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Companies Announcement Office

Via Electronic Lodgement

HALF YEAR FINANCIAL RESULTS

Peninsula Energy Limited (**Peninsula** or **Company**) advises that it has released its interim financial report for the half year ended 31 December 2016.

During the half year period, 112,500 pounds U_3O_8 were delivered under existing term contracts at a realised average price of US\$48.68 per pound U_3O_8 . An additional 100,000 pounds U_3O_8 was delivered in early January 2017 and a further 300,000 pounds U_3O_8 are contracted for delivery over the remainder of the 2017 calendar year.

The weighted average price for deliveries in the 2017 calendar year is approximately US\$53 per pound U_3O_8 . Out of the aggregate 400,000 pounds U_3O_8 to be delivered in calendar year 2017, 250,000 pounds U_3O_8 will be delivered in the 6 months ending 30 June 2017 and 150,000 pounds U_3O_8 will be delivered in the 6 months ending 31 December 2017.

Production from the Lance Projects in Wyoming USA for the half year ended 31 December 2016 was 84,000 pounds U_3O_8 . Deliveries in the half year period were a combination of U_3O_8 produced from the Lance Projects and from market purchases.

Peninsula recorded a total loss for the 6 month period of US\$44.203 million. The major contributors to the loss are a non-cash impairment charge of US\$39.049 million and a net realisable value expense against U_3O_8 inventory of US\$5.758 million. With the reduction in the uranium price during the half year period, and the deferral of the commencement of development activities for Stage 2 of the Lance Projects, the carrying value of the Lance Projects Cash Generating Unit (CGU) was tested for impairment. Impairment testing was undertaken using forecast uranium prices as at 31 December 2016 for production not already committed to term contracts.

As the impairment is a non-cash item, it does not have any impact on near term cash flow or Peninsula's existing operations. Peninsula notes that a number of other listed uranium mining companies also announced non-cash impairment charges in their 31 December 2016 financial reports as a result of using lower forecast uranium prices.

Peninsula ended the period with an available cash balance of US\$5.459 million and trade receivables from the December 2016 sale of U_3O_8 of US\$4.739 million (subsequently received during January 2017). This cash balance has been further enhanced in February and March 2017 by the receipt of additional proceeds from the sale of U_3O_8 and proceeds from the recently completed and heavily oversubscribed Share Purchase Plan.

With significant cash proceeds to be received from the sale of 250,000 pounds U_3O_8 during the first 6 months of the 2017 calendar year, Peninsula is on track to generate positive cashflow for the 6 months ended 30 June 2017.

For further information, please contact our office on +61 (0) 8 9380 9920 during normal business hours.

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

PO Box 8129, Subiaco East WA 6008

Phone: +61 (0)8 9380 9920

Fax: +61 (0)8 9381 5064

Peninsula Energy Limited - ABN: 67 062 409 303