



27 April 2018

Companies Announcement Office  
*Via Electronic Lodgement*

## **PENINSULA SUSPENDS FURTHER DEVELOPMENT OF THE KAROO PROJECTS**

Peninsula Energy Limited (**Peninsula or Company**) wishes to provide investors with an update on the outcome of the process to divest or exit its 74% interest in the Karoo Projects in South Africa. After careful consideration of the available options, the Company has decided to fully withdraw from any further development activities for the Karoo Projects in which it has an interest.

The Company decision is based on numerous factors. Firstly, the prevailing uranium market conditions do not support the ongoing development of this hard rock uranium mining opportunity. Secondly, the limited duration and cost structure associated with holding South African mineral retention rights quickly becomes cost prohibitive, so placing the project on hold to retain some form of 'option value' is not a viable scenario. These reasons deterred a number of entities who expressed interest over the past six months from making firm offers acceptable to Peninsula.

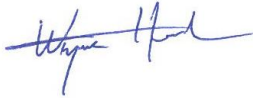
Peninsula has therefore suspended all financial support for development activities including progression of mining and prospecting right applications while discussions on the way forward continue with our joint venture partners.

Over the remainder of 2018 the activities in the Karoo will focus on the necessary rehabilitation of exploration and historical trial mining activities in consultation with our joint venture partners and relevant authorities. In 2018 to date, good progress has been made with the rehabilitation of more than 6,000 of approximately 13,000 boreholes having been completed.

The decision to suspend the further development of the Karoo Project is not expected to materially impact the Company balance sheet given the impairment and rehabilitation provisions made in the financial statements for the 6 months ended December 31, 2017. The Company is pursuing consent for the sale of the 322 km<sup>2</sup> freehold farmland held in the Karoo Basin, the proceeds of which are expected to be sufficient to cover rehabilitation obligations.

Peninsula's Managing Director and CEO Wayne Heili stated; "The decision to discontinue our financial support for the development of the Karoo Projects and to focus our attention on the Lance Projects in Wyoming, USA is regarded as the best approach to building value for our shareholders. In this enduring difficult uranium market, it has proven unrealistic to attribute any value to the Karoo Project. The Company has undertaken a difficult decision but there is no value to be gained through continued investment in a secondary higher cost project."

Yours Sincerely,



**Wayne Heili**  
**Managing Director/CEO**

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