



6 February 2018

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 December 2017 quarter at **Midday AEST (9.00am AWST)** today.

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

<http://webcasting.boardroom.media/broadcast/5a56bfc4b8b33f20bc41f61a>

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 written over a light grey circular stamp.

Jonathan Whyte
Company Secretary

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

December 2017 Quarter Results

Webcast | 6 February 2018



PENINSULA
ENERGY LIMITED



ASX: PEN

Disclaimer & Competent Person

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The Presentation contains “forward-looking statements”. All statements other than those of historical facts included in the Presentation are forward-looking statements including estimates of resources, timing of permit and license amendments, and rates of uranium extraction and recovery. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, uranium price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement” to reflect events or circumstances after the date of the Presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. All persons should consider seeking appropriate professional advice in reviewing the Presentation and all other information with respect to the Company and evaluating the business, financial performance and operations of the Company. Neither the provision of the Presentation nor any information contained in the Presentation or subsequently communicated to any person in connection with the Presentation is, or should be taken as, constituting the giving of investment advice to any person.

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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 Guiling. Mr. Guiling 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. Guiling is Principal of independent consultants World Industrial Minerals. Mr. Guiling 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. Guiling 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 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. **Headline News Flow**
2. **Lance Production Results**
3. **Unlocking the Potential at Lance**
4. **Costs & Cash Flow Analysis**
5. **Uranium Market**
6. **Investment Highlights**



Column Leach Test Apparatus at Lance

Mr Wayne Heili – Managing Director & CEO

Mr David Coyne – Finance Director & CFO

- **Sales & Marketing**

- **US\$19 million** cash receipts announced
- No sales in December quarter

- **Lance Projects**

- Production results improved for third consecutive quarter
- Low pH transformation initiative

- **Karoo Divestment Process**

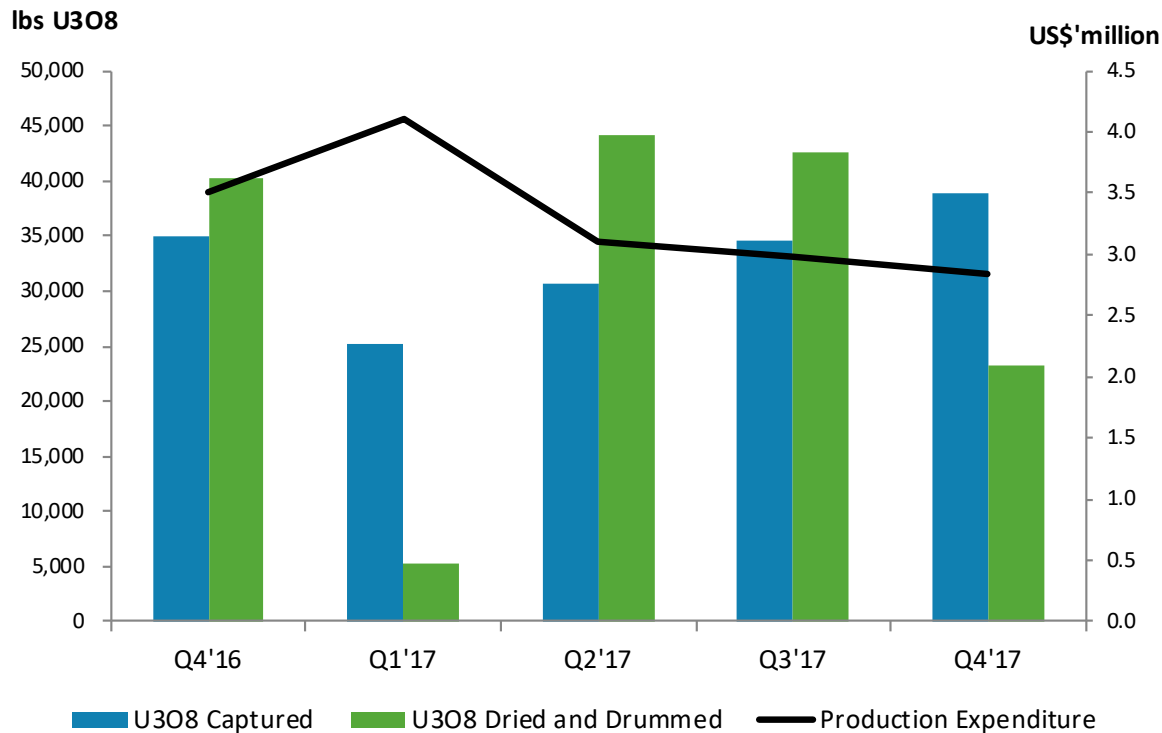
- **Peninsula gained US\$19m through uranium contract transaction in 2018**
 - Sold a portion of 2018 - 2021 delivery commitments to a third-party
 - Sold interest in a closely matched purchase agreement
 - Revenue represents 26% of current market cap from 12% of maximum sale volumes
- **Significant contract portfolio carries through year 2030**
 - Up to 6.6 million pounds U_3O_8 remaining under contract through 2030
 - Term contracts weighted price between **US\$51-53/lb** U_3O_8
 - Next scheduled sale: March Quarter 2018

Lance - Improved Production Results

- **12% Increase on prior Quarter Production**

- 38,828 lbs produced in the quarter
- 23,270 lbs dried & drummed in the quarter
- Continued operations in first two mine units
- Header house #9 commenced production operations

Quarterly Production and Expenditure



- **Low pH ISR transformation initiative**

High
Potential

- ✓ Potential to transform the performance and cost profile
- ✓ White Paper available at website: www.pel.net.au

Short
Timeline

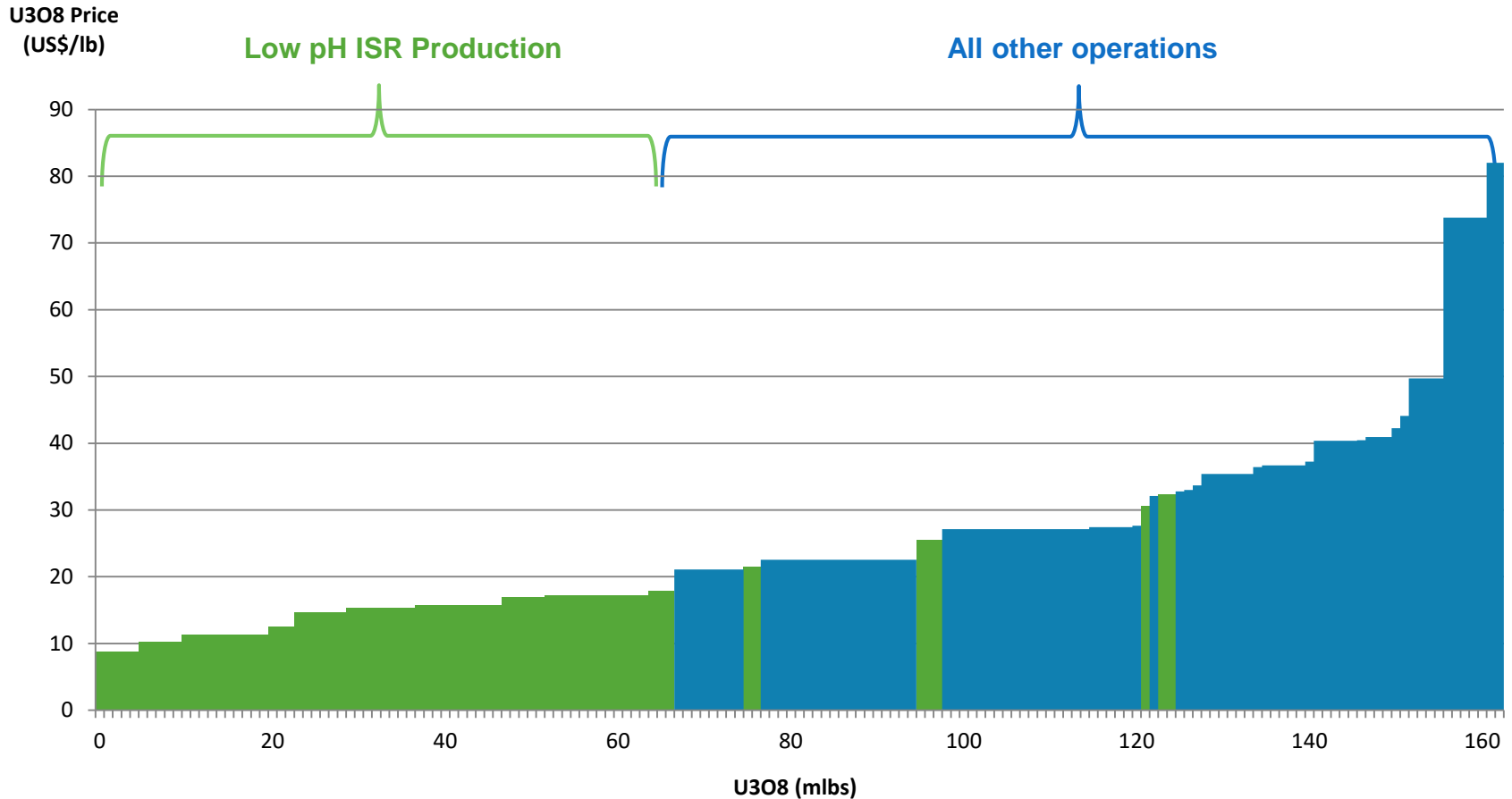
- ✓ Permit and licence amendments expected within two years
- ✓ Continued production from alkaline ISR operations

Low
Capital Cost

- ✓ CAPEX for minor modifications = Minimal
- ✓ Technical studies commenced

Low pH ISR Leads the Way

- All 1st quartile uranium operations globally are in-situ recovery (ISR) facilities that utilize a low pH lixiviant



- **Formal divestment process underway**

Large
Resource

- ✓ 56.9 million pounds eU₃O₈ (23.3mt at 1,108 ppm) JORC (2012) compliant resource²
- ✓ Ownership: Peninsula 74% and BEE Partners 26%

Internal PFS
Completed

- ✓ Significant work in the way of technical studies have been completed for the project

Divestment
Status

- ✓ Outcome expected to be known in March quarter
- ✓ Project investment significantly curtailed

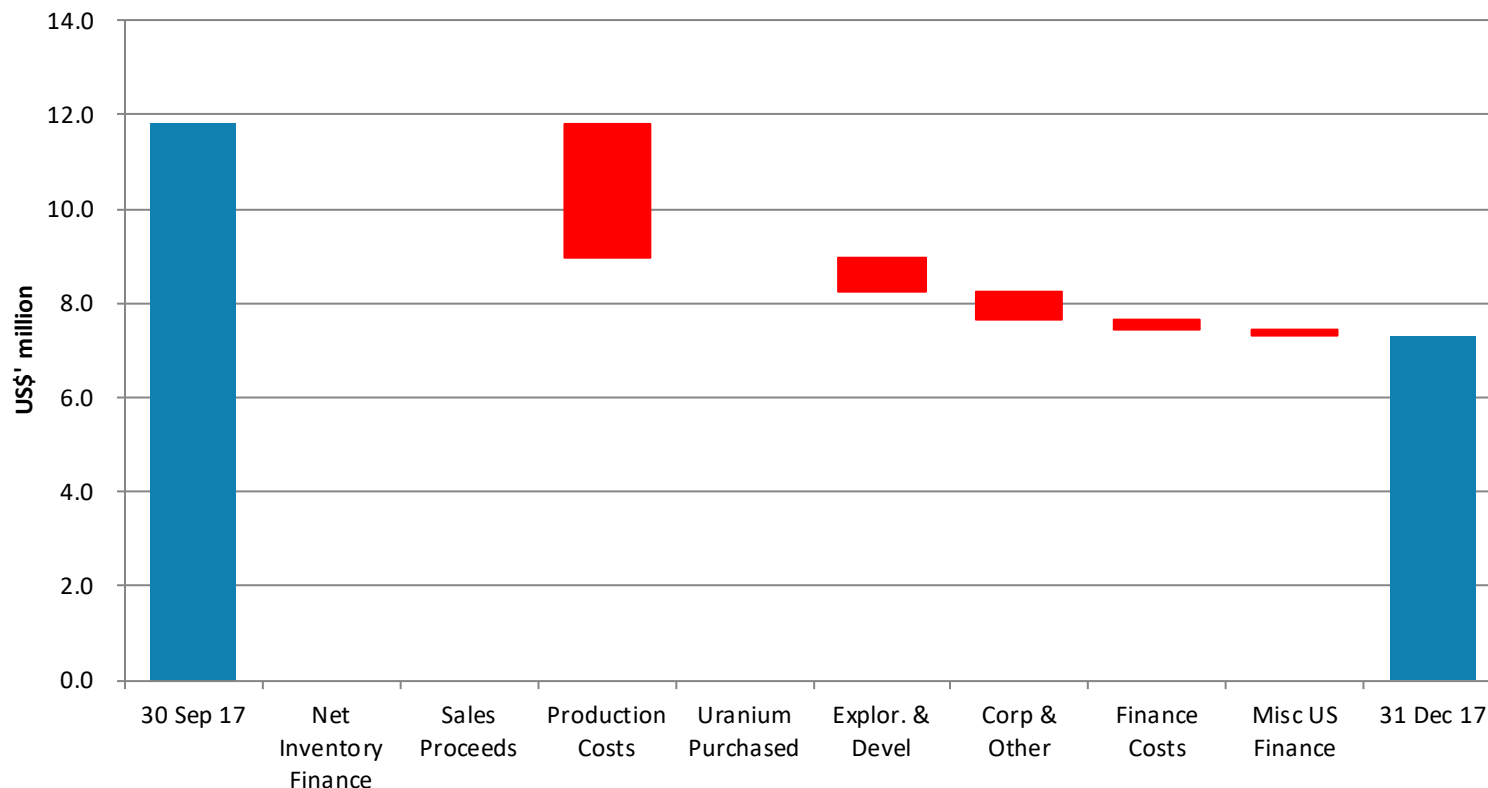
Quarter over Quarter Cost Reductions

- Committed to continued sustainable cost reductions

| Payments for: (US\$'000) | Actual Mar Qtr CY17 | Actual Jun Qtr CY17 | Actual Sep Qtr CY17 | Actual Dec Qtr CY17 | F'cast Mar Qtr CY18 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| Exploration & Evaluation | 285 | 213 | 270 | 185 | 350 |
| Development & PPE | 1,435 | 2,258 | 1,106 | 537 | 600 |
| Production | 4,130 | 3,149 | 2,983 | 2,847 | 3,200 |
| Sales, Admin & Corporate ⁽¹⁾ | 1,486 | 227 | 626 | 361 | 400 |
| Staff (Corporate) | 207 | 289 | 279 | 253 | 300 |
| | 7,543 | 6,136 | 5,264 | 4,183 | 4,850 |

(1) Sales, Admin & Corporate adversely impacted in March 2017 Quarter by costs associated with staff reduction and MD/CEO change. Excludes financing charges.

Cash Balances and Movement



- No sales or purchases of U_3O_8 made in December quarter
- Excludes US\$19 million contract sale proceeds
- Investec undrawn working capital facility retired – no debt repayment required on retirement
- Discussions with Con Note holders are in progress

Corporate Overview

Capital Structure

| | |
|---|----------|
| Shares on issue* | 232m |
| Share price (31-Jan-18) | \$0.410 |
| Market capitalisation (31-Jan-18) | A\$95m |
| Enterprise Value | A\$112m |
| Cash and Security Deposits (31-Dec-17) (excludes US\$19 million due in Feb-18) | US\$7.3m |
| Debt (31-Dec-17) | US\$21.3 |

Shareholding*

Holding (%)



RESOURCE
CAPITAL FUNDS

22.0%

GLOBAL X

12.1%



PALA

9.7%

BLACKROCK

5.9%



2.5%

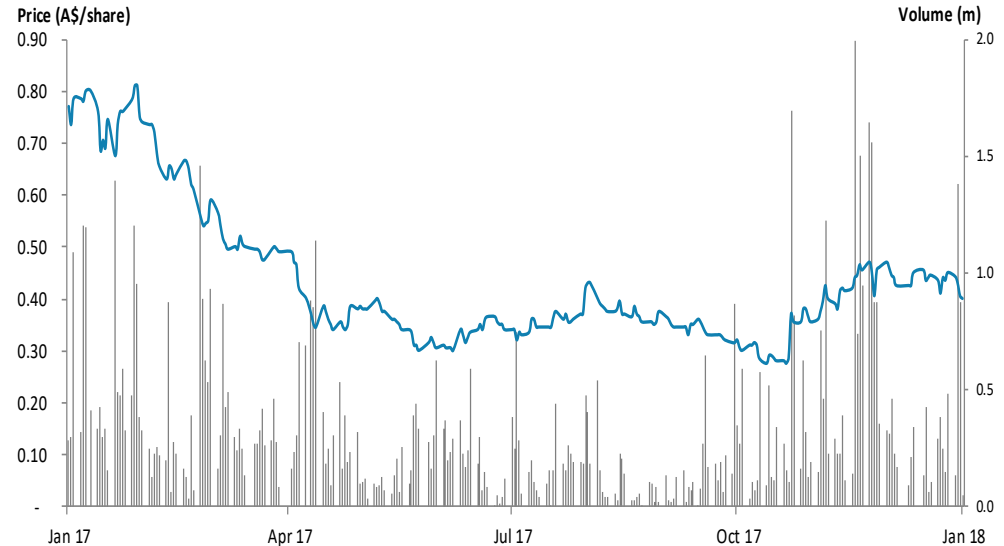
Top 20 Shareholders

61.9%

*Undiluted as at 31 January 2018

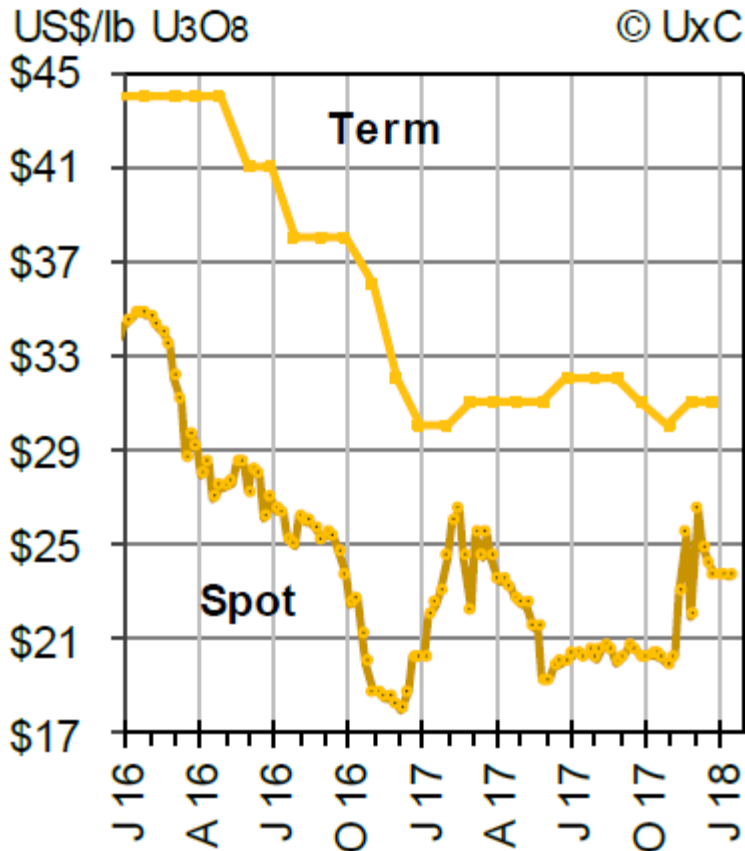
Share Price & Volume History

Ticker: ASX:PEN



December Quarter Share Performance

- Improving sector sentiment
- Corporate value creation
- Average Volume: 450k shares



- **Uranium Market Insight**
 - Spot market is currently oversupplied
 - Production restraint is occurring
 - Term price has been flat
 - Future demand projections remain strongly positive
- **Market rebalancing is occurring now**

Source: The Ux Consulting Company, LLC

1. Supply: Production restraint has become a common theme

- The big miners continue reducing production target levels
 - Cameco suspended world's largest uranium mine (~14mlbs p.a.)
 - “Optimization” and “cost reduction” efforts are prevalent industry-wide
- Even the large state-owned corporations are effected
 - Kazatomprom announced 20% target production reduction for 2018

2. Demand: The need for carbon-free nuclear power remains strong

- Demand forecasts continue to show growth through and beyond 2030
- Utilities have been avoiding significant Term Market transactions since 2012
- Over 800 million lbs U_3O_8 of uncovered demand over the next 10 years

3. US-produced uranium could soon trade at a premium

- Petition for Relief on Imports filed with US Department of Commerce

World Class Management

- Experienced technical, financial and commercial team
- Generating improving quarter over quarter results

Large Scale Project

- Long-life Lance Project in USA
- The Lance Project contains resources of 53.5 mlbs of U3O8¹

Scalable Production

- Lance is licensed to produce up to 3m pounds per annum
- 'Game Changing' low pH lixiviant initiative

Financial Strength

- Strong cash position with reliable income generation
- Spending discipline

Valuable Contract Book

- Long-Term sales contracts underpin Peninsula's business
- Annual product sales scheduled through 2030

Contact Details

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FURTHER INFORMATION

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Appendix 1 - Lance JORC Resource

| Classification | Tonnes (million) | U3O8(kg) | Grade (ppm U3O8) | U3O8(lbs) |
|----------------|------------------|-------------|------------------|-------------|
| Measured | 3.7 | 2.0 | 489 | 4.3 |
| Indicated | 10.0 | 5.1 | 466 | 12.7 |
| Inferred | 37 | 17.5 | 463 | 36.5 |
| Total | 50.7 | 24.6 | 473 | 53.5 |

ISR Reserves are determined after well field development drilling

¹JORC Table 1 included in an announcement to the ASX released on 27th March 2014: "Company Presentation – Mines and Money Hong Kong". Peninsula confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Appendix 2 - Karoo JORC Resource

JORC Compliant Resource March 2014

| Classification | Cut-off: eU3O8(ppm) | Tonnes (million) | eU3O8 (ppm) | eU3O8 (million lbs) |
|----------------|---------------------|------------------|--------------|---------------------|
| Indicated | 600 | 8.0 | 1,242 | 21.9 |
| Inferred | 600 | 15.3 | 1,038 | 35 |
| Total | 600 | 23.3 | 1,108 | 56.9 |

| Classification | Sector | Cut-Off: eU3O8 (ppm) | Tonnes (million) | eU3O8 (ppm) | eU3O8 (million lbs) |
|------------------|---------|----------------------|------------------|--------------|---------------------|
| Indicated | Eastern | 600 | 7.1 | 1,206 | 18.7 |
| | Western | 600 | 0.9 | 1,657 | 3.2 |
| Inferred | Eastern | 600 | 11.8 | 1,046 | 27.2 |
| | Western | 600 | 3.5 | 1,019 | 7.8 |
| Total | | 600 | 23.3 | 1,108 | 56.9 |

Large resource potential: 100+ year mine life

Note: Totals may not sum exactly due to rounding

2JORC Table 1 included in announcement to the ASX released on 11th March 2014 : "13% Resource Expansion and Upgrade at Karoo Projects". Peninsula confirms that it is not aware of any new information or data that materially affects the information included in this presentation and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.