to Peninsula

CLAYTON UTZ

Corporate Directory

Board of Directors

Mr John Harrison
Non-Executive Chairman

Mr John (Gus) Simpson
Managing Director

Mr Warwick Grigor
Non-Executive Director

Mr Richard Lockwood
Non-Executive Director

Mr Evgenij Iorich
Non-Executive Director

Mr Harrison Barker
Non-Executive Director

Mr Mark Wheatley
Non-Executive Director

Company Secretary

Mr Jonathan Whyte

Registered Office

Unit 17, Level 2, 100 Railway Road
Subiaco WA 6008

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Subiaco East WA 6008

Telephone: + 61 8 9380 9920
Facsimile: + 61 8 9381 5064

Website: www.pel.net.au

Share Registry

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152 St Georges Terrace
Perth WA 6000

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

Solicitors

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

Telephone: +61 8 9426 8000
Facsimile: + 61 8 9481 3095

Important notes

You should read this entire Prospectus carefully before deciding whether to invest in New Securities. In particular, you should consider the key risks that could affect the performance of the Company or the value of an investment in the Company, details of which are outlined in section 3 of this Prospectus.

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

Regulatory information

This Prospectus is dated 16 December 2016 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the content of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act (as modified by ASIC Legislative Instrument 2016/83). It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

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

Disclaimer

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

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

Forward-looking statements

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

In particular, this Prospectus details some important factors and risks that could cause the Company's actual results to differ from the forward-looking statements in this Prospectus (details of which are outlined in section 3 of this Prospectus).

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

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

Key risks

Subscribing for New Securities the subject of this Prospectus involves a number of risks. The risk factors set out in section 3 of this Prospectus and other general risks applicable to all investments in listed securities not specifically referred to may in the future affect the value of the Securities. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities or cannot otherwise be mitigated.

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

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

Risk	Details
Uranium mining risks	The Company's uranium projects are located in the United States and South Africa. Whilst exploration and mining for uranium is currently permitted in these countries, there is no guarantee that it will be permitted in the future.
Uranium recovery and processing	The operations of the Company may be affected by difficulties associated with recovering and extracting uranium from its uranium projects.
Operational risk	The operations of the Company may be affected by various factors. During the first 2 to 3 years of operations, forecasting production targets for uranium ISR mines has a higher degree of uncertainty than other mining methods due to the lack of historic operating information on flow rates and the rate at which uranium will leach into solution. No assurances can be given that the Company will achieve its commercial targets and that predicted production rates can be achieved, despite utilisation of established and proven processes and techniques.
Contentions raised against source material licence	The operations of the Company may be affected by contentions raised against a licence held by its subsidiary, Strata Energy.
Title risk	Interests in tenements in the United States and South Africa are governed by the respective State and Federal legislation and are evidenced by the granting of licences and leases. If a mining tenement is not renewed, the Company may suffer significant damage through the loss of the opportunity to develop and discover any mineral resources on the mining tenements.
Regulatory risk	The Company is exposed to any changes in the regulatory conditions under which it operates.
Resource estimates	Resource estimates are expressions of judgement based on knowledge, experience and industry practice. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change.
Foreign exchange risks	The Company and its Shareholders are exposed to the fluctuations and volatility of currency exchange rates.
Service providers, agents and contractors	There is a risk that the actions of agents, contractors and services providers used by the Company in any of its activities may have a negative impact on the Company.
Safety risk	The construction and operation of a uranium mining operation has the

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

In addition, there are a number of general risks that are common to all investments in shares and are not specific to the business model and operations of the Company. Further details regarding risks that may affect the Company in the future are set out in section 3.

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

Prospectus availability

The Lenders and the Tranche 2 Placees can obtain a copy of this Prospectus during the Offer Period on the Company's website at www.pel.net.au or by contacting the Company Secretary of the Company on +61 8 9380 9920 during the Offer Period. If you access the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic version of this Prospectus on the Company's website will not include a personalised Application Form. The Lenders and the Tranche 2 Placees will only be entitled to accept the Offer by completing and returning a personalised Application Form, which accompanies this Prospectus.

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

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

Restrictions on the Distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

Glossary

Terms and abbreviations used in this Prospectus are explained in the Glossary in section 8 of this Prospectus.

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

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

Governing law

This Prospectus is governed by the laws applicable in Western Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

Enquiries

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

If you have any enquiries regarding the Offer they should be directed to Jonathan Whyte, Company Secretary of the Company, on +61 8 9380 9920.

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Timetable

Lodgement of Prospectus with ASIC and ASX	9:00 am (AWST) 16 December 2016
Opening Date of Offer	9:00 am (AWST) 16 December 2016
Closing Date of Offer	5:00 pm (AWST) 21 December 2016

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

1. Details of the Offer

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

1.1 Purpose of the Offer

(a) Convertible Loan Facility

On 26 April 2016 and 14 October 2016, the Company entered into binding convertible bridge loan agreements with Resource Capital Fund VI L.P. (**RCF VI**) and Pala Investments Limited (**Pala**) pursuant to which RCF VI and Pala (together, the **Lenders**) have agreed (subject to Shareholder and other approvals) to provide the Company with the required funding support through a convertible loan facility (**Convertible Loan Facility**).

The Convertible Loan Facility comprises a subordinated second ranking secured convertible bridge loan of an aggregate US\$20 million, advanced by RCF VI and Pala proportionally to each entity's shareholding in Peninsula (RCF VI loan amount is US\$12.84 million and Pala loan amount is US\$7.16 million). Peninsula drew down US\$15 million (US\$9.63 million from RCF VI and US\$5.37 million from Pala) (**Initial Drawdown Amount**) on 22 April 2016 (**Initial Drawdown**). Peninsula drew down US\$5 million (US\$3.21 million from RCF VI and US\$1.79 million from Pala) (**Subsequent Drawdown Amount**) on 14 October 2016 (**Subsequent Drawdown**).

The Convertible Loan Facility is secured through the Lenders' accession to the existing security over the assets of Peninsula in Australia, the United States and the United Kingdom held by Investec Australia Ltd and Investec as part of a working capital facility signed in December 2015 (**Security**). The Lenders' security is subordinated to that held by Investec.

Current Convertible Note Terms

Shareholder approval was obtained on 28 November 2016 for the Company to offer, and each Lender to subscribe for, a Convertible Note to be issued on the below terms and for a face value equal to the principal amount outstanding to each Lender under the Convertible Loan Facility including interest which accrues from time to time (**Convertible Notes**). At any time from the date of drawdown to the date which is 12 months from drawdown of the Convertible Loan Facility, being 22 April 2017 (**Repayment Date**), the Lenders have the option to convert the principal component of the Convertible Notes to Shares in Peninsula at the price which is the lower of the following:

- A\$0.80 per Share; and
- the price of any equity raising carried out by the Company prior to the Repayment Date.

As announced to ASX on 8 December 2016, a placement of 17 million Shares was made to institutional and sophisticated investors at a price of A\$0.50 per Share, to raise A\$8.5 million. Accordingly, the conversion price as at the date of this Prospectus is A\$0.50 per Share.

Proposed amendments to the Convertible Loan Facility

The Lenders have agreed to an in principle variation of the above terms of the Convertible Loan Facility whereby the maturity date is extended by 12 months to 22 April 2018 and the conversion price is set at a fixed price of A\$0.625 per share (a premium of 25% over the Placement Price). The new set fixed price is an improvement of 25% from the conversion price that would otherwise have applied. The variation is subject to any necessary regulatory approvals (including shareholder approval, if required).

In consideration for the variation to the terms of the Convertible Loan Facility, Peninsula has agreed to a variation fee of 3.5% of the total Convertible Loan Facility amount (to be paid in cash or Shares at the election of the Lenders) and also to issue 5.38 million PENOD Options to RCF VI and 3 million PENOD options to Pala (**Variation Fee**).

Once the amendments to the Convertible Loan Facility have been effected, the Convertible Notes will be cancelled and new Convertible Notes with the amended terms set out above.

Interest

In addition, the Convertible Loan Facility accrues interest which is calculated and paid quarterly at a coupon rate of 8% per annum. Interest can be paid in cash or added to the Convertible Note principal and converted into Shares at the Lenders' election, in which case the issue price for Shares will be determined by the 5 day VWAP prior to the relevant quarter end. RCF VI and Pala informed the Company that they wished to receive payments of interest in respect of the quarters ended 30 June 2016 and 30 September 2016 in the form of Interest Conversion Shares, and RCF VI and Pala are otherwise yet to elect whether to receive future interest payments in cash or Shares.

The tranche of Interest Conversion Shares to be issued to the Lenders under this Prospectus in respect of the quarter ended 30 June 2016 was calculated on the basis of 5 day VWAP leading up to 30 June 2016 (being A\$0.4985) at the 30 June 2016 USD/AUD exchange rate of 0.7387 (**30 June Interest Shares**). The tranche of Interest Conversion Shares to be issued to the Lenders under this Prospectus in respect of the quarter ended 30 September 2016 was calculated on the basis of 5 day VWAP leading up to 30 September 2016 (being A\$0.5869) at the 30 September 2016 USD/AUD exchange rate of 0.7684 (**30 September Interest Shares**). Outstanding Interest Shares to be issued to the Lenders for the quarters ended 31 December 2016 and 31 March 2017 have been calculated using an assumed A\$0.60 per Share (**Outstanding Interest Shares**).

Arrangement Fee

The Lenders are entitled to an arrangement fee of 2% of the total proceeds of the Convertible Loan Facility, to be paid in cash or Shares (at the Lenders' election) at a price that is the lower of the 5 day VWAP or A\$0.80 per Share. At Pala's election, the Company has paid its proportion of the arrangement fee in cash for the Initial Drawdown. RCF VI has informed the Company that it wishes to receive its portion of the arrangement fee in Shares, being up to 473,611 Shares (**RCF Arrangement Fee Shares**). Pala has informed the Company that it wishes to receive its portion of the arrangement fee in Shares for the Subsequent Drawdown, being up to 85,029 Shares (**Pala Arrangement Fee Shares**).

The 30 June Interest Shares, 30 September Interest Shares, RCF Arrangement Fee Shares, Pala Arrangement Fee Shares and the Convertible Notes are being offered by the Company to the Lenders and issued with disclosure pursuant to this Prospectus compliant with section 713 of the Corporations Act (as modified by ASIC Legislative Instrument 2016/83). The Outstanding Interest Shares and Loan Conversion Shares will be issued to the Lenders on conversion of the Convertible Notes without disclosure and their on-sale by the Lenders will be permitted without disclosure pursuant to section 707(3) and (4) of the Corporations Act (as modified by ASIC Legislative Instrument 2016/80).

(b) Section 708A(11) Corporations Act

This Prospectus has also been issued to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date of the Offer.

Relevantly, Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- a. the relevant securities are in a class of securities that are quoted securities of the body; and
- b. either:
 - i. a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - ii. a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- c. the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

On 4 August 2016 the Company issued 979,696 Shares to CCP Technical Limited, a nominee for Concentrate Capital Partners Limited (**CCP**) in consideration for CCP assuming full responsibility for payment to DRA Projects SA (Pty) Ltd for services provided under the Pre-Feasibility Study at the Karoo Projects in South Africa.

On 23 September 2016 783,490 Shares (**Restricted Share Units or RSUs**) were issued to the Trustee under the Company's Long Term Incentive Plan to hold on trust for key management personnel. The trading restrictions applicable to the RSUs will cease to apply over a three year period following the date of earning, with one third being released from the restrictions each year. Grants of RSUs each year are subject to the achievement of Board approved performance objectives.

On 23 September 2016 37,500 Shares were issued to a Company staff member under an existing employment contract.

Placement

As announced to the ASX on 8 December 2016, the Company entered into agreements to raise A\$8.5 million through the issue of 17 million new Shares (**Placement**) at A\$0.50 cents per Share (**Placement Price**).

The Placement was made primarily to institutional and sophisticated investors, including existing cornerstone investors RCF VI and Pala. RCF VI subscribed for 6.6 million Shares (A\$3.3 million) and Pala subscribed for 3.6 million Shares (A\$1.8 million).

Numis Securities Limited (**Numis**) and Hartleys Limited (**Hartleys**) were appointed Joint Lead Managers and Bookrunners to the Placement.

The funds raised pursuant to the Placement and SPP (if ASIC relief is granted to conduct the SPP) will be used for the construction and roll-out of additional header houses (header houses #8 to #10) at the Lance Projects (A\$5.6 million), for working capital purposes, including costs of the Placement, and/or to repay debt drawn on the Investec revolving loan facility which is currently drawn to US\$3.5 million (A\$4.8 million).

14.3 million Shares were issued on 16 December 2016 (**Tranche 1 Placement Shares**). The remaining 2.7 million Shares (**Tranche 2 Placement Shares**) are expected to be issued to the placees (**Tranche 2 Placees**) on or before Wednesday 21 December 2016.

This Prospectus seeks to remove any trading restrictions attached to the Tranche 1 Placement Shares issued by the Company, and the Tranche 2 Placement Shares are offered with disclosure pursuant to this Prospectus and the Offer.

Share Purchase Plan

Peninsula intends (subject to being granted relief by ASIC under Class Order [CO 09/425]) to also undertake a Share Purchase Plan (**SPP**) to offer eligible shareholders the opportunity to subscribe for Shares at the same price as the Placement. The SPP is targeting to raise up to A\$5 million at a price of \$0.50 per Share. Under the intended SPP, Shareholders would be able to subscribe for up to \$15,000 of fully paid ordinary Shares in the Company.

Subject to receiving Class Order [CO 09/425]) relief, Peninsula intends to distribute further details of the SPP including an SPP Offer Booklet and SPP application form to eligible Shareholders shortly. No brokerage fee would be payable on any SPP subscription by subscribing Shareholders.

1.2 Overview of the Offer

(a) Initial Convertible Loan Facility

Under the initial terms of the Convertible Notes, Lenders have the option to convert the Convertible Notes into:

- a. Loan Conversion Shares, at the price which is the lower of the following:
 - A\$0.80 per Share; and
 - the price of any equity raising carried out by the Company prior to the Repayment Date.
- b. Interest Conversion Shares, quarterly, at an issue price determined by the 5 day VWAP prior to the relevant quarter end.

If RCF VI elects to convert its Convertible Note (**RCF VI Note**) into Shares, based on the current conversion price of A\$0.50 per Share and assuming a USD/AUD exchange rate of 0.73 (and assuming a USD/AUD exchange rate of 0.7387 at 30 June 2016 and 0.7684 at 30 September 2016 for the interest Shares) and including the 30 June Interest Shares, 30 September Interest Shares, Outstanding Interest Shares and RCF Arrangement Fee Shares, RCF VI would be entitled to be issued a total of 38,064,150 Shares.

If RCF VI elects to convert the RCF VI Note, based on a conversion price of A\$0.60 per Share and applying a 25% contingency and assuming a USD/AUD exchange rate of 0.73 (and assuming a USD/AUD exchange rate of 0.7387 at 30 June 2016 and 0.7684 at 30 September 2016 for the interest Shares) and including the 30 June Interest Shares, 30 September Interest Shares, Outstanding Interest Shares and RCF Arrangement Fee Shares, RCF VI would be entitled to be issued a total of 43,858,643 Shares. This represents the maximum number of Shares for which Shareholder approval was obtained on 28 November 2016.

If Pala elects to convert its Convertible Note (**Pala Note**) into Shares, based on the current conversion price of A\$0.50 per Share and assuming a USD/AUD exchange rate of 0.73 (and assuming a USD/AUD exchange rate of 0.7387 at 30 June 2016 and 0.7684 at 30 September 2016 for the interest Shares) and including the 30 June Interest Shares, 30 September Interest Shares, Outstanding Interest Shares and Pala Arrangement Fee Shares, Pala would be entitled to be issued a total of 21,046,710 Shares.

If Pala elects to convert the Pala Note, based on a conversion price of A\$0.60 per Share and applying a 25% contingency and assuming a USD/AUD exchange rate of 0.73 (and assuming a USD/AUD exchange rate of 0.7387 at 30 June 2016 and 0.7684 at 30 September 2016 for the interest Shares) and including the 30 June Interest Shares, 30 September Interest Shares, Outstanding Interest Shares and Pala Arrangement Fee Shares, Pala would be entitled to be issued a total of 24,265,215 Shares. This represents the maximum number of Shares for which Shareholder approval was obtained on 28 November 2016.

Under the Offer, the Company invites the Lenders to apply for up to 4,631,794 Shares and 2 Convertible Notes as detailed in section 1.3, comprising the RCF Arrangement Fee Shares, RCF and Pala Interest Conversion Shares.

(b) Proposed amendments to the Convertible Loan Facility

Under the proposed variation to the terms of the Convertible Loan Facility, Lenders have the option to convert the Convertible Notes into:

- a. Loan Conversion Shares, at a fixed price of A\$0.625 per Share (a premium of 25% over the Placement Price); and
- b. Interest Conversion Shares, quarterly, at an issue price determined by the 5 day VWAP prior to the relevant quarter end.

If RCF VI elects to convert its replacement Convertible Note (**RCF VI Replacement Note**) into Shares, based on a conversion price of A\$0.625 per Share and assuming a USD/AUD exchange rate of 0.73 (and assuming a USD/AUD exchange rate of 0.7387 at 30 June 2016 and 0.7684 at 30 September 2016 for the interest Shares) and including the 30 June Interest Shares, 30 September Interest Shares, Outstanding Interest Shares, RCF Arrangement Fee Shares and if RCF elected to take the Variation Fee in Shares (including conversion of PENOD Options), RCF VI would be entitled to be issued a total of 40,438,592 Shares.

If Pala elects to convert its replacement Convertible Note (**Pala Replacement Note**) into Shares, based on a conversion price of A\$0.625 per Share and assuming a USD/AUD exchange rate of 0.73 (and assuming a USD/AUD exchange rate of 0.7387 at 30 June 2016 and 0.7684 at 30 September 2016 for the interest Shares) and including the 30 June Interest Shares, 30 September Interest Shares, Outstanding Interest Shares, Pala Arrangement Fee Shares and if Pala elected to take the Variation Fee in Shares (including conversion of PENOD Options), Pala would be entitled to be issued a total of 22,370,714 Shares.

The maximum number of Shares that may be issued to RCF VI (40,438,592) and Pala (22,370,714) under the proposed Amended Convertible Loan Facility is less than the maximum number of Shares approved by Shareholders on 28 November 2016 that may otherwise be issued to RCF VI and Pala under the Existing Convertible Loan Facility.

(c) Applications

The Offer is only extended to the Lenders and, in respect of the offer of the Tranche 2 Placement Shares, the Tranche 2 Placees. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

1.3 Effect of the Offer

The effect of the Offer on the capital structure of the Company is set out below:

Shares	
Shares on issue at date of this Prospectus	192,523,709 ¹
Issue of maximum number of New Shares under the Offer	70,823,858 ²
Total Shares on issue after completion of the Offer	263,347,567
Options	
PENOD Options on issue as at the date of this Prospectus	43,333,346
Unquoted Options on issue as at the date of this Prospectus	2,569,748
Total Options on issue after completion of the Offer	45,903,094

¹ Shares on issue are inclusive of the Tranche 1 Placement Shares.

² The maximum number of New Shares that may be issued as a result of the Offer for which Shareholder approval was obtained on 28 November 2016, assuming the Convertible Notes are converted in full and the Loan Conversion Shares are issued at an issue price of A\$0.60 (with a further 25% contingency applied) and the Interest Conversion Shares are issued at an issue price of A\$0.4985 for the 30 June Interest Shares and A\$0.5869 for the 30 September Interest Shares, consists of:

	RCF VI	Pala	Other	Total
Issue of Loan Conversion Shares	40,761,905	22,730,159		63,492,064
Issue of Interest Conversion Shares	2,638,167	1,471,127		4,109,294
Issue of Arrangement Fee Shares	458,571	63,929		522,500
Total (up to)	43,858,643	24,265,215		68,123,858
USD/AUD exchange rate	0.73	0.73		
Conversion price	A\$0.60 ¹	A\$0.60 ¹		
Issue of Tranche 2 Placement Shares			2,700,000	2,700,000
Total				70,823,858

¹ A further 25% contingency was applied to this conversion price to determine the maximum number of Shares that may be issued upon conversion of the Convertible Notes.

1.4 Effect on the Company's financial position

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

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

Pro-forma Statement of Financial Position

Set out below is the audited Statement of Financial Position for the Company as at 30 June 2016, an unaudited Statement of Financial Position as at 31 October 2016 and an unaudited pro-forma Statement of Financial Position as at 31 October 2016 showing the financial position of the Company following the Offer.

The pro-forma Statement of Financial Position illustrates the effect of the Offer on the Company. It has been prepared based on the audited Statement of Financial Position as at 30 June 2016, adjusted for certain events that have occurred after the balance date. It is not intended to represent the financial position of the Company upon completion of the Offer. It is provided as an illustration of the effect of the Offer. The actual impact on the Company is dependent on a range of factors, many of which are outside the control of the Company.

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

	Actual Audited 30 Jun16 US\$'000	Proforma Unaudited 31 Oct 16 US\$'000	Effect of Offer ¹ US\$'000	Proforma Unaudited Post Drawdown 31 Oct 2016 US\$'000
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ASSETS

CURRENT ASSETS

Cash and cash equivalents	3,759	2,115	1,000	3,115
Trade and other receivables	3,672	4,129		4,129
Inventory	2,221	7,590		7,590
TOTAL CURRENT ASSETS	9,652	13,834	1,000	14,834

NON-CURRENT ASSETS

Trade and other receivables	3,117	-		-
Property, plant and equipment	29,101	29,343		29,343
Mineral exploration and evaluation	8,181	9,224		9,224
Mineral development	110,737	115,143		115,143
Other financial assets	3	3		3
TOTAL NON-CURRENT ASSETS	151,139	153,713		153,713

TOTAL ASSETS	160,791	167,547	1,000	168,547
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LIABILITIES

CURRENT LIABILITIES				
Trade and other payables	3,164	3,762	(904)	2,858
Borrowings	17,988	24,158	(20,000)	4,158
Deferred Revenue	1,119	381		381
Provisions	70	87		87
TOTAL CURRENT LIABILITIES	22,341	28,388	(20,904)	7,484
NON-CURRENT LIABILITIES				
Borrowings	692	1,137		1,137
Provisions	5,234	5,234		5,234
TOTAL NON-CURRENT LIABILITIES	5,926	6,371		6,371
TOTAL LIABILITIES	28,267	34,759	(20,904)	13,855
NET ASSETS	132,524	132,788	21,904	154,692
EQUITY				
Issued capital	184,073	184,667	21,904	206,571
Reserves	3,237	4,338		4,338
Accumulated losses	(55,890)	(57,413)		(57,413)
Equity attributable to Parent	131,420	131,592	21,904	153,496
Non-controlling interest	1,104	1,196		1,196
TOTAL EQUITY	132,524	132,788	21,904	154,692

¹ The Effect of the Offer assumes conversion of the Convertible Notes as at 31 October 2016 and excludes future interest not yet incurred.

1.5 Opening and Closing Date

The Opening Date of the Offer will be 16 December 2016 and the Closing Date will be 5.00pm (AWST) on 21 December 2016. Subject to the terms of the Convertible Loan Facility, the Directors reserve the right to close the Offer early or extend the Closing Date in their discretion.

1.6 Application for Shares

Applications for New Shares and (as applicable) Convertible Notes must only be made by the Lenders and the Tranche 2 Placees and must be made using the Application Form accompanying this Prospectus.

Completed Application Forms must be mailed or delivered in the manner specified on the Application Form so that they are received no later than the Closing Date.

1.7 Minimum Subscription

There is no minimum subscription for the Offer.

1.8 **Underwriting**

The Offer is not underwritten.

1.9 **ASX Listing**

Application for Official Quotation by ASX of the New Shares offered pursuant to this Prospectus will be made as soon as possible and in any event within 7 days after the date of this Prospectus.

The fact that ASX may grant Official Quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

No application will be made for the Convertible Notes to be listed on ASX.

1.10 **Issue of Shares and Convertible Notes**

The issue of New Securities offered under the Offer will take place as soon as practicable after the Closing Date.

Holding statements for New Securities issued under the Offer will be despatched to the Lenders and the Tranche 2 Placees in accordance with the requirements of the ASX Listing Rules.

1.11 **Restrictions on the distribution of the Prospectus**

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

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

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

It is the responsibility of any Applicant to ensure compliance with any laws of the country relevant to their Application. Return of a duly completed Application Form and/or payment of Application Money will be taken by the Company to constitute a representation that there has been no breach of such laws. This document does not constitute an offer of New Securities of the Company in any jurisdiction in which it would be unlawful. New Securities may not be offered or sold in any country outside Australia except to the extent permitted below.

1.12 **ASX waivers and ASIC relief**

The Company has confirmed that no waivers from the ASX Listing Rules are required in relation to the Offer. The Company has not applied for any specific ASIC relief in order to conduct the Offer. This Prospectus has been prepared with disclosure in accordance with section 713 of the Corporations Act (as modified by ASIC Legislative Instrument 2016/83) thereby removing any trading restrictions on the sale of any Shares issued by the Company on conversion of the Convertible Notes pursuant to section 707(3) and (4) of the Corporations Act (as modified by ASIC Legislative Instrument 2016/80).

1.13 Expenses of the Offer

The expenses of the Offer are estimated to be approximately A\$82,500 (excluding GST) and are expected to primarily comprise of ASIC filing fees and prospectus preparation fees. The estimated expenses will be paid out of the Company's existing working capital.

1.14 ASX listing

The anticipated date of commencement of Official Quotation of the New Shares issued in accordance with this Prospectus to RCF VI and Pala is 19 December 2016, and to the Trance 2 Places is 22 December 2016, subject to ASX's discretion and compliance with the ASX Listing Rules. The fact that ASX may grant Official Quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares or Convertible Notes now offered for subscription.

1.15 Effect on control

Below is a summary of the effect on the total number of Shares in the Company each of RCF VI and Pala will have a relevant interest in (and voting power) following the issue of New Shares under the Offer and assuming the Convertible Notes are converted in full.

	Before the Offer		Post Offer and conversion (Existing Convertible Note terms) (if fully converted at A\$0.50, all interest is paid in Shares and the RCF and Pala arrangement fee is paid in Shares)		Post Offer and conversion (if Convertible Note is amended) (if fully converted at A\$0.625, all interest is paid in Shares and the RCF and Pala arrangement fee is paid in Shares)		Post Offer and conversion (maximum approved by Shareholders on 28 November 2016) (if fully converted at A\$0.60 with a further 25% contingency applied all interest is paid in Shares and the RCF and Pala arrangement fee is paid in Shares)	
	# of Shares	%	# of Shares ¹	%	# of Shares ¹	%	# of Shares ¹	%
RCF VI	44,709,200	23.2	82,773,350	32.6	85,147,792	33.0	88,567,843	33.6
Pala	24,867,898	12.9	45,914,608	18.1	47,238,612	18.3	49,133,113	18.7
Other Shareholders	122,946,611	63.9	125,646,611	49.3	125,646,611	48.7	125,646,611	47.7
Total	192,523,709	100	254,334,569	100	258,033,015	100	263,347,567	100

Note: The figures in the above table have been calculated based on conversion prices of A\$0.50 per Loan Conversion Share, A\$0.625 per Amended Loan Conversion Share, and A\$0.60 per Loan Conversion Share (with a further 25% contingency applied), A\$0.4985 per 30 June Interest Conversion Share, A\$0.5869 per 30 June Interest Conversion Share, A\$0.60 per Outstanding Interest Conversion Share, Options on issue are exercised, no other Shares are issued by the Company and RCF VI's and Pala's shareholding in the Company does not change.

¹ Assumed USD/AUD exchange rate of 0.73 with the exception of the 30 June Interest Shares (0.7387) and 30 September Interest Shares (0.7684)

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

Further details regarding the relevant interests of substantial holders is set out in section 6.5.

1.16 **Withdrawal of the Offer**

Subject to the terms of the Convertible Loan Facility, the Company reserves the right to withdraw the Offer at any time, in which case the Lenders may by notice to the Company declare all amounts owing to the Lenders under the Convertible Loan Facility to be immediately due and payable.

1.17 **CHESS**

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

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

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

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

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

1.18 **Enquiries**

If you have any enquiries regarding the Offer they should be directed to Jonathan Whyte, Company Secretary of the Company, on +61 8 9380 9920.

2. Company information

2.1 Board of Directors

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

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

Mr John 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. Following a successful career in the Lloyd's reinsurance market, Mr Harrison joined the investment banking industry and was Managing Director in the Corporate Finance division at Numis Securities Ltd where he 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. Mr Harrison subsequently became Chairman (UK) of international advisory and broking firm RFC Ambrian Limited before retiring in 2015. He is Non-Executive Chairman of UK coking coal development company West Cumbria Mining PLC.

Mr John (Gus) Simpson
Managing Director/CEO

Mr Simpson is both a Science and Arts graduate from Curtin University, Western Australia. He has been the CEO/Board Member of Peninsula since August 2007 and has overseen its transition from junior explorer to uranium producer in this period. Mr Simpson has over 25 years of experience in the management of listed mineral companies and has had a 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, Tanganyika Gold Limited and Namibian Copper NL. Mr Simpson brings a high level of industry knowledge, strategic ability and commercial expertise to the company. He is also Non-Executive Chairman of ASX listed Indus Energy NL.

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 Sydney to undertake a 10 year stint as a mining analyst with stockbrokers. He retired from County NatWest Securities in 1991 to found Far East Capital Limited with Andrew Forrest that was established as a specialist mining company financier and corporate adviser. Mr Grigor was later a founding partner and Executive Chairman of Canaccord Genuity Australia Limited, an Australian based stockbroking organisation with offices in Melbourne, Sydney and Hong Kong, owned 50% by Canaccord Genuity Limited. He retired from Canaccord in 2014 to resume management of Far East Capital Limited. Mr Grigor's research knowledge and market intelligence gives Peninsula a strong strategic direction.

Mr Evgenij Iorich
Non-Executive Director

Mr Iorich is currently Portfolio Manager at Pala Investments Limited 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.

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, Nevada Copper and TSX-V-listed Asian Mineral Resources.

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 Guandong Nuclear Power Corporation in 2012 for US\$2 billion delivering substantial value to the shareholders of both companies.

Mr Harrison Barker
Non-Executive Director

Harrison (Hink) Barker retired June 1, 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 Resources' procurement of nuclear fuel and the related processing steps of conversion from U3O8 to UF6, enrichment of UF6, and fabrication of nuclear fuel assemblies.

Mr Barker 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 2 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 Mr Barker 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 Resources Inc. 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 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. He has worked in the uranium industry since 2003 and been involved in ISR project exploration, 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, Non-Executive Director of Uranium One Inc. and Uranium Resources Inc. He is currently Non-Executive Chairman of Xanadu Mines Ltd.

2.2 Directors' interests

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

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

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

	# of Shares	%	# of Options
Mr John Harrison	20,000	0.01	47,849
Mr John Simpson	2,509,931	1.41	362,062
Mr Warwick Grigor	394,125	0.22	114,940
Mr Evgenij Iorich	Nil	Nil	47,849
Mr Richard Lockwood	Nil	Nil	73,614
Mr Harrison Barker	Nil	Nil	54,737
Mr Mark Wheatley	Nil	Nil	Nil

Directors' fees

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

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

Name	Remuneration			
	Year ended 30 June 2016		Year ended 30 June 2015	
	Short term ¹ US\$	Long term ² US\$	Short term ¹ US\$	Long term ² US\$
Mr Richard Lockwood	68,582	29,132	N/A	N/A
Mr John Simpson	656,079	733,965	596,736	116,446
Mr Warwick Grigor	59,768	23,387	32,671	19,408
Mr Evgenij Iorich	47,340	18,936	12,432	-
Mr John Harrison ³	51,588	20,957	24,864	932
Mr Harrison Barker ³	67,044	18,936	N/A	N/A
Mr Mark Wheatley ³	9,502	-	N/A	N/A

Notes:

1. Short term remuneration includes cash, fees, salary and superannuation payments, leave entitlements and Shares issued in lieu of cash payments, including Shares issued under the Company's salary sacrifice program.
2. Long term remuneration includes share based payments being:
 - (i) For Mr Simpson - the issue of 555,556 ordinary Shares on 23 October 2015 as approved by shareholders at the Extraordinary General Meeting held on 24 September 2015 and also amounts for short term incentives and long term incentives for the financial year ended 30 June 2016 that were not paid until subsequent to year end.
 - (ii) For Messrs Lockwood, Grigor, Iorich, Harrison and Barker - the issue of unlisted Options exercisable at A\$1.52 expiring on 1 December 2019 as approved by Shareholders at the Extraordinary General Meeting held on 24 September 2015 and also at the Annual General Meeting held on 19 November 2015.
3. Messrs Harrison, Barker and Wheatley were all appointed subsequent to 30 June 2015.

The Constitution of the Company provides that the Non-Executive Directors shall be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company, to be divided among themselves and in default of agreement then in equal shares (**Remuneration Pool**). The Remuneration Pool shall not be increased except pursuant to a resolution passed at a general meeting of the Company (the total Remuneration Pool currently being A\$550,000). In addition, no Director shall be paid as whole or part of his remuneration a commission on or percentage of operating revenue.

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

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

3. Risk factors

3.1 Introduction

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

There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance and position of the Company and the outcome of an investment in the Company. Investors should consider the summary risk factors set out in this section 3 of this Prospectus when evaluating the Company and deciding whether to apply for New Securities.

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

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

3.2 Company-specific risks

(a) Uranium mining risks

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

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

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

(b) Uranium recovery and processing

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

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

(c) Operational risk

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

industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

During the first 2 to 3 years of operations, forecasting production targets for uranium ISR mines has a higher degree of uncertainty than other mining methods due to the lack of historic operating information on flow rates and the rate at which uranium will leach into solution. The Company bases its forward production targets on assumptions considered reasonable at the time that production targets are estimated, however, until an ISR project has a number of years of historical operating history, actual results may differ from forecasts.

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

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

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

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

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

In January 2015, a three-judge panel of the ASLB concluded that each of the three admitted contentions submitted by the Joint Intervenors were without merit and the proceeding was terminated in favour of Strata Energy and the NRC staff, with one limited exception. In February 2015, the Joint Intervenors appealed the ASLB decision to the four-member NRC.

In July 2016 the Commissioners of the NRC ruled in favour of the Company and denied a petition to appeal by the Joint Intervenors. In denying the petition to appeal the previous dismissal, the NRC Commissioners have reiterated that the Joint Intervenors are unable to substantiate the claims upon which the contentions are based. The Joint Intervenors retain the right to further appeal the findings through the United States Federal Court.

(e) **Title risk**

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

In the United States, mineral and access rights are held by the Company; with surface ownership comprised of deeded agreements with private landowners, the State of Wyoming and Federal lands managed by the United States Department of Interior Bureau of Land Management.

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

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

(f) **Regulatory risk**

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

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

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

(g) **Resource estimates**

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

There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be

inaccurate and require adjustment. Adjustments to resource estimates could affect the Company's future plans, and its financial performance.

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

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

(h) **Foreign exchange risks**

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

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

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

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

(j) **Safety risk**

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

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

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

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

(k) **Additional requirements for capital**

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

(l) **Operating history**

While members of the Company's management team possess significant experience and have previously carried out or been exposed to exploration and production activities both within and outside the uranium industry, operations only commenced in December 2015 and therefore the Company has a limited operating history with respect to uranium projects. Its ability to achieve its objectives depends on the ability of its Directors, officers and management to implement current plans and respond to any unforeseen circumstances that require changes to those plans.

(m) **Reliance on key management**

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

3.3 **Industry-specific risks**

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

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

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

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

(b) **Risks associated with proposed rule changes by the United States Environmental Protection Agency**

In January 2015, the United States Environmental Protection Agency (**US EPA**) issued proposed revisions to regulations promulgated in 40 Code of Federal Regulations, or CFR, Part 192 under the Uranium Mill Tailings Radiation Control Act of 1978. The proposed rule would revise the US EPA's regulations for in-situ recovery that produce uranium by injecting and extracting a solution that dissolves the uranium from the porous minerals in which it is found. In-situ uranium production represents an increasing share of uranium production and poses special groundwater protection challenges compared with conventional uranium production because, according to the US EPA, it solubilizes and mobilizes uranium and other constituents and changes the geochemistry within the aquifer containing the uranium deposit. If geochemistry and groundwater conditions are not restored after in-situ operations cease or the restoration is not stable over time, the groundwater in aquifers surrounding the wellfield may become contaminated with uranium and other constituents. Part 192.53 of the proposed rule would require in-situ uranium mine operators to implement a groundwater monitoring program that will: (i) establish pre-mining water quality; (ii) monitor during mine unit operations to detect groundwater impacts; (iii) monitor the progress of groundwater restoration after the mine unit is no longer operating; (iv) monitor aquifer conditions after restoration and during the stabilization process; and (v) provide for long-term monitoring of groundwater conditions (the US EPA has proposed 30 years) after stabilization. In addition, the rules would require mine operators to maintain the necessary facilities to resume restoration activities during the entire long-term monitoring period should groundwater conditions deteriorate. The effect of this proposed rule change, if implemented, would significantly increase annual compliance costs and the Company's closure costs incurred.

The passage of the proposed rule change would adversely affect the feasibility of conducting the Company's planned operations and its financial performance. The Company, along with other uranium in-situ mining companies in the United States, have made submissions to the US EPA strenuously arguing that the proposed rule should not be implemented; however, there can be no assurance that these submissions will be successful in preventing the proposed rule change from being passed

(c) **Environmental risk**

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

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

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

(d) **Exploration risks**

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

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

(e) **Insurance risk**

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

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

3.4 **General risks**

(a) **Economic risk**

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

(b) **Market conditions**

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

The marketability of uranium and acceptance of uranium mining is subject to numerous factors beyond the control of the Company. The price of uranium may experience volatile and significant price movements over short periods of time. Factors known to affect the market and the price of uranium include demand for nuclear power; political and economic conditions in uranium mining, producing and consuming countries; costs; interest rates, inflation and currency exchange fluctuations; government regulations; availability of financing for nuclear plants, reprocessing of spent fuel and the re-enrichment of depleted uranium tails or waste; sales of excess civilian and military inventories (including from the dismantling of nuclear weapons) by governments and industry participants; production levels and costs of production in certain geographical areas such as Russia, Africa, and Australia; and changes in public acceptance of nuclear power generation as a result of any future accidents or terrorism at nuclear facilities.

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

(c) **Litigation**

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

3.5 Investment speculative

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

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

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

4. Rights of the New Shares

The following is a summary of the more significant rights attaching to the New Shares being offered pursuant to this Prospectus and to the Loan Conversion Shares, Arrangement Fee and Interest Conversion Shares that may be issued on conversion of the Convertible Notes. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice. Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered address.

4.1 Voting

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

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

4.2 General meetings

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

4.3 Dividends

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

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

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

4.4 **Winding-up**

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

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

4.5 **Transfer of Shares**

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

4.6 **Variation of rights**

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

5. Rights of the Convertible Notes

The following is a summary of the more significant rights attaching to the Convertible Notes being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the holders of Convertible Notes.

5.1 Voting

The Convertible Notes do not confer any rights on the holder in respect of voting, dividends or winding up.

5.2 Face value

The 2 Convertible Notes will be issued, equal to the principal amount outstanding to each Lender under the Convertible Loan Facility, and accrue interest as set out in section 5.3 below.

5.3 Interest

The Convertible Loan Facility will accrue interest to be calculated and paid quarterly at a coupon rate of 8% per annum. Interest can be paid in cash or added to the Convertible Note principal and converted into Shares at the Lenders' election, in which case the issue price for Shares will be determined by the 5 day VWAP prior to the quarter end. In the event amounts due and payable under the Convertible Loan Facility remain unpaid, interest is payable on these amounts at the rate of 15% per annum.

5.4 Conversion

Subject to regulatory and shareholder approval of the variation to the Convertible Loan Facility (if required), at any time prior to the date which is 24 months from drawdown of the Convertible Loan Facility, being 22 April 2018 (**Repayment Date**), the Lenders have the option to convert their Convertible Notes in part or full representing the principal amount outstanding under the Convertible Loan Facility to Shares at A\$0.625 per Share.

If the Convertible Loan Facility is not amended, then the Repayment Date will remain 22 April 2017, and the conversion price will be:

- A\$0.80 per Share; and
- the price of any equity raising carried out by the Company prior to the Repayment Date.

The current conversion price, based on the equity raising carried out pursuant to the Placement would be \$A0.50 per Share, unless a further equity raising is carried out at a lower price prior to that date.

The Lenders may also at any time prior to the Repayment Date, exercise a conversion right in respect of Interest Conversion Shares, which will be issued at a price equal to the VWAP for the Company's Shares over the 5 trading days prior to the relevant quarter end.

The basis for conversion of the Convertible Notes is subject to reconstruction and adjustment in the same manner as any reconstruction of the issued share capital or bonus issue of the Company.

5.5 **Undertakings**

The Convertible Loan Facility also requires the Company to provide the Lenders with certain financial information and reports during the life of the Convertible Loan Facility, and contains other general undertakings usual for a facility of this nature.

6. Additional information

6.1 Continuous disclosure obligations

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

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

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

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

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

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

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

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

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

Date	Description of announcement
16/12/2016	Appendix 3B
15/12/2016	Becoming a substantial holder
8/12/2016	Company Presentation
8/12/2016	A\$8.5M Placement funds Streamlined Operational Strategy
6/12/2016	Trading Halt
28/11/2016	Results of AGM
28/11/2016	Results of EGM
31/10/2016	Quarterly Activities Report
31/10/2016	Quarterly Cashflow Report
28/10/2016	Annual Report to shareholders
27/10/2016	Notice of Annual General Meeting/Proxy Form
27/10/2016	Notice of Extraordinary General Meeting/Proxy Form
14/10/2016	Peninsula secures additional project funding
30/09/2016	Full Year Statutory Accounts
30/09/2016	Appendix 4G
30/09/2016	Corporate Governance Statement
27/09/2016	Change of Director's Interest Notice
23/09/2016	Appendix 3B
16/09/2016	Research Report
16/09/2016	JORC Table 1 Addendum

13/09/2016	Lance Projects Update
10/08/2016	NYSE MKT Listing Update
08/08/2016	Audio Broadcast
04/08/2016	Audio Broadcast
04/08/2016	Appendix 3B
04/08/2016	DRA Investment Partner Funds Karoo Pre-Feasibility Study
03/08/2016	Research Reports
29/07/2016	Quarterly Activities Report
29/07/2016	Quarterly Cashflow Report
28/07/2016	Change in Reporting Currency
20/07/2016	Audio Broadcast
19/07/2016	NYSE-MKT Listing, Non-Dilutive Financing and Karoo Update
13/07/2016	Audio Broadcast
12/07/2016	Uranium Production steadily increasing at Lance Projects
12/07/2016	Company Presentation - July 2016
7/07/2016	Research Report - Rodman and Renshaw
4/07/2016	US NRC rules in favour of Peninsula

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

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

6.2 Section 708A(11) Corporations Act

The Company has issued the following Securities (without a disclosure document) in the 12 months prior to the date of this Prospectus under section 708(8) and (11) of the Corporations Act:

Date of issue	Number of Securities
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16/12/2016	14,300,000 Shares
23/9/2016	820,990 Shares in total (783,490 + 37,500)
4/8/2016	979,696 Shares

14,300,000 million Shares were issued to institutional, professional and/or sophisticated investors under Tranche 1 of the Placement.

783,490 Shares (**Restricted Share Units or RSUs**) were issued to the Trustee under the Company's Long Term Incentive Plan to hold on trust for key management personnel. The trading restrictions applicable to the RSUs cease to apply over a three year period following the date of earning, with one third being released from the restrictions each year. Grants of RSUs each year are subject to the achievement of Board approved performance objectives.

37,500 Shares were issued to a Company staff member under an existing employment contract.

979,696 Shares were issued to CCP Technical Limited, a nominee for Concentrate Capital Partners Limited (**CCP**) in consideration for CCP assuming full responsibility for payment to DRA Projects SA (Pty) Ltd for services provided under the Pre-Feasibility Study at the Karoo Projects in South Africa.

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

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

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

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

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

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

For the avoidance of doubt, the Lenders may wish to rely on this Prospectus and sections 707(3) and (4) of the Corporations Act (as modified by ASIC Legislative Instrument 2016/80) if

they wish to on-sell Interest Conversion Shares and/or Loan Conversion Shares without disclosure.

6.3 Corporate governance

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

The Directors are of the view that Peninsula Group has complied in all substantial respects with corporate governance best practice in Australia, including with the ASX Corporate Governance Council Corporate Governance Principles and Recommendations. The Directors believe that any departure from the ASX Corporate Governance Council Corporate Governance Principles and Recommendations is in the best interests of Shareholders, having regard to the size and the pre-production stage of the Company.

6.4 Related Party disclosure

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

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

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

6.5 Substantial Shareholders

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

	# of Shares	%
RCF VI	44,709,200	23.2%
Pala	24,867,898	12.9%
BlackRock Group	15,995,944	8.3%

Please refer to section 1.15 earlier in this Prospectus for an analysis of the possible effects on control in relation to the Offer.

6.6 Interests of experts and advisers

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

- (a) the formation or promotion of the Company;

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

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

Clayton Utz are acting as solicitors to the Offer and have performed work in relation to this Prospectus. In doing so, Clayton Utz have placed reasonable reliance upon information provided to them by the Company. Clayton Utz does not make any statement in this Prospectus. In respect of this work, the Company estimates that it will pay approximately A\$65,000 (excluding disbursements and GST) to Clayton Utz. Further amounts may be paid to Clayton Utz in accordance with its normal time based charges.

6.7 Consents

Each of the parties referred to in this section:

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

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

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

6.8 Market price of Shares

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

The highest, lowest and last market sale prices of the Shares on ASX since 16 September 2016 and up to the date immediately prior to the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

	A\$	Date
Highest	\$0.64	19 September 2016
Lowest	\$0.52	4 November, 9 November, 8 December 2016

Last	\$0.57	15 December 2016
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6.9 Subsequent events

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

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

6.10 Litigation

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

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

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

In January 2015, a three-judge panel of the ASLB concluded that each of the three admitted contentions submitted by the Joint Intervenors were without merit and the proceeding was terminated in favour of Strata Energy and the United States Nuclear Regulatory Commission staff, with one limited exception. In February 2015, the Joint Intervenors appealed the ASLB decision to the four-member United States Nuclear Regulatory Commission.

In July 2016 the Commissioners of the United States Nuclear Regulatory Commission ruled in favour of the Company and denied a petition to appeal by the Joint Intervenors. In denying the petition to appeal the previous dismissal, the United States Nuclear Regulatory Commission Commissioners have reiterated that the Joint Intervenors are unable to substantiate the claims upon which the contentions are based. The Joint Intervenors retain the right to further appeal the findings through the United States Federal Court.

6.11 Tax

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

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

6.12 Privacy

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

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

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

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

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

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

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

7. Directors' authorisation

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

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

Dated 16 December 2016



John (Gus) Simpson

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

8. Glossary

A\$ means Australian dollars.

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

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

Application Form means the application form attached to this Prospectus.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of ASX.

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

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

BlackRock Group means BlackRock Financial Management, Inc.

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

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

CHESS means the ASX Clearing House Electronic Subregister System.

Closing Date means 5:00pm AWST 19 December 2016.

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

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

Convertible Loan Facility means the Convertible Bridge Loan Agreements dated 26 April 2016 and 14 October 2016 between the Company, certain of its subsidiaries, and (severally) RCF VI and Pala.

Convertible Note means a convertible note issued by the Company pursuant to the Convertible Loan Facility.

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

CPP means the Lance Projects' Central Processing Plant.

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

Interest Conversion Shares means Shares issued upon conversion of the interest component of the Convertible Loan Facility.

Investec means Investec Bank Plc.

ISR means the in-situ recovery mining method.

JORC means the Australasian Joint Ore Reserves Committee.

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

Karoo Projects means the uranium project comprised of 40 prospecting rights in the vicinity of Beaufort West, Republic of South Africa.

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

Lenders means Pala and RCF VI.

Loan Conversion Shares means Shares issued upon conversion of the principal component of the Convertible Loan Facility.

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

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

NRC means the United States Nuclear Regulatory Commission.

Offer means the offer of New Shares and Convertible Notes under this Prospectus

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

Official Quotation means official quotation on ASX.

Opening Date means 16 December 2016.

Option means an option to subscribe for a Share.

Optionholder means the holder of an Option.

Pala means Pala Investments Limited.

Peninsula Group means the Company and its controlled entities.

PENOD Option means an Option issued on the terms summarised in schedule 1 of the Company's notice of extraordinary meeting dated 25 August 2015.

Placement means the placement of Shares as announced by the Company to the ASX on 8 December 2016.

Placement Shares means the Shares issued pursuant to the Placement.

Prospectus means this prospectus.

RCF VI means Resource Capital Fund VI LP.

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

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

Securities means a Share, an Option, or a Convertible Note, as the context requires.

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

Shareholder means a registered holder of Shares in the Company.

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

Strata Energy means Strata Energy Inc.

Tranche 1 Placement Shares means 14,300,000 Placement Shares.

Tranche 2 Placement Shares means 2,700,000 Placement Shares.

Tranche 2 Placees means certain institutional and sophisticated investors who subscribed to the Placement.

Unquoted Option means an Option not quoted on ASX.

US\$ means United States dollars.

WDEQ means the Wyoming Department of Environmental Quality.

VWAP means volume weighted average price.

Application Form
