



2 May 2018

Companies Announcement Office
Via Electronic Lodgement

PENINSULA ENERGY LIMITED QUARTERLY RESULTS WEBCAST PRESENTATION

Peninsula Energy Limited (**Peninsula**) advises that it held an investor update webcast on 1 May 2018 including the attached presentation to cover the March 2018 quarter.

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

<http://www.pel.net.au> under "Announcements" subsection "Presentations".

Yours sincerely

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

Jonathan Whyte
Company Secretary

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

March 2018 Quarter Results

Webcast | 2 May 2018



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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.

- **Highlights of the Quarter**
 1. **Quarterly Activity Summary**
 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

- **Corporate**

- Significant revenues supporting positive cash flow
- Convertible note debt partly repaid and extended by 2 years

- **Sales & Marketing**

- 125,000 lbs U₃O₈ sold (revenue of US\$5.4 million)
- US\$19.0 million net proceeds received from contract transaction

- **Lance Projects**

- Production results improved for fourth consecutive quarter
- Low pH Permit to Mine amendment submitted (6 April)

- **Karoo Divestment Process**

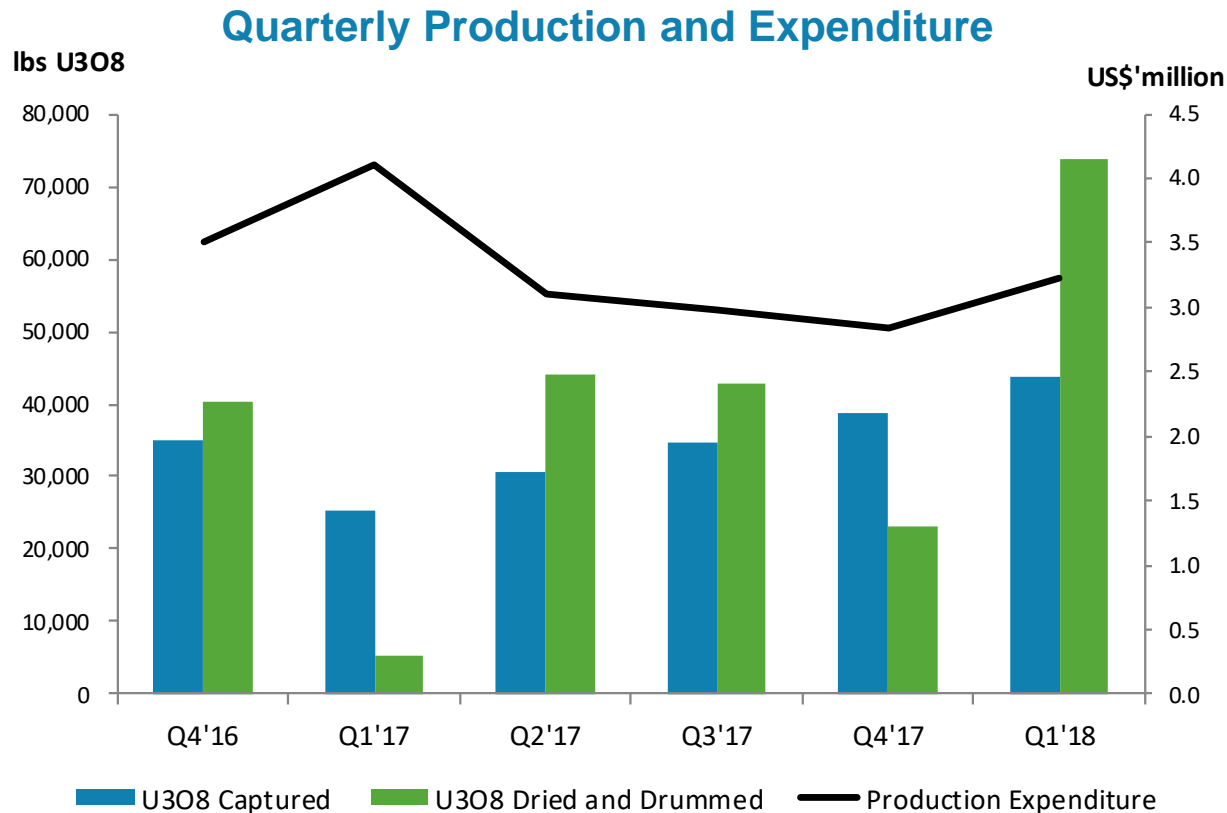
- Withdrawal from any further development or progression activities

- **US\$19 million (net) generated through contract transaction**
 - Advances cash receipts from future dates to present
 - Reduces delivery obligations during Lance transition process
- **Significant contract portfolio carries through year 2030**
 - Up to 6.5 million pounds U_3O_8 remaining under contract through 2030
 - 4.6 million pounds U_3O_8 committed deliveries through 2030
 - Up to 1.9 million pounds U_3O_8 optional at customer election between 2021 and 2026
 - Term contracts weighted price between **US\$51-53/lb** U_3O_8
 - Next scheduled sale: First week of October 2018

Lance - Improved Production Results

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

- 43,638 lbs produced in the quarter
- 72,864 lbs dried & drummed in the quarter
- Continued operations in first two mine units
- Header house #10 construction nearing completion



- **Low pH ISR transformation initiative**

High
Potential

- ✓ Potential to transform the performance and cost profile
- ✓ Permit to Mine amendment request submitted

Short
Timeline

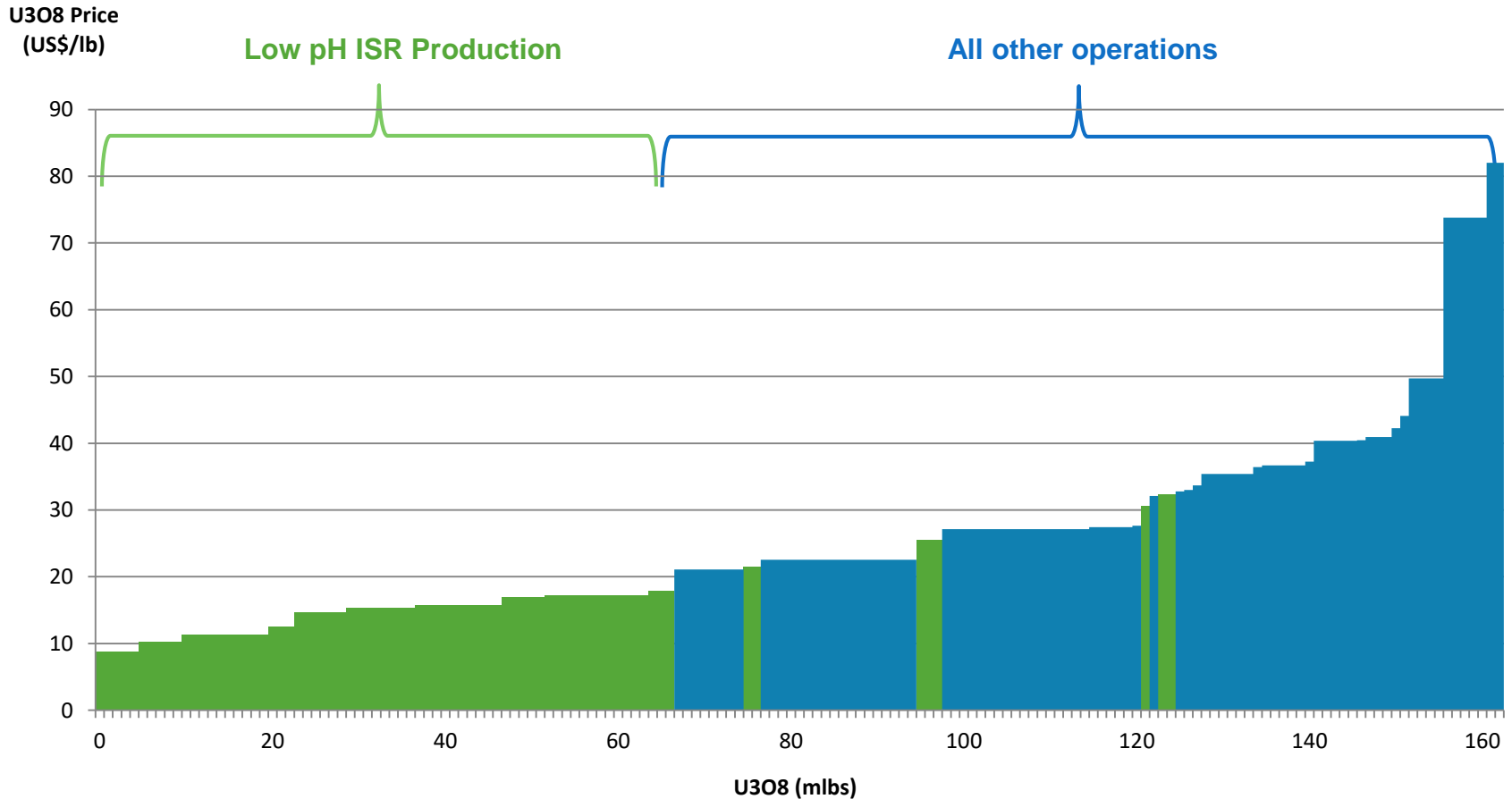
- ✓ Permit and licence amendments expected mid-CY2019
- ✓ Continued production from alkaline ISR operations

Low
Capital Cost

- ✓ CAPEX for minor modifications = Minimal
- ✓ Technical studies commenced – completion expected mid-CY2018

Low pH ISR Leads the Way

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



- All development and progression activities suspended

Divestment Status

- ✓ No satisfactory offers made to Peninsula during sale process
- ✓ Reflects market view of hard rock uranium assets today

Retention Option

- ✓ Fully explored by Peninsula
- ✓ Cost of retention rights in SA is prohibitively expensive

Next Steps

- ✓ Fulfil restoration and rehabilitation obligations
- ✓ Seek consent to divest freehold farm land to fund rehabilitation

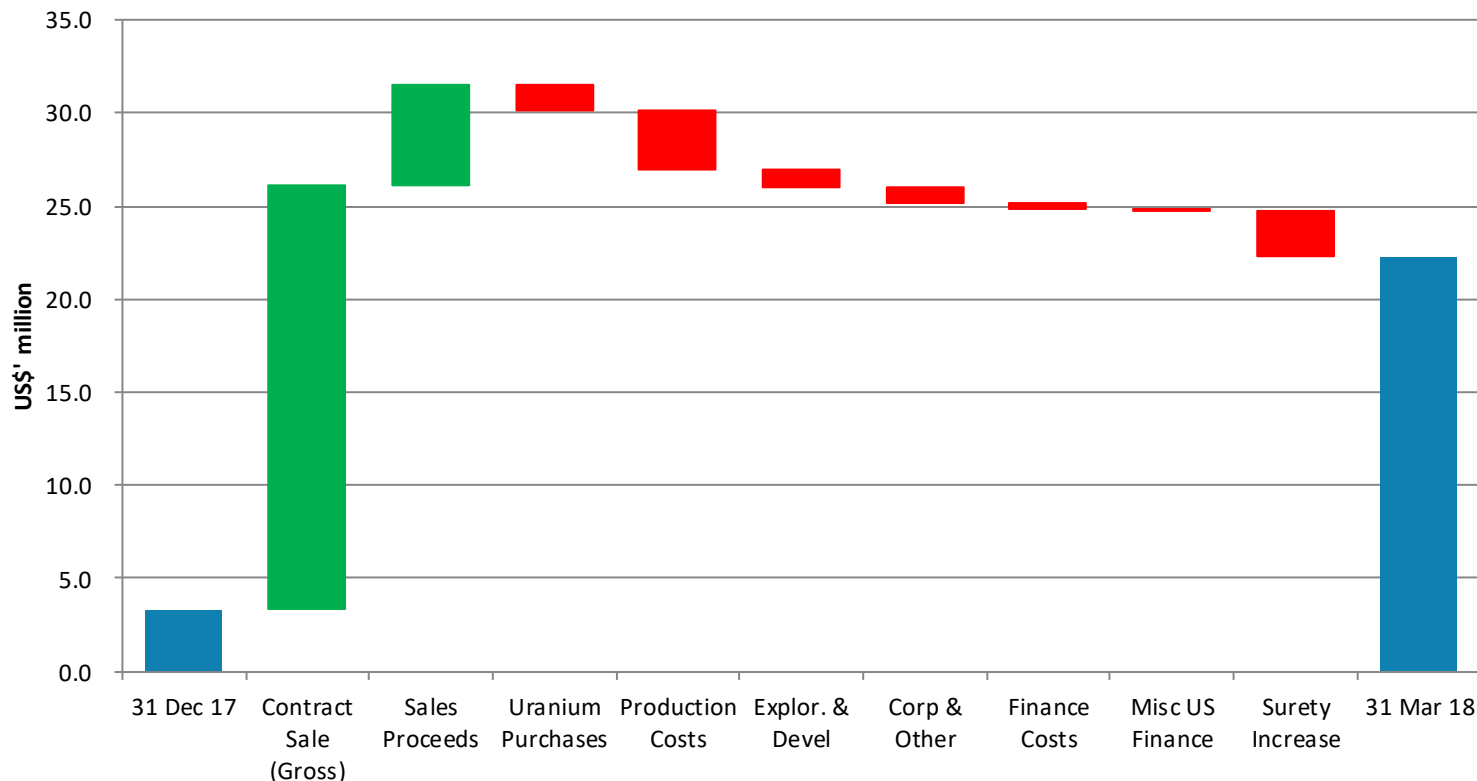
Quarterly Cost Performance

- **March quarter impacted by annual payments under service agreements**

Payments for: (US\$'000)	Actual Jun Qtr CY17	Actual Sep Qtr CY17	Actual Dec Qtr CY17	Actual Mar Qtr CY18	F'cast Jun Qtr CY18
Exploration & Evaluation	213	270	185	169	300
Development & PPE	2,258	1,106	537	786	450
Production	3,149	2,983	2,847	3,219	2,700
Sales, Admin & Corporate ⁽¹⁾	227	626	361	601	500
Staff (Corporate)	289	279	253	288	300
	6,136	5,264	4,183	5,063	4,250

(1) Excludes financing charges, US\$3.8m VAT amount to be remitted in June Quarter and US\$3.0m debt repayment made on 20 April 2018.

Available Cash⁽¹⁾ Balances and Movement



- Gross proceeds from contract sale US\$22.8 million (includes US\$3.8m VAT)
- US\$5.4 million sales proceeds received during the quarter
- On 20 April, 2-year extension and re-structure of Con Note signed with RCF and Pala
- Principal repayment of US\$3.0 million made (20 Apr), reducing Con Note debt to US\$17 million

1) Available Cash excludes amounts placed on deposit to secure guarantees and surety bonds

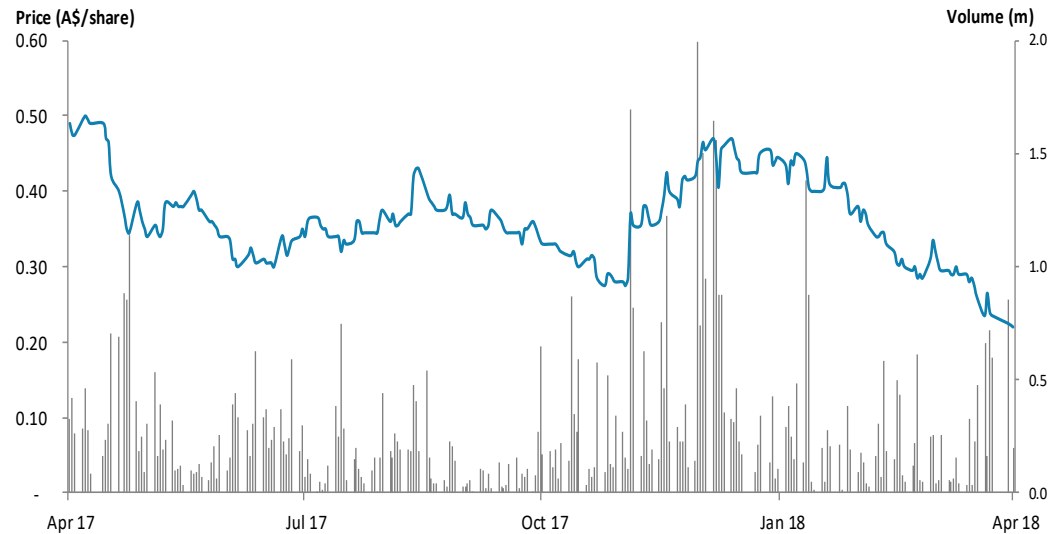
Corporate Overview

Capital Structure

Shares on issue*	232m
Share price (4-Apr-18)	A\$0.230
Market capitalisation (4-Apr-18)	A\$53m
Enterprise Value (4-Apr-18)	A\$52m
Cash and Security Deposits (31-Mar-18)	US\$28.7m

Share Price & Volume History

Ticker: ASX:PEN



Shareholding*

Holding (%)



RESOURCE
CAPITAL FUNDS

22.1%

GLOBAL X

12.7%



11.4%

BLACKROCK

4.8%



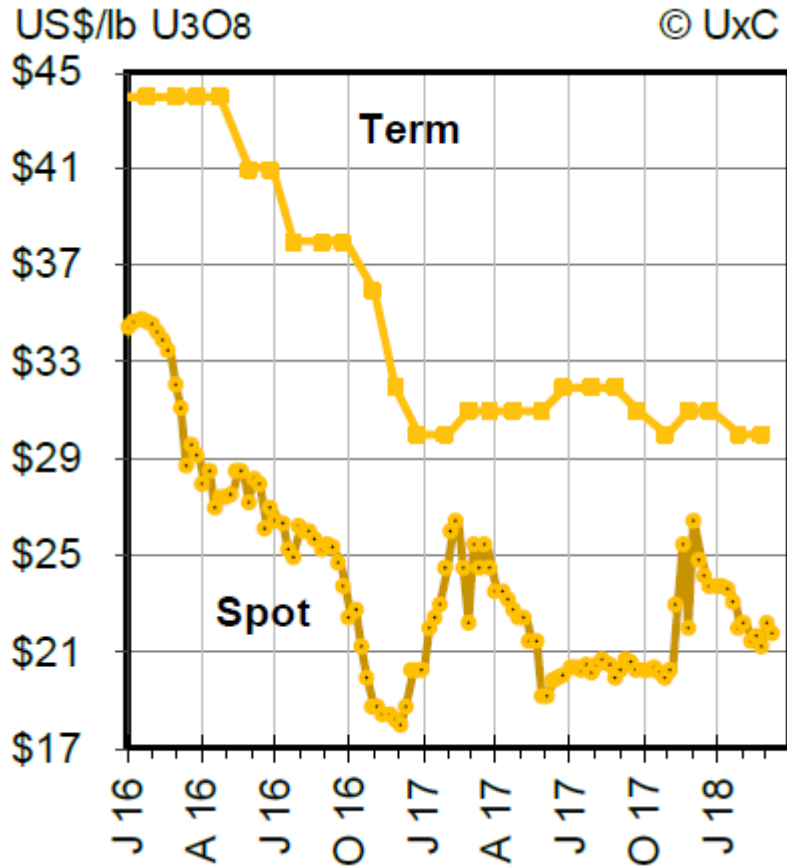
2.5%

Top 20 Shareholders

65.3%

- **March Quarter Share Performance**
 - Average Volume: 238k shares / day
 - Global X - URA Index Fund impact

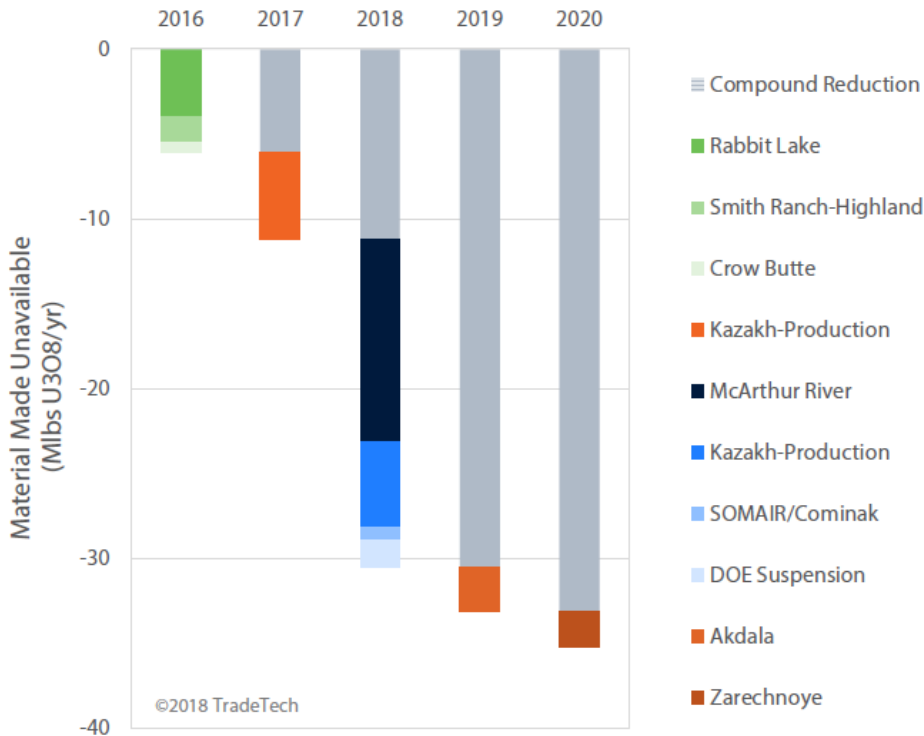
*Undiluted as at 4 April 2018



- **Uranium Market Insight**

- Uranium is sold in two ways
- Spot market has supply overhang
- Term market remains quiet
- Both prices are well below industry's average cost of production
- Producers increasing spot buying

Source: The Ux Consulting Company, LLC



Source: TradeTech

Excludes possible Langer Heinrich C&M announced by Paladin on 26 April 2018

Supply: Production restraint has become a common theme

- The big miners continue reducing production target levels
- Producers are unwinding their inventories

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

- Demand forecasts continue to show growth through and beyond 2030
- Over 800 million lbs U₃O₈ of uncovered demand over the next 10 years

Market rebalancing is occurring

- **Increasing Political Activity Involving Nuclear Fuel Trade**
 1. Section 232 of the US Trade Expansion Act Petition
 - US Dept. of Commerce expected to take up investigation
 - Potential remedies could bolster price for US production
 2. US Dept of Energy suspension of excess uranium barter/sales
 - For remainder of 2018 Fiscal Year
 - Support for permanent suspension
 3. Review of the Russian Suspension Agreement
 4. Russian Parliament discussing ban on all trade with US nuclear utilities

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

Questions & Answers

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

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.