



6 August 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 3 August 2018 including the attached presentation to cover the June 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.

June 2018 Quarter Results

Webcast | 3 August 2018



PENINSULA
ENERGY LIMITED



ASX: PEN

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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.

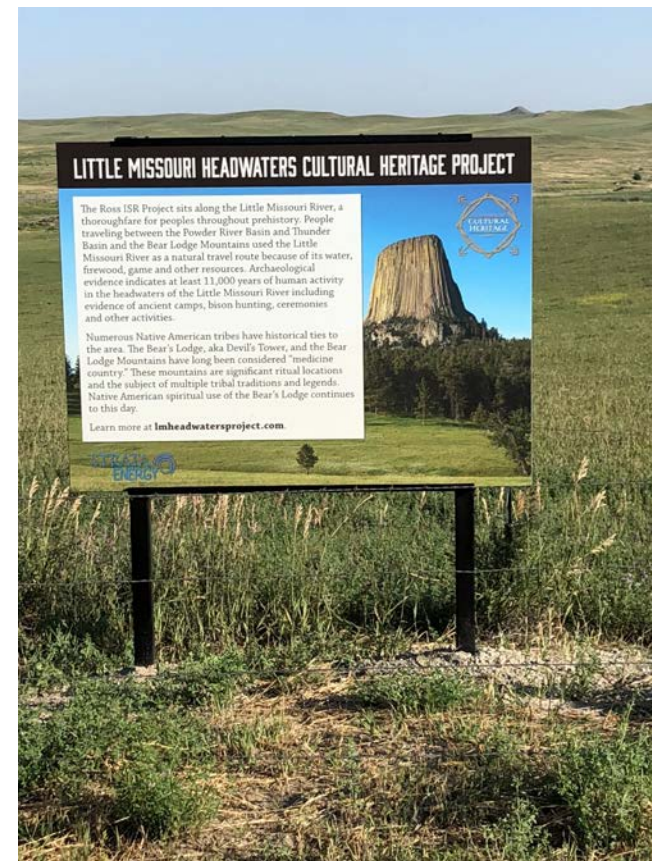
Please note that Production Targets within this presentation are based on a proportion of inferred resources. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated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

- **Highlights of the Quarter**

1. **Corporate Overview**
2. **Quarterly Activity Summary**
3. **Lance Results and Activities**
4. **Quarterly Costs & Cash Flow Analysis**
5. **Karoo Update**
6. **Uranium Market**
7. **Investment Highlights**



Cultural Awareness Sign at Mine Gate

Mr Wayne Heili – Managing Director & CEO
Mr David Coyne – Finance Director & CFO

Corporate Overview

Capital Structure

Shares on issue*	234m
Share price (1-Aug-18)	A\$0.330
Market capitalisation (1-Aug-18)	A\$77m
Enterprise Value (1-Aug-18)	A\$83m
Available Cash (30-Jun-18)	US\$12.1m

Share Price & Volume History

Ticker: ASX:PEN



Shareholding*

Holding (%)



22.5%



11.3%



3.0%



2.6%



2.5%

Top 20 Shareholders

59.5%

• June Quarter Share Performance

- Average Volume: 668k shares / day
- Global X - URA Index Fund change and block trade completed

*Undiluted as at 1 August 2018

- **Corporate**

- Convertible note debt partly repaid and extended by 2 years
- Existing Top 20 shareholder acquired US\$3.85m of Con Note debt
- Global X ETF exit facilitated

- **Sales & Marketing**

- No sales were scheduled to be made in the quarter

- **Lance Projects**

- Production down from March Quarter but higher than guidance
- MU1 production significantly cutback
- Low pH Permit to Mine amendment submitted (6 April)

- **Karoo Divestment Process**

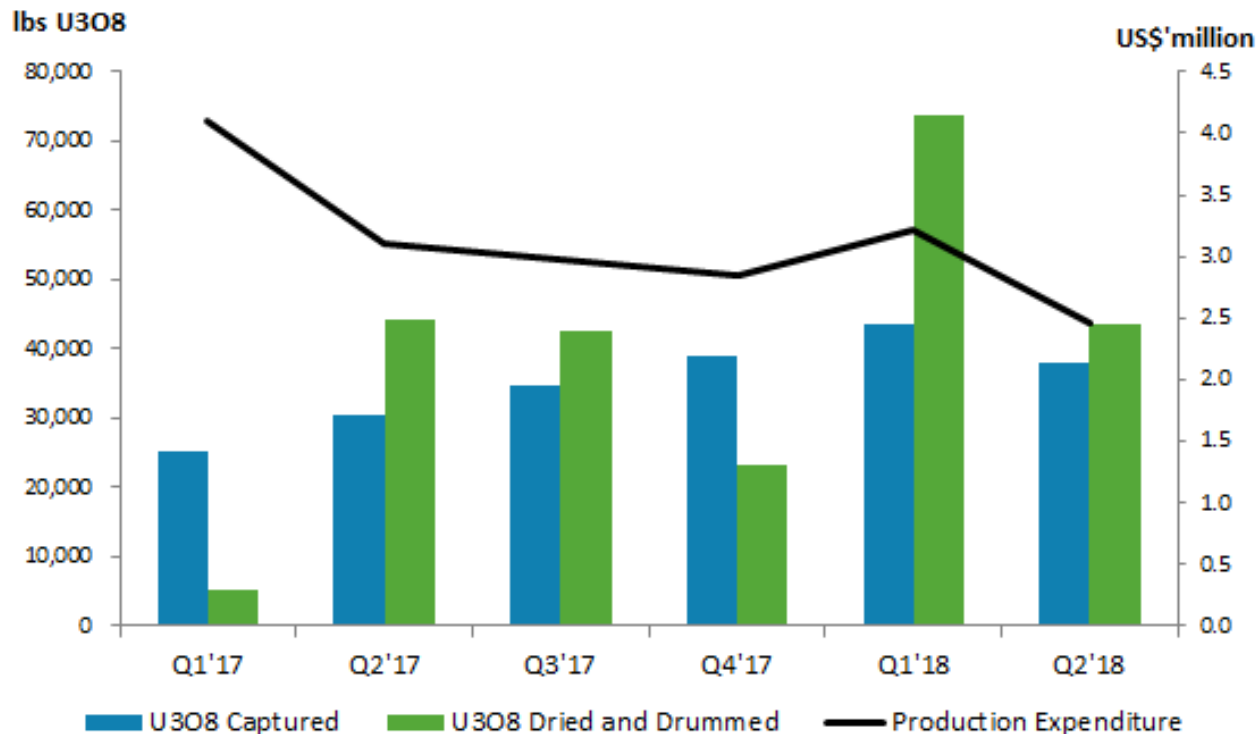
- Withdrawal from any further development or progression activities

Lance - Steady Production Results

- **June Quarter production higher than guidance**

- 38,001 lbs produced in the quarter
- 43,553 lbs dried & drummed in the quarter
- Production in Mine Unit 1 significantly cutback to preserve more “pounds in the ground” for Low pH operations
- Reduced production expenditures during transitional period

Quarterly Production and Expenditure



- **Low pH ISR transformation initiative is being actively advanced**

High Potential

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

Short Timeline

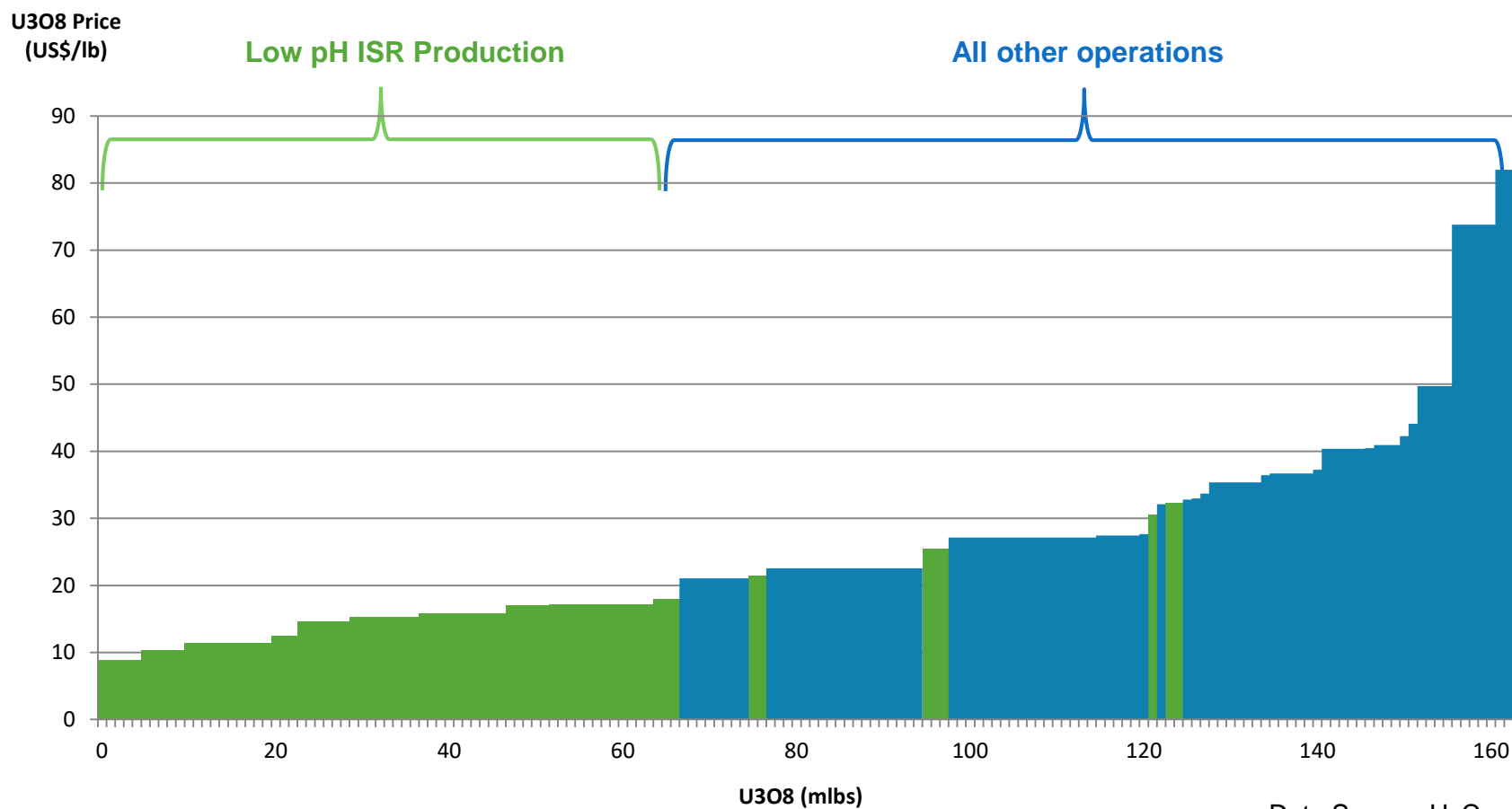
- ✓ Permit and licence amendments expected mid-CY2019
- ✓ Continued production from alkaline ISR operations to meet delivery obligations

Low Capital Cost

- ✓ Feasibility Study expected in September Quarter
- ✓ CAPEX for minor modifications = Minimal

Why Change Now?

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



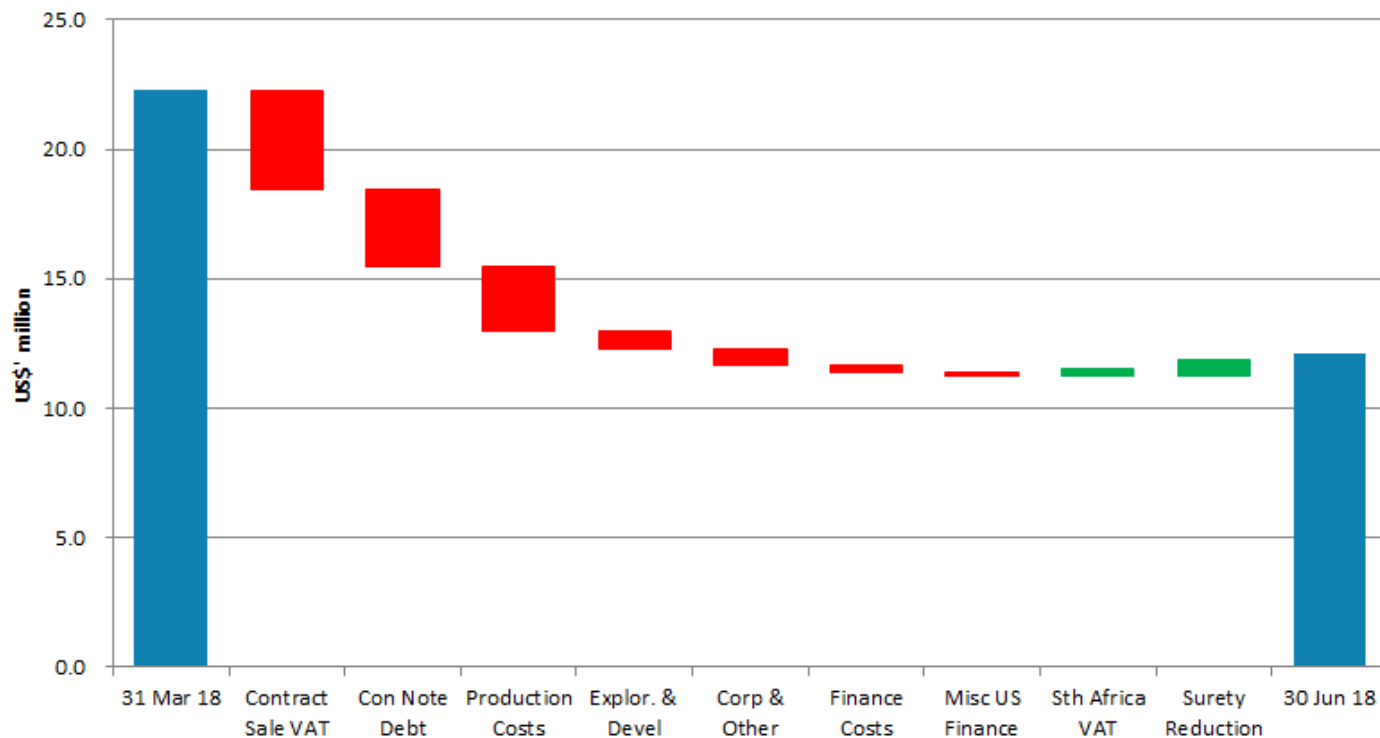
Quarterly Cost Performance

- Spending discipline continues

Payments for: (US\$'000)	Actual Sep Qtr CY17	Actual Dec Qtr CY17	Actual Mar Qtr CY18	Actual Jun Qtr CY18	F'cast Sep Qtr CY18
Exploration & Evaluation	270	185	169	197	500
Development & PPE	1,106	537	786	491	350
Production	2,983	2,847	3,219	2,457	2,500
Sales, Admin & Corporate ⁽¹⁾	626	361	601	381	300
Staff (Corporate)	279	253	288	284	600
	5,264	4,183	5,063	3,810	4,250

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

Available Cash⁽¹⁾ Balances and Movement



- US\$3.8m VAT remittance made in June quarter (part of March quarter contract sale)
- No 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

- All development and progression activities suspended

Divestment Status

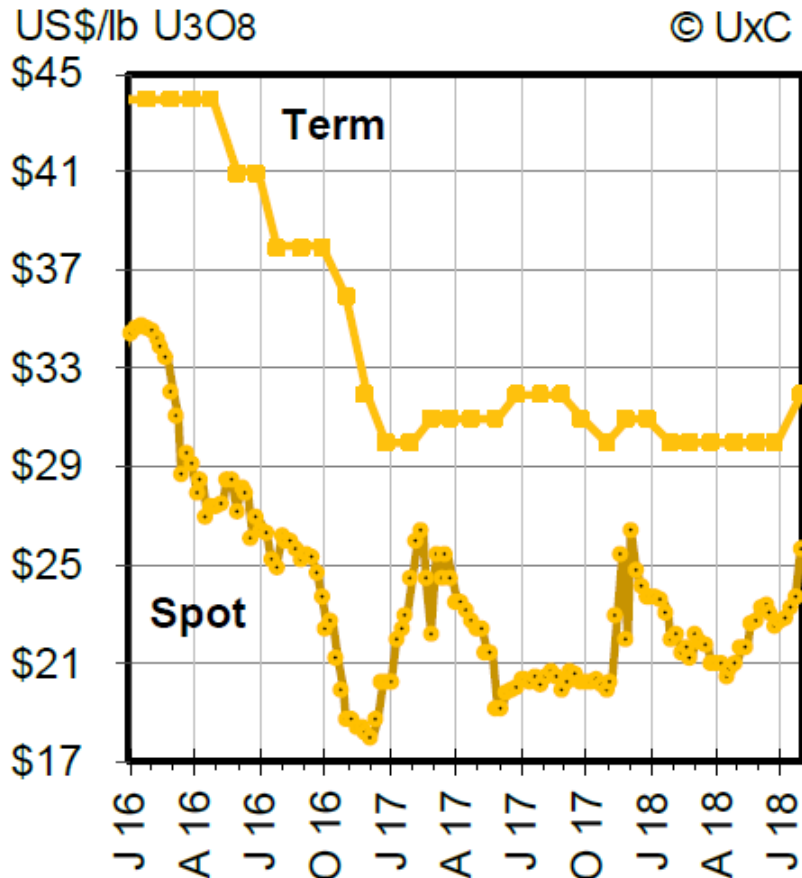
- ✓ No satisfactory offers made to Peninsula during sale process
- ✓ Reflects market view of hard rock uranium assets today

Retention Option

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

Next Steps

- ✓ Fulfil surface rehabilitation obligations
- ✓ Divest freehold farm land to fund rehabilitation

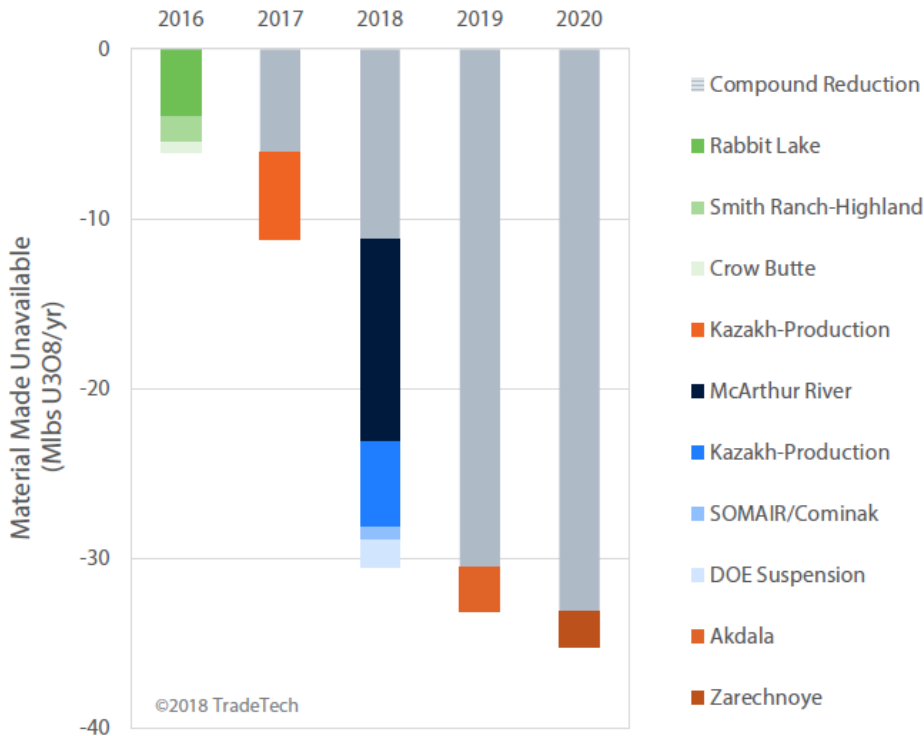


Uranium Market Insight

- Uranium sold in spot & term deals
- Spot market supply depth is being tested
- Term market remains quiet
- Both markets are well below industry's average cost of production
- Spot price rising on increased buying by Producers and Investors

Source: The Ux Consulting Company, LLC

Market Rebalancing is Occurring Now



Supply: Global Supply Declining

- 2018 Production estimated at 135M pounds
- 2018 Demand estimated at 192M pounds
- Inventories are unwinding

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

- Demand forecasts continue to show growth through and beyond 2030
- Over 800 million lbs U_3O_8 of uncovered demand over the next 10 years

Source: TradeTech

Excludes Langer Heinrich C&M announced by Paladin on 25 May 2018

- **Increasing Political Activity Involving Nuclear Fuel Trade**
 1. Section 232 of the US Trade Expansion Act Petition
 - US Dept. of Commerce (DOC) commenced investigation on 18 July 2018
 - DOC has 9 months to complete investigation and make any recommendations
 - US President has a further 3 months to implement DOC recommendations (or implement any other actions)
 - Potential remedies could bolster price for US based 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 threatened ban on all trade with US nuclear utilities (since withdrawn)

World Class Management

- Experienced technical, financial and commercial team
- Building for the future today

Large Scale Project

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

Scalable Production

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

Financial Strength

- Robust cash position with long-term revenue 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

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.