



31 August 2017

Companies Announcement Office
Via Electronic Lodgement

ANTICIPATED NON-CASH IMPAIRMENT

Peninsula Energy Limited (**Peninsula or Company**) is currently reviewing the carrying value of its assets as part of the preparation of the financial statements for the financial year ended 30 June 2017.

Impairment testing of the Lance Projects Cash Generating Unit (**CGU**) is being performed in accordance with Australian Accounting Standards. Peninsula expects to record an impairment charge of between approximately US\$25 million and US\$35 million in the second half of the 2017 financial year. This is in addition to the US\$39.049 million non-cash impairment charge to the Lance CGU recorded at 31 December 2016.

The impairment is a result of further downgrades in future uranium price consensus forecasts and lower annual production levels (as previously disclosed) and the resultant extension of the expected mine life period of the Lance Projects.

During the 2017 financial year, the Company commenced an initiative to relinquish prospecting rights in South Africa that were not prospective for uranium. Closure applications have been submitted for a number of prospecting rights and the Company expects to record an impairment charge against capitalised exploration and evaluation costs of between US\$5 million and US\$8 million for the financial year ended 30 June 2017 as a result of a planned reduction in prospecting right surface area. No closure applications or relinquishments have been made for prospecting rights that contain mineral resources included in the JORC Code-compliant mineral resource for the Karoo Projects.

As the respective impairments are non-cash items, they do not have any impact on cash flow or Peninsula's existing operations. These impairments would align the Company's net asset value to an amount that is approximately the same as the recent market capitalisation range of the Company.

The impairments remain subject to review by Peninsula's auditors and approval by the Board. Further details will be provided in the Company's full year financial statements for the financial year ended 30 June 2017 which will be released during September 2017.

Yours sincerely

David Coyne
Finance Director/CFO

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