



26 July 2017

Companies Announcement Office
Via Electronic Lodgement

PENINSULA ENERGY LIMITED QUARTERLY RESULTS WEBCAST PRESENTATION

Peninsula Energy Limited (**Peninsula**) held an investor update webcast including the attached presentation to cover the June quarter at **11.30am AEST (9.30am AWST)** today.

A recording of the webcast is available on the link below:

<http://webcasting.boardroom.media/broadcast/59642d02c8d9977c89ce71d9>

and also on Peninsula's website: <http://www.pel.net.au> under "Investor Info" subsection "Audio Broadcasts".

Yours sincerely

A handwritten signature in black ink, appearing to read "J Whyte", is positioned above the typed name.

Jonathan Whyte
Company Secretary

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

June Quarter Results 2017

Webcast | 26 July 2017



PENINSULA
ENERGY LIMITED



ASX:PEN

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This presentation is provided on the basis that the Company nor its representatives make any warranty (express or implied) as to the accuracy, reliability, relevance or completeness of the material contained in the Presentation and nothing contained in the Presentation is, or may be relied upon as, a promise, representation or warranty, whether as to the past or the future. The Company hereby excludes all warranties that can be excluded by law. The Presentation contains material which is predictive in nature and may be affected by inaccurate assumptions or by known and unknown risks and uncertainties, and may differ materially from results ultimately achieved.

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Please note that in accordance with Clause 17 of the JORC (2012) Code, the potential quantity and grade of the “Exploration Target” in this presentation must be considered conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Please note that Production Targets within this presentation are based on a proportion of inferred resources. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resource or that the production target itself will be realised.

Competent Person Statement

The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves at Peninsula’s Lance Projects is based on information compiled by Mr. Jim Guilinger. Mr. Guilinger is a Member of a Recognised Overseas Professional Organisation included in a list promulgated by the ASX (Member of Mining and Metallurgy Society of America and SME Registered Member of the Society of Mining, Metallurgy and Exploration Inc). Mr. Guilinger is Principal of independent consultants World Industrial Minerals. Mr. Guilinger has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr. Guilinger consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves at Peninsula’s Karoo projects is based on information compiled by Mr. George van der Walt. Mr van der Walt is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and the South African Council for Natural Scientific Professions (SACNASP)). Mr van der Walt is a Geological Consultant and Director of Geoconsult International (Pty) Ltd. Mr van der Walt has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking as Competent Persons as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr. van der Walt consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

- **Quarterly Highlights**

- 1. Focus Areas during the Quarter**
- 2. Uranium Market**
- 3. Lance Project Production**
- 4. Karoo Project**
- 5. Costs**
- 6. Corporate Financial Position**
- 7. Corp. Debt Facilities & Gearing**
- 8. CY2017 Outlook**

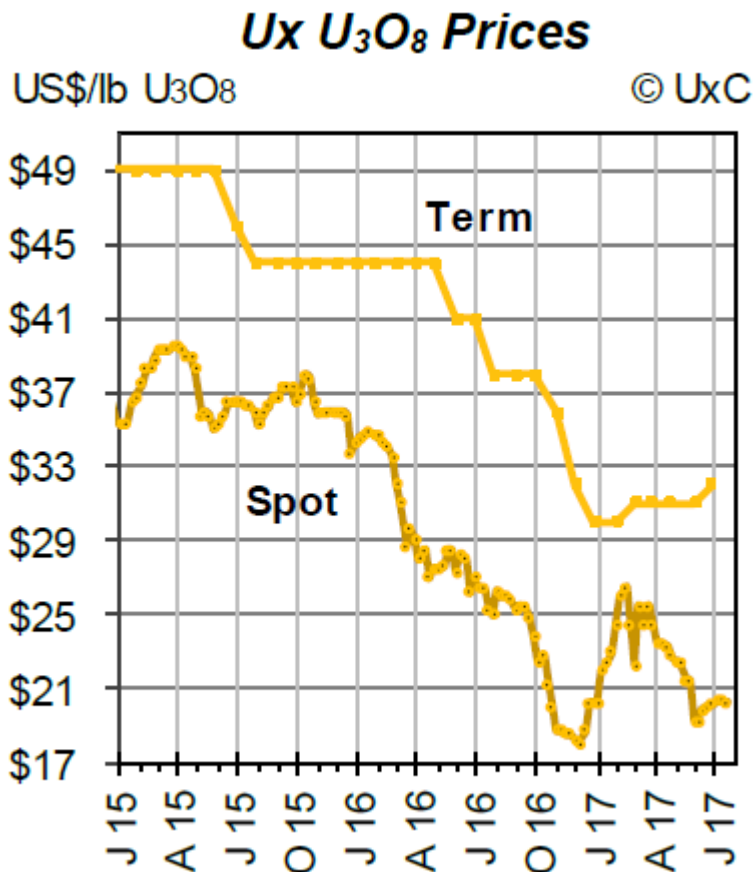


Kudu buck at Karoo NP, South Africa – June 2017

Mr Wayne Heili – Managing Director & CEO

Mr David Coyne – Finance Director & CFO

- **Delivered First Ever Quarter of Positive Free Cash Flow Generation**
- **Implementation of Production Improvement Plan**
 - Lixiviant mix optimization
 - Wellfield pattern reversals
 - Consistency in operations
- **Tight Cost Control**
 - Completed move to smaller corporate office in Perth
 - Reduced production expenditure
 - Moving Karoo forward on very low level of expenditure



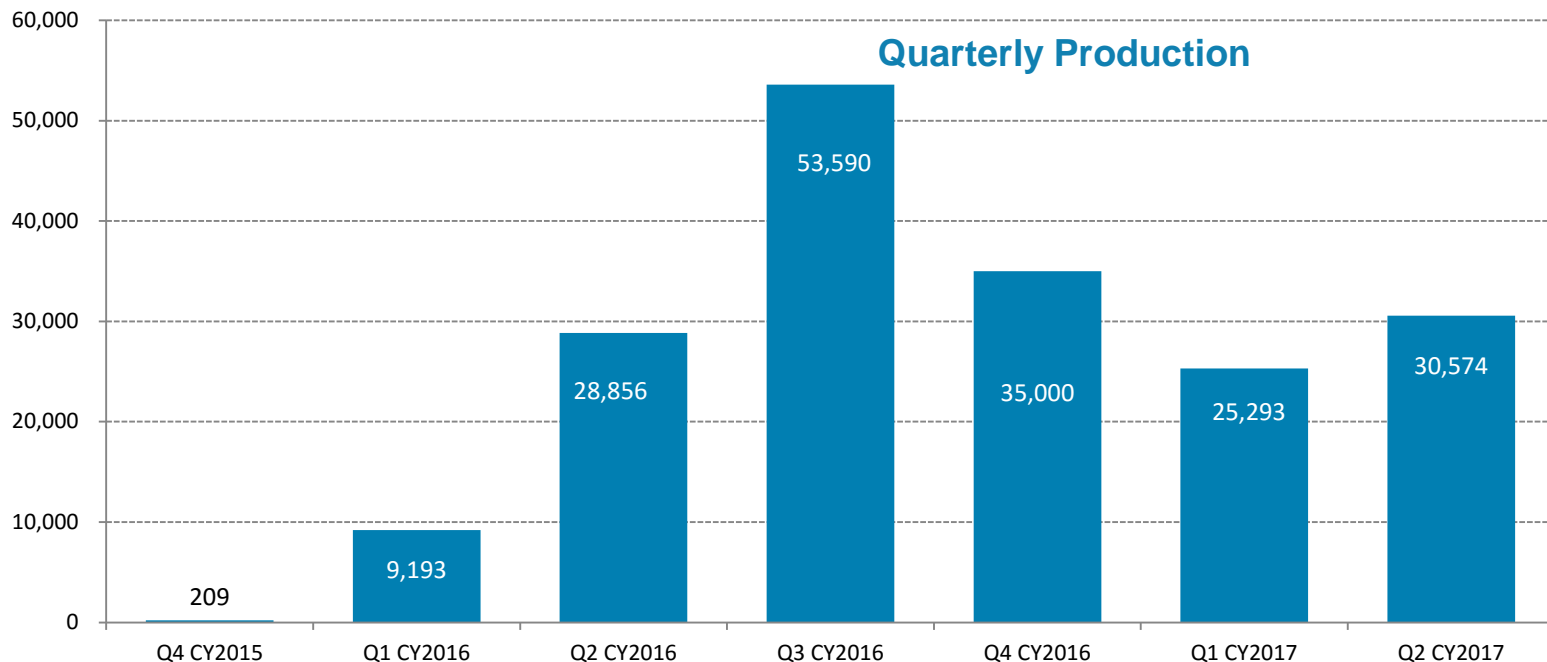
Source: The Ux Consulting Company, LLC

- Uranium price has been weak but is now firming up on fundamentals
 - Production restraint
 - Utilities have an estimated uncovered demand of >800 million pounds U₃O₈ over next 10 years
 - China forecast to double nuclear capacity to 58 GWe by 2020/2021
 - Slow but positive signs in Japan
- US political support for uranium recovery is solidifying
 - US Government officials view domestic uranium production as a strategic national interest

Lance - Improved Production Results

- **30,574 lbs produced in the quarter**
- **44,059 lbs dried & drummed in the quarter**
- **Following operating strategy announced in 4Q16**
 - Header house 7 turned to CPP during the quarter
 - Header house 8 build completed, house in recirculation mode at quarter end

Pounds U3O8



- **Orderly Development Activities and Related Costs**
 - Seven header houses supply CPP
 - House #8 turned to CPP on 13 July
 - Drilling complete for house #9; infield piping installation ongoing

- **Technical Team Focus on Optimising Operations**
 - Injection side filtration proven effective
 - Process chemistry refinements
 - Taking time to revert back to lixiviant chemistry of Q3 CY2016
 - Water purification plant operating to clean injection lixiviant
 - Initial campaign of pattern reversals in operating houses complete – early data positive
 - Research and data review ongoing

- **Technical Studies**
 - Progressed key activities to support a PFS
 - Draft mine plan, production plan and costs estimates prepared
 - Review and optimisation ongoing
 - Current uranium price environment challenging for hard rock mines such as Karoo
- **Mining and Prospecting License Applications**
 - Continued progression made
 - Environmental submissions due to be submitted in September 2017 quarter
 - Rationalisation of landholdings progressing
- **South African Mining Charter Changes Announced**
 - Implementation has been suspended
 - Potential impact still being assessed
 - Initial assessment of the changes is negative for foreign mining investment
 - Legal action by South Africa Chamber of Mines commenced

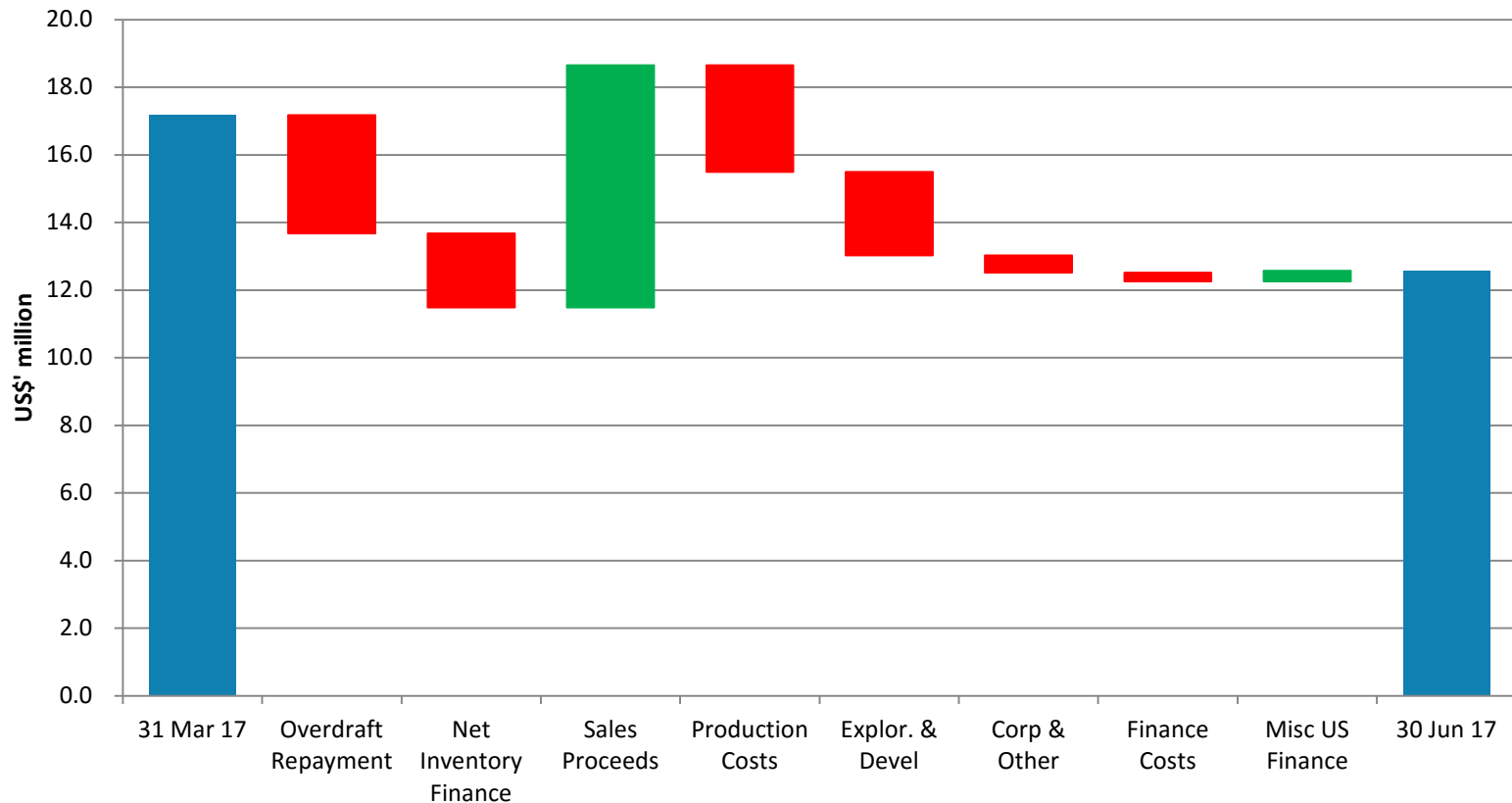
Quarter over Quarter Cost Reductions

- Committed to continued sustainable cost reductions

Payments for: (US\$'000)	Actual Dec Qtr CY16	Actual Mar Qtr CY17	Actual Jun Qtr CY17	F'cast Sep Qtr CY17
Exploration & Evaluation	514	285	213	500
Development & PPE	2,442	1,435	2,258	1,350
Production	3,531	4,130	3,149	2,600
Sales, Admin & Corporate ⁽¹⁾	1,054	1,486	227	550
Staff (Corporate)	367	207	289	300
	7,908	7,543	6,136	5,300

(1) Sales, Admin & Corporate adversely impacted in March Quarter by costs associated with staff reduction and MD/CEO change

Cash Balances and Movement



- \$7.2 million cash received from U_3O_8 sales made in March
- \$3.5 million overdraft facility borrowings repaid in full
- No purchases of uranium during the June quarter

Working Capital

US\$7.5m overdraft; US\$0.0m drawn
US\$7.5m TFF; US\$1.0m drawn



Repaid in full 1st week April
Trade finance smooths cash flows

US Finance Leases / Mortgages

US\$1.5m outstanding at 30 Jun 17



Individual agreements
2-4 year terms

Surety Bonds

US\$12.2m surety in place at 30 Jun 17



Cash effective bonding
PEN cash backing increasing to 30%

Convertible Notes

US\$20.0m drawn at 30 Jun 17



Maturity of April 2018
Conversion price A\$0.625/share

- **Very low gearing ratio of 11% - balance sheet flexibility to fund future expansion and growth**

Outlook & Closing Remarks

- ✓ Uranium production company with globally significant project resource base
- ✓ Significant contract sales book that supports long-term revenue outlook
- ✓ Sales and purchases at fixed prices, Average sales price of **US\$54/lb**
 - Very strong committed cash margins
- ✓ ***Delivered cash positive Q2 CY2017***
- ✓ Maintaining a healthy cash position
- ✓ Peninsula ideally placed to capitalise on long overdue rebound in uranium price
- ✓ Strong institutional and retail shareholder support

Contact Details

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FURTHER INFORMATION

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