PENINSULA ENERGY LIMITED

ABN 67 062 409 303

NOTICE OF EXTRAORDINARY GENERAL MEETING

TIME: 11.00am (WST)

DATE: 19 September 2018

PLACE: BDO
Hay Room
38 Station Street
SUBIACO WA 6008

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Independent Expert has formed the opinion that the transaction the subject of:

- ***Resolution 1 is NOT FAIR BUT REASONABLE;***
- ***Resolution 2 is NOT FAIR BUT REASONABLE; and***
- ***Resolution 3 is FAIR AND REASONABLE,***

to the non-associated Shareholders of Peninsula.

Peninsula's Directors (except Evgenij Iorich and Mark Wheatley who abstain from making a recommendation) recommend that eligible Shareholders vote IN FAVOUR of Resolutions 1, 2, 3 and 4.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9380 9920.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

An Extraordinary General Meeting of the Shareholders of Peninsula Energy Limited to which this Notice of Meeting relates will be held at 11.00am (WST) on Wednesday, 19 September 2018 at:

BDO
Hay Room
38 Station Street
SUBIACO WA 6008

YOUR VOTE IS IMPORTANT

The business of the Extraordinary General Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders at 5.00pm (WST) on Monday, 17 September 2018.

VOTING IN PERSON

To vote in person, attend the Extraordinary General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
    - the proxy is not recorded as attending the meeting; or
    - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an Extraordinary General Meeting of Shareholders of Peninsula Energy Limited will be held at BDO, Hay Room, 38 Station Street, Subiaco at 11.00am (WST) on 19 September 2018.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Extraordinary General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

Resolutions 1 and 2 are interdependent. If either of Resolutions 1 and 2 are not passed, then Resolutions 1 and 2 will both be taken to have not been passed.

1. RESOLUTION 1 – ISSUE OF SHARES, OPTIONS AND REPLACEMENT CONVERTIBLE NOTE TO RCF VI AND INCREASE IN RELEVANT INTEREST

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"Subject to Resolution 2 being passed, that, for the purposes of section 611 (item 7) of the Corporations Act and for all other purposes, Shareholders approve:

(a) the issue of the RCF VI Replacement Convertible Note (and, on completion of the Assignment, the RCF VI Post-Assignment Replacement Convertible Note) and of Shares to RCF VI or an RCF Associate pursuant to the relevant Amended Convertible Loan Facility and on conversion of the RCF VI Replacement Convertible Note or the RCF VI Post-Assignment Replacement Convertible Note (as applicable) pursuant to the relevant Amended Convertible Loan Facility;

(b) the issue of the RCF VI Extension Fee Shares to RCF VI or an RCF Associate;

(c) the issue of the RCF VI Extension Fee Options to RCF VI or an RCF Associate and the issue of Shares to RCF VI or an Associate pursuant to the exercise of the RCF VI Extension Fee Options;

(d) the issue of Shares to RCF VI or an RCF VI Associate pursuant to the exercise of the RCF VI PENOD Options; and

(e) the increase in the voting power of RCF VI and the RCF VI Associates to up to 44.73%,

on the further terms and conditions set out in the Explanatory Statement."

Directors Recommendation: The Directors (except for Evgenij Iorich and Mark Wheatley, who abstain from making a recommendation) recommend that Shareholders vote in favour of Resolution 1.

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared by RSM for the purposes of the Shareholder approval required under section 611 (item 7) of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transaction to the Shareholders in the Company who are not associated with the RCF VI or the RCF Associates and has concluded that the proposal the subject of Resolution 1 is NOT FAIR BUT REASONABLE.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by RCF VI or any of its Associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – ISSUE OF SHARES, OPTIONS AND REPLACEMENT CONVERTIBLE NOTE TO PALA AND INCREASE IN RELEVANT INTEREST

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

> *"Subject to Resolution 1 being passed, that, for the purposes of section 611 (item 7) of the Corporations Act and for all other purposes, Shareholders approve:*
>
> *(a) the issue of the Pala Replacement Convertible Note (and, on completion of the Assignment, the Pala Post-Assignment Replacement Convertible Note) and of Shares to Pala or a Pala Associate pursuant to the relevant Amended Convertible Loan Facility and on conversion of the Pala Replacement Convertible Note or the Pala Post-Assignment Replacement Convertible Note (as applicable) pursuant to the relevant Amended Convertible Loan Facility;*
>
> *(b) the issue of the Pala Extension Fee Shares to Pala or a Pala Associate;*
>
> *(c) the issue of the Pala Extension Fee Options to Pala or a Pala Associate and the issue of Shares to Pala or a Pala Associate pursuant to the exercise of the Pala Extension Fee Options;*
>
> *(d) the issue of Shares to Pala or a Pala Associate pursuant to the exercise of the Pala PENOD Options; and*
>
> *(e) the increase in the voting power of Pala and the Pala Associates to up to 26.23%,*
>
> *on the further terms and conditions set out in the Explanatory Statement."*

Directors Recommendation: The Directors (except for Evgenij Iorich and Mark Wheatley, who abstain from making a recommendation) recommend that Shareholders vote in favour of Resolution 2.

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared by RSM for the purposes of the Shareholder approval required under section 611 (item 7) of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transaction to the Shareholders in the Company who are not associated with Pala or the Pala Associates and has concluded that the proposal the subject of Resolution 2 is NOT FAIR BUT REASONABLE.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Pala or any of its Associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – APPROVAL OF GRANT AND DIRECT ENFORCEMENT OF THE EXTENDED SECURITY

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

> *"That, for the purposes of Listing Rule 10.1 and for all other purposes, Shareholders approve the grant to the Lenders and their direct enforcement of*

the Extended Security on the further terms and conditions set out in the Explanatory Statement."

Directors Recommendation: The Directors (except for Evgenij Iorich and Mark Wheatley, who abstain from making a recommendation) recommend that Shareholders vote in favour of Resolution 3.

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared by RSM for the purposes of the Shareholder approval required under Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the transaction to the Shareholders in the Company who are not associated with RCF VI or Pala and their respective Associates and has concluded that the proposal the subject of Resolution 3 is FAIR AND REASONABLE.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of RCF VI, Pala, any Assignee or any of their respective Associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – APPROVAL FOR THE ISSUE OF SHARES, OPTIONS AND POST-ASSIGNMENT REPLACEMENT CONVERTIBLE NOTES TO ASSIGNEES

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve:

(a) the issue of the Assignees' Post-Assignment Replacement Convertible Notes to the Assignees or an Associate of the Assignees and of Shares to the Assignees or an Associate of the Assignees pursuant to the Assignees' Convertible Loan Facility and on conversion of the Assignees' Post-Assignment Replacement Convertible Note pursuant to the Assignees' Convertible Loan Facility;

(b) the issue of the Assignees' Extension Fee Shares to the Assignees or an Associate of the Assignees; and

(c) the issue of the Assignees' Extension Fee Options to the Assignees or an Associate of the Assignees and the issue of Shares to the Assignees or an Associate of the Assignees pursuant to the exercise of the Assignees' Extension Fee Options,

on the terms and conditions set out in the Explanatory Statement."

Directors Recommendation: The Directors (except for Evgenij Iorich and Mark Wheatley, who abstain from making a recommendation) recommend that Shareholders vote in favour of Resolution 4.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of RCF VI, Pala, any Assignee or any of their respective Associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD

JONATHAN WHYTE
COMPANY SECRETARY
PENINSULA ENERGY LIMITED

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Extraordinary General Meeting to be held at BDO, Hay Room, 38 Station Street, Subiaco, Western Australia on 19 September 2018 at 11.00am (WST).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTIONS 1 AND 2 – ISSUE OF SHARES, OPTIONS AND REPLACEMENT CONVERTIBLE NOTES TO RCF VI AND PALA AND INCREASE IN RELEVANT INTEREST

1.1 Background

The Company began in-situ uranium recovery (**ISR**) operations from its Lance Uranium Projects in Wyoming, USA (**Lance Projects**) in December 2015. The Lance Projects produced 155,035 lbs U_3O_8 in the 12 months ended 30 June 2018 and forecast to produce at an annualised rate of between 90,000 to 110,000 lbs U_3O_8 per annum for the 4 calendar quarters to 30 June 2019.

In October 2017 the Company announced the outcomes of research initiatives aimed at improving the operating performance at the Lance Projects. These outcomes included encouraging laboratory test results using lower pH solutions (mild acids). These initial results, which have been followed by ongoing laboratory tests and geochemical modelling, indicate that utilising a low pH system could be a transformational development for the Lance Projects and could align the operating performance and cost profile of the Lance Projects with current industry leading global uranium production projects.

To change from an alkaline based mining solution to a low pH solution requires the approval of amendment requests for the existing permits and licenses. Preparation of the permit and license amendment submissions commenced during late 2017 and on 6 April 2018 the Company's wholly owned subsidiary Strata Energy formally submitted a request to the Wyoming Department of Environmental Quality to amend its existing Permit to Mine to allow for the use of a low-pH recovery solution in the Ross Permit Area of the Lance Projects. Based on discussions to date with the regulator, the Company holds a reasonable expectation that amendments to existing operating permits and licenses could be granted in mid-2019.

During the amendment process, the Company will continue operating the Lance Projects using alkaline lixiviant in accordance with the currently approved licenses and permits. In May 2018 the Company announced that existing alkaline operations will however be streamlined in order to preserve in-situ U_3O_8 pounds for future low pH extraction, and to reduce cash expenditure over the low pH permitting and transition period. During the course of May 2018 the Company initiated a suspension of alkaline based production activity within the first mining unit at the Lance Projects. Alkaline ISR based production operations are continuing in the second mining unit at the Lance Projects where head grades are higher.

The Company has up to 6.5 million lbs of U_3O_8 remaining under contract for delivery to major utilities located in the United States and Europe through to 2030 at a weighted average delivery price of US$51-53/lb U_3O_8. Within the quantity of 6.5 million lbs U_3O_8, 4.6 million lbs U_3O_8 are committed quantities for delivery through to 2030. Up to 1.9 million lbs U_3O_8 are deliveries that are optional, at the election of the respective customers, to be delivered between 2021 and 2026.

The Company's Karoo Projects are comprised of various prospecting and mining rights in the vicinity of Beaufort West, Republic of South Africa. The Company has an effective 74% interest in each of the prospecting and mining rights, with the remaining 26% held by Black Economic Empowerment partners in accordance with South African laws and regulations. The Company has announced its intention to divest or exit its 74% interest in the Karoo Projects and has decided to withdraw from any further development activities. Over the remainder of 2018 the Company's activities will focus on the necessary rehabilitation of exploration and historical trial

mining activities, in consultation with the Company's joint venture partners and the relevant authorities. The Company is pursuing the sale of its freehold farmland in the Karoo Basin, the proceeds of which are expected to be sufficient to cover rehabilitation obligations.

1.2 Convertible Loan Facility

As set out in the announcements dated 26 April 2016 and 14 October 2016, the Company entered into binding convertible bridge loan agreements with Resource Capital Fund VI L.P. (**RCF VI**) and Pala Investments Limited (**Pala**) pursuant to which RCF VI and Pala (together, the **Lenders**) agreed to provide Peninsula with funding support through a loan and convertible loan facility (**Convertible Loan Facility**).

The Convertible Loan Facility comprised subordinated second ranking secured convertible bridge loans of an aggregate US$20 million, advanced by RCF VI and Pala proportionally to each entity's then shareholding in Peninsula (RCF VI loan amount was US$12.84 million and Pala loan amount was US$7.16 million). The Convertible Loan Facility was secured through the Lenders' accession to the existing security over the assets of Peninsula in Australia, the United States and the United Kingdom held by Investec Australia Ltd as security trustee (**Security Trustee**) originally granted to the Security Trustee to secure the Company's obligations to Investec Bank plc (**Investec**) in respect of a working capital facility signed in December 2015 (**Security**).

Upon receiving shareholder approval at an Extraordinary General Meeting held on 28 November 2016 (**November 2016 EGM**), the Company issued convertible notes for a face value equal to the principal amount outstanding under the Convertible Loan Facility and any accrued but unpaid interest from time to time. At the November 2016 EGM, shareholders approved an increase in the voting power of RCF VI up to 41.84% and an increase in the voting power of Pala up to 24.59%.

On 24 February 2017, RCF VI and Pala agreed to amend the Convertible Loan Facility and replace the original convertible notes with new convertible notes on varied terms whereby the original repayment date was extended by 12 months to 22 April 2018 (**Maturity Date**) and the Lenders had the option to convert the convertible notes to shares in Peninsula at a fixed price of A$0.625 per Share. Upon receiving shareholder approval at an Extraordinary General Meeting held on 20 April 2017 (**April 2017 EGM**), the Company issued convertible notes for a face value equal to the principal amount outstanding under the amended Convertible Loan Facility and any accrued but unpaid interest from time to time (**Convertible Notes**). At the April 2017 EGM, shareholders approved an increase in the voting power of RCF VI up to 36.92% and an increase in the voting power of Pala up to 21.08%.

The Convertible Loan Facility was fully drawn in 2016 and the funds were utilised for development costs at the Lance Project, development costs at the Karoo Projects and working capital expenditure for the Company and the Lance Projects.

In December 2017, the Company's working capital facility in place with Investec reached the end of its 2-year term. The facility was not renewed or extended by the Company. At this point in time, the Convertible Loan Facility was no longer a subordinated facility and assumed first ranking position for the Security.

As set out in the announcement dated 20 April 2018, RCF VI and Pala have agreed in principle, subject to certain conditions, to further extend the Maturity Date of the Convertible Loan Facility. To secure the extension of the Maturity Date to 22 April 2020 (**Amended Repayment Date**), the Company has also agreed to reduce the Convertible Loan Facility from US$20 million to US$17 million, following a cash repayment by the Company of US$3 million, which was made on 20 April 2018. Following the repayment of US$3 million the total principal outstanding under the amended Convertible Loan Facility was US$17 million, comprising a US$10.914 million convertible loan provided by RCF VI and a US$6.086 million convertible loan provided by Pala.

Subject to shareholder approval and the Amending Deeds (as defined below) becoming effective (and subject further to the position in relation to the Deed of Assignment, as set out in paragraph 1.3 below), the Company will issue replacement convertible notes (in replacement of the

Convertible Notes) for a face value equal to the principal amount outstanding under each Amended Convertible Loan Facility (as defined below) and any accrued but unpaid interest from time to time (**Replacement Convertible Notes**), being:

- in relation to RCF VI, a Replacement Convertible Note with a face value of US$10.914 million (plus any accrued but unpaid interest from time to time) (**RCF VI Replacement Convertible Note**); and

- in relation to Pala, a Replacement Convertible Note with a face value of US$6.086 million (plus any accrued but unpaid interest from time to time) (**Pala Replacement Convertible Note**).

Each of the Lenders entered into an amendment and restatement deed in respect of its Convertible Loan Facility agreement on 3 July 2018 (each an **Amending Deed**). Each Amending Deed provides for an immediate extension of the Maturity Date to 31 August 2018 (which date the Lenders have agreed to extend to 30 September 2018), pending satisfaction of the conditions precedent and the Amending Deeds becoming effective. On the Amending Deeds becoming effective, which is in each case subject to satisfaction of certain conditions precedent (including Resolutions 1, 2 and 3 being passed), the relevant Convertible Loan Facility will be amended and restated in the form of the amended and restated Convertible Loan Facility agreement scheduled to the relevant Amending Deed (each an **Amended Convertible Loan Facility,** and together the **Amended Convertible Loan Facilities**).

In addition to the Amended Repayment Date, the amendments reflected in each Amended Convertible Loan Facility include the following:

(a) the Lenders may elect to convert all or part of the principal amount of the Replacement Convertible Notes (including any capitalised interest) into Shares at any time prior to maturity at a fixed conversion price of A$0.40 per Share (subject to standard provisions in respect of reconstructions and bonus issues);

(b) each Amended Convertible Loan Facility will accrue interest to be calculated and paid quarterly at a coupon rate of 10% per annum for the period from 23 April 2018 until 22 April 2019 and then 12% per annum thereafter to the Amended Repayment Date. Interest can be paid in cash or Shares (**Coupon Rate Shares**) at the Company's election for the period from 23 April 2018 up until 30 June 2019 and at the Lenders' election thereafter, in which case the issue price for Shares will be the lower of A$0.40 per Share and the 20-day volume weighted average price (**VWAP**) immediately prior to the quarter end and the interest payment amount will be converted from USD to AUD at the Reserve Bank of Australia rate on the date of the conversion notice;

(c) the Lenders will be entitled to an extension fee of 2% of the amount made available by each of them under the relevant Amended Convertible Loan Facility (**Extension Fee**), being:

  (i) an amount of US$218,280 payable to RCF VI; and

  (ii) an amount of US$121,720 payable to Pala,

  to be converted from USD to AUD at the Reserve Bank of Australia rate on the date of payment, and to be paid in cash or Shares (at the relevant Lender's election) at a price equal to the lower of A$0.40 per Share and the 5-day VWAP of Shares immediately prior to the date on which RCF VI and Pala respectively confirm satisfaction of the conditions precedent under the Amending Deeds including completion of regulatory and shareholder approvals (**Extension Fee Shares**). RCF VI and Pala are yet to elect whether to receive their Extension Fee in cash or Shares. Any Extension Fee Shares to be issued to RCF VI are referred to as the **RCF VI Extension Fee Shares**, and any Extension Fee Shares to be issued to Pala are referred to as the **Pala Extension Fee Shares**;

(d) the Lenders will be entitled to 22,500,000 unlisted Options in Peninsula exercisable at A$0.50 per Option on or before 22 April 2022 which will be issued to the Lenders in

proportion to the respective principal amounts of the Replacement Convertible Notes (**Extension Fee Options**), being:

(i) 14,445,000 Extension Fee Options to RCF VI (**RCF VI Extension Fee Options**); and

(ii) 8,055,000 Extension Fee Options to Pala (**Pala Extension Fee Options**); and

(e) the Company is required to obtain the written consent from a majority of Lenders (being Lenders who have at least 75% of the outstanding principal amounts owing to all Lenders or such other percentage as may be agreed from time to time) to modify or adopt material changes in its life of mine plan for the Lance Projects and the base case financial model for the Company. The Company is also required to obtain the written consent from a majority of Lenders to modify or enter certain new commercial agreements concerning the Lance Projects and agreements with customers.

There are no other material variations to the terms of the Convertible Loan Facility.

RCF VI elected to receive payments of interest for the quarters ended 30 September 2017, 31 December 2017 and 31 March 2018, and for the period from 1 April 2018 to 22 April 2018 in the form of Shares. Pala elected to receive payments of interest for the quarters ended 30 September 2017, 31 December 2017 and 31 March 2018, and for the period from 1 April 2018 to 22 April 2018 in the form of cash. The Company is likely to elect to pay the interest under each Amended Convertible Loan Facility to both RCF VI and Pala in Coupon Rate Shares for the period from 23 April 2018 up to 30 June 2019. RCF VI and Pala are otherwise yet to elect whether to receive interest payments for the period after 30 June 2019 in cash or Coupon Rate Shares.

Subject to Shareholder approval being obtained for Resolutions 1, 2 and 3, the Extension Fee Shares, the Extension Fee Options, shares issued on the exercise of any Extension Fee Options and PENOD Options, and Shares issued on conversion of the Replacement Convertible Notes (or relevant Post-Assignment Replacement Convertible Notes (as defined below), as the case may be) (including in each case Coupon Rate Shares) will be issued to the Lenders at the relevant time without disclosure in accordance with section 708A(5) of the Corporations Act (as modified by ASIC Legislative Instrument 2016/82) or, if the Company is unable to rely upon that section at that time, issued with disclosure in accordance with the Corporations Act.

RCF VI and its Associates currently hold 22.61% of the issued capital in the Company and Pala currently holds 11.30% of the issued capital in the Company.

The amendment of each Convertible Loan Facility is conditional upon, among other things, Shareholders approving Resolutions 1, 2 and 3. If Resolution 1, 2 or 3 is not passed, the Convertible Notes would be due for repayment on 30 September 2018 or the Lenders could elect to convert the amount owing under the Convertible Notes into Shares at a fixed conversion price of A$0.625 per Share.

Following the issue of the maximum number of Shares pursuant to conversion of the RCF VI Replacement Convertible Note, the issue of the maximum number of the RCF Extension Fee Shares, and the issue of Shares pursuant to the exercise of all RCF VI Options (and in each case disregarding any reduction in the maximum number of Shares issued or to be issued to RCF VI in connection with the above pursuant to the Assignment (defined below)), RCF VI and its Associates' voting power in the Company may increase to as much as 44.73% (as further set out in section 1.6(b)). The Company is seeking Shareholder approval for this increase in voting power pursuant to Resolution 1.

Following the issue of the maximum number of Shares pursuant to conversion of the Pala Replacement Convertible Note, the issue of the maximum number of the Pala Extension Fee Shares and the issue of Shares pursuant to the exercise of all Pala Options (and in each case disregarding any reduction in the number of Shares issued or to be issued to Pala in connection with the above pursuant to the Assignment (defined below)), Pala and its Associates' voting power in the Company may increase to as much as 26.23% (as further set out in section 1.6(c)).

The Company is seeking Shareholder approval for this increase in voting power pursuant to Resolution 2.

1.3 Assignment

Simultaneously with execution of the Amending Deeds, the Lenders and Peninsula entered into a deed of assignment (**Deed of Assignment**) by which the Lenders each agreed to assign a portion of their respective rights under the relevant Amended Convertible Loan Facility (including the relevant proportion of Replacement Convertible Notes, Extension Fee (whether payable in cash or Shares) and Extension Fee Options) (**Assignment**) to the following parties**:**

- Narlack Pty Ltd as trustee for Piperoglou Pension Fund;
- Micpip Nominees Pty Ltd as trustee for Micpip Super Fund A/C;
- Lempip Nominees Pty Ltd as trustee for Lempip 2 Super Fund A/c;
- Lempip Nominees Pty Ltd as trustee for Lempip Super Fund A/c;
- Vaspip 2 Pty Ltd; and
- Michael Piperoglou,

(each an **Assignee,** together the **Assignees**).

Collectively, the Assignees have agreed to acquire debt from the Lenders in the aggregate amount of US$3.85 million, which is to be acquired from the Lenders in amounts proportionate to their existing share of the aggregate $17 million exposure. The Deed of Assignment specifies the proportion of the US$3.85 million that is to be acquired by each individual Assignee.

Therefore, subject to and on completion of the Assignment, the total principal amount outstanding under the Amended Convertible Loan Facilities and the Assignees' Convertible Loan Facility (as defined below) of US$17m will comprise:

- a US$8.4423 million convertible loan provided by RCF VI;
- a US$4.7077 million convertible loan provided by Pala; and
- a US$3.85 million convertible loan provided by the Assignees (**Assignees' Convertible Loan Facility**).

The Assignees' Convertible Loan Agreement in respect of the Assignees' Convertible Loan Facility will be entered into between the Company and the Assignees on completion of the Assignment. The terms of the Assignees' Convertible Loan Facility will be substantially identical to the terms of each Amended Convertible Loan Facility. Simultaneously with completion of the Assignment, each Amended Convertible Loan Facility will be amended pursuant to the Deed of Assignment to remove from the relevant Amended Convertible Loan Facility all rights assigned to the Assignees and to reduce the amount outstanding to the Lenders under the Amended Convertible Loan Facilities by US$3.85 million.

Subject to and with effect from completion of the Assignment, the Assignees' Convertible Loan Facility will benefit from the Security, and the debt will rank pari passu with the debt under the Amended Convertible Loan Facilities.

Pursuant to the terms of the Deed of Assignment, the Assignees are entitled, collectively, to receive from the Lenders on completion of the Assignment a proportion of the Extension Fee (including any Extension Fee Shares if either or both of the Lenders elect to receive the relevant Extension Fee in Shares) and Extension Fee Options due to the Lenders. The relevant proportion due to the Assignees is 22.6470588% (3.85m/17m) of the Extension Fee and Extension Fee Options due to the Lenders, being:

- an Extension Fee of US$77,000 (**Assignees' Extension Fee**) (any Extension Fee Shares issued in respect of which are referred to as the **Assignees' Extension Fee Shares**); and

- 5,095,588 Extension Fee Options (rounding to the nearest whole number) (**Assignees' Extension Fee Options**).

Completion of the Assignment is conditional on a number of conditions precedent being satisfied, including satisfaction and/or waiver of all conditions precedent under the Amending Deeds and therefore each Amended Convertible Loan Facility coming into effect. The Assignment cannot therefore take place until each Amended Convertible Loan Facility is in place, but could, subject to satisfaction of the other conditions precedent in the Deed of Assignment, take place simultaneously with each Amended Convertible Loan Facility coming into effect.

If the Assignment proceeds, then:

(a) to the extent that the Assignment completes after the Amending Deeds become effective, on completion of the Assignment:

(i) the Company (having issued the Replacement Convertible Notes to the Lenders on the date the Amending Deeds became effective under each Amended Convertible Loan Facility) will issue the following further replacement convertible notes in replacement of the Replacement Convertible Notes (together, **Post-Assignment Replacement Convertible Notes**):

(A) a Post-Assignment Replacement Convertible Note to RCF VI with a face value of US$8.4423 million (plus any accrued but unpaid interest from time to time) (**RCF VI Post-Assignment Replacement Convertible Note**);

(B) a Post-Assignment Replacement Convertible Note to Pala with a face value of US$4.7077 million (plus any accrued but unpaid interest from time to time) (**Pala Post-Assignment Replacement Convertible Note**); and

(C) Post-Assignment Replacement Convertible Notes to the Assignees with an aggregate face value of US$3.85 million (plus any accrued but unpaid interest from time to time) (**Assignees' Post-Assignment Replacement Convertible Notes**) (each Assignee will receive a separate Assignees' Post-Assignment Replacement Convertible Note for the amount of the debt they have agreed to acquire under the Deed of Assignment); and

(ii) the Lenders will transfer to the Assignees the Assignees' Extension Fee (including any Assignees' Extension Fee Shares if either or both of the Lenders elected to receive the relevant Extension Fee in Shares) and the Assignees' Extension Fee Options; or

(b) to the extent that the Assignment completes simultaneously with, or shortly after, the date the Amending Deeds become effective, on completion of the Assignment, the Company:

(i) will issue the Assignees' Post-Assignment Replacement Convertible Notes to the Assignees; and

(ii) may be directed by the Lenders to:

(A) issue the RCF VI Post-Assignment Replacement Convertible Note to RCF VI without first issuing the RCF VI Replacement Convertible Note;

(B) issue the Pala Post-Assignment Convertible Note to Pala without first issuing the Pala Replacement Convertible Note;

(C) pay the Assignees' Extension Fee (or otherwise issue any Assignees' Extension Fee Shares if either or both of the Lenders elected to receive the relevant Extension Fee in Shares) and issue the Assignees' Extension Fee Options directly to the Assignees (and the Extension Fee to be paid (or any Extension Fee Shares to be issued) and the Extension Fee Options to be issued to the Lenders will therefore be reduced by, respectively, the Assignees' Extension Fee (or any Assignees' Extension Fee Shares) and the Assignees' Extension Fee Options).

1.4 Use of funds

The Convertible Loan Facility was fully drawn in 2016. The funds drawn under the Convertible Loan Facility were used in accordance with the disclosure in the Company's Appendix 5B quarterly cashflow reports released since the entering into the Convertible Loan Facility.

1.5 Options

RCF VI currently holds 24,205,302 PENOD Options (**RCF VI PENOD Options**). If exercised, RCF VI would acquire 24,205,302 Shares in consideration for payment of the exercise price of A$48,410,604, being A$2.00 per PENOD Option. If all of the RCF VI Extension Fee Options were exercised (and disregarding any reduction in the number of RCF VI Extension Fee Options held by RCF VI pursuant to the Assignment), RCF VI would acquire 14,445,000 Shares in consideration for payment of the exercise price of A$7,222,500, being A$0.50 per Option.

Pala currently holds 8,647,590 PENOD Options (**Pala PENOD Options**). If exercised, Pala would acquire 8,647,590 Shares in consideration for payment of the exercise price of A$17,295,180, being A$2.00 per PENOD Option. If the Pala Extension Fee Options were exercised (and disregarding any reduction in the number of Pala Extension Fee Options held by Pala pursuant to the Assignment), Pala would acquire 8,055,000 Shares in consideration for payment of the exercise price of A$4,027,500, being A$0.50 per Option.

1.6 Corporations Act prohibition

Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in issued voting shares in a listed company if, as a result of the acquisition that person's or someone else's voting power in the company increases from 20% or below, to more than 20%, or from a starting point that is above 20% and below 90%.

Generally, under section 608 of the Corporations Act, a person has a relevant interest in securities if they:

(a) are the holder of the securities; or

(b) have power to exercise, or control the exercise of, a right to vote attached to securities; or

(c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

The voting power of a person is determined under section 610 of the Corporations Act. It involves calculating the number of voting shares in the company in which the person and the person's Associates have a relevant interest.

A person (**second person**) will be an "Associate" of the other person (**first person**) if:

(a) the first person is a body corporate and the second person is:

(i) a body corporate the first person controls;

(ii) a body corporate that controls the first person; or

(iii) a body corporate that is controlled by an entity that controls the first person;

(b) the second person has entered or proposes to enter into a relevant agreement with the first person for the purposes of controlling or influencing the composition of the company's board or the conduct of the company's affairs; and

(c) the second person is a person with whom the first person is acting, or proposing to act, in concert in relation to the company's affairs.

Exceptions to the section 606 prohibition

There are various exceptions to the prohibition in section 606 of the Corporations Act. Section 611 of the Corporations Act contains a table setting out circumstances in which acquisitions of relevant interests are exempt from the prohibition. Item 7 of this table provides an exemption where the acquisition is approved by a resolution passed at a general meeting of the company before the acquisition is made. The parties involved in the acquisition and their Associates are not able to cast a vote on the resolution.

The purpose of Resolution 1 is to obtain Shareholder approval for the issue of Shares, Options and the RCF VI Replacement Convertible Note (and the RCF VI Post-Assignment Replacement Convertible Note) to RCF VI or an Associate pursuant to item 7 of section 611 of the Corporations Act. By passing Resolution 1, RCF VI will not be prohibited from acquiring Shares and Options (including Extension Fee Shares, and including Shares on conversion of the RCF VI Replacement Convertible Note or RCF VI Post-Assignment Replacement Convertible Note (including Coupon Rate Shares) and on exercise of the RCF VI PENOD Options and RCF VI Extension Fee Options).

The purpose of Resolution 2 is to obtain Shareholder approval for the issue of Shares, Options and the Pala Replacement Convertible Note (and the Pala Post-Assignment Replacement Convertible Note) to Pala or an Associate pursuant to item 7 of section 611 of the Corporations Act. By passing Resolution 2, Pala will not be prohibited from acquiring Shares (including Extension Fee Shares, and including Shares on conversion of the Pala Replacement Convertible Note or Pala Post-Assignment Replacement Convertible Note (including Coupon Rate Shares) and on exercise of the Pala PENOD Options and Pala Extension Fee Options).

1.7 Information required by item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74

The following paragraphs set out information required to be provided to Shareholders under ASIC Regulatory Guide 74 and item 7 in the table in section 611 of the Corporations Act.

Shareholders are also referred to the Independent Expert's Report set out at Appendix A to this Notice.

(a) **Identities of the persons proposing to make the acquisition, their Associates and any other persons acquiring a relevant interest**

The RCF VI Replacement Convertible Note (or RCF VI Post-Assignment Replacement Convertible Note), and the Shares issued on conversion of the RCF VI Replacement Convertible Note (or RCF VI Post-Assignment Replacement Convertible Note) (including Coupon Rate Shares), the RCF VI Extension Fee Shares and the Shares issued on exercise of the RCF VI PENOD Options and RCF VI Extension Fee Options (**RCF VI Shares**), will be issued to RCF VI (or its nominee).

The Pala Replacement Convertible Note (or Pala Post-Assignment Replacement Convertible Note), the Shares issued on conversion of the Pala Replacement Convertible Note (or Pala Post-Assignment Replacement Convertible Note) (including Coupon Rate Shares), the Pala Extension Fee Shares and the Shares issued on exercise of the Pala PENOD Options and Pala Extension Fee Options (**Pala Shares**), will be issued to Pala (or its nominee).

(b) **Increase in RCF VI's voting power in the Company resulting from the issue of RCF VI Shares and the RCF VI Replacement Convertible Note**

As at the date of this Notice, RCF VI has a relevant interest in 52,901,883 Shares and the current voting power of RCF VI and each of its Associates in the Company is 22.61% based on 233,992,000 Shares on issue. RCF VI currently holds 24,205,302 PENOD Options.

The effect of the acquisition of the RCF VI Shares by RCF VI is summarised in the following table, which outlines the current and proposed shareholding of RCF VI and its Associates in the Company (disregarding any reduction in the maximum number of Shares that may be issued to RCF VI or the RCF VI Associates as a result of the proposed Assignment):

	Maximum number of Shares to be issued to RCF VI or its nominee	Total Shares to be held by RCF VI and its Associates	Total Shares on issue where RCF VI and Pala convert at same time	Percentage voting power where RCF VI and Pala convert at same time	Total Shares on issue where RCF VI converts and Pala does not	Percentage voting power where RCF VI converts and Pala does not
Current position	N/A	52,901,883	233,992,000	22.61%	N/A	N/A
Position if RCF VI Replacement Convertible Note is fully converted at A$0.40, the maximum number of Coupon Rate Shares are issued at A$0.26, all of the RCF VI PENOD Options and RCF VI Extension Fee Options are exercised, and the RCF VI Extension Fee Shares are issued at A$0.26 per Share	93,632,297 *Shares issued on conversion of Principal:* 36,380,000 *Extension Fee Shares:* 1,119,385 *Coupon Rate Shares:* 12,484,248 *Shares issued on exercise of the RCF VI PENOD Options:* 24,205,302 *Shares issued on exercise of the RCF VI Extension Fee*	146,534,181	374,986,630	39.08%	327,624,298	44.73%

	Options: 14,445,000 *Contingency for FX and Share Price Fluctuations:* 4,998,363					

Notes:

The figures in the above table have been calculated based on the assumption that Resolutions 1 and 2 are both passed, no Options on issue (other than the RCF VI PENOD Options, RCF VI Extension Fee Options, the Pala PENOD Options and the Pala Extension Fee Options) are exercised, no other Shares are issued by the Company, and the shareholding of RCF VI and its Associates in the Company does not change. Shareholders should be aware that RCF VI and its Associates are entitled to increase their shareholding in the Company in the manner permitted under the Corporations Act. The figures in the table above also disregard any reduction in the number of Shares or Options held or to be issued to RCF VI or the RCF Associates (including any Shares to be issued on conversion of the RCF VI Replacement Convertible Note) as a result of the Assignment.

The maximum voting power for which Shareholder approval is sought pursuant to Resolution 1 (being 44.73%) has been determined by:

- assuming interest is satisfied on each quarterly interest payment date during the term of the relevant Amended Convertible Loan Facility by the issue of Coupon Rate Shares at that date;
- assuming that the RCF VI Replacement Convertible Note is fully converted on the Amended Repayment Date;
- applying a USD/AUD exchange rate of 0.75 for possible USD amounts to be converted to AUD where the exchange rate is not currently known or set;
- applying a price of A$0.26 per Share for possible future Share issues where the Share price or quantity of Shares to be issued is not currently known or set; and
- applying a 10% contingency to the position in relation to the possible future issue of Shares on conversion of the Replacement Convertible Notes, payment of interest by the issue of Coupon Rate Shares, and issue of Extension Fee Shares, to account for exchange rate and share price fluctuations.

(c) **Increase in Pala's voting power in the Company resulting from the issue of Pala Shares and the Pala Replacement Convertible Note**

As at the date of this Notice, Pala has a relevant interest in 26,434,917 Shares and the current voting power of Pala and each of its Associates in the Company is 11.30% based on 233,992,000 Shares on issue. Pala currently holds 8,647,590 PENOD Options.

The effect of the acquisition of Pala Shares by Pala is summarised in the following table, which outlines the current and proposed shareholding of Pala and its Associates in the Company (disregarding any reduction in the maximum number of Shares that may be issued to Pala or the Pala Associates as a result of the proposed Assignment):

	Maximum number of Shares to be issued to Pala or its nominee	Total Shares to be held by Pala and its Associates	Total Shares on issue where Pala and RCF VI convert at same time	Percentage voting power where Pala and RCF VI convert at same time	Total Shares on issue where Pala converts and RCF VI does not	Percentage voting power where Pala converts and RCF VI does not
Current position	N/A	26,434,917	233,992,000	11.30%	N/A	N/A
Position if Pala Replacement Convertible Note is fully converted at A$0.40, the maximum number of Coupon Rate Shares are issued at A$0.26, all of the Pala PENOD Options and Pala Extension Fee Options are exercised, and the Pala Extension Fee Shares are issued at A$0.26 per Share	47,362,332 *Shares issued on conversion of Principal:* 20,286,667 *Extension Fee Shares:* 624,205 *Coupon Rate Shares:* 6,961,621 *Shares issued on exercise of the Pala PENOD Options:* 8,647,590 *Shares issued on exercise of the Pala Extension Fee Options:* 8,055,000 *Contingency for FX and Share Price Fluctuations:* 2,787,249	73,797,249	374,986,630	19.68%	281,354,332	26.23%

Notes:

The figures in the above table have been calculated based on the assumption that Resolutions 1 and 2 are both passed, no Options on issue (other than the Pala PENOD Options, Pala Extension Fee Options, RCF VI PENOD Options and the RCF VI Extension Fee Options) are exercised, no other Shares are issued by the Company, and the shareholding of Pala and its Associates in the Company does not change. Shareholders should be aware that Pala and its Associates are entitled to increase its shareholding in the Company in the manner permitted under the Corporations Act. The figures in the table above also disregard any reduction in the number of

Shares or Options held or to be issued to Pala or the Pala Associates (including any Shares to be issued on conversion of the Pala Replacement Convertible Note) as a result of the Assignment.

The maximum voting power for which Shareholder approval is sought pursuant to Resolution 2 (being 26.23%) has been determined by has been determined by:

- assuming interest is satisfied on each quarterly interest payment date during the term of the relevant Amended Convertible Loan Facility by the issue of Coupon Rate Shares at that date;
- assuming that the Pala Replacement Convertible Note is fully converted on the Amended Repayment Date;
- applying a USD/AUD exchange rate of 0.75 for possible USD amounts to be converted to AUD where the exchange rate is not currently known or set;
- applying a price of A$0.26 per Share for possible future Share issues where the Share price or quantity of Shares to be issued is not currently known or set; and
- applying a 10% contingency to the position in relation to the possible future issue of Shares on conversion of the Replacement Convertible Notes, payment of interest by the issue of Coupon Rate Shares, and issue of Extension Fee Shares, to account for exchange rate and share price fluctuations.

(d) **Further background information on Resource Capital Funds**

Resource Capital Funds (**RCF**) is a group of commonly managed private equity funds established in 1998 with a mining sector specific investment mandate spanning all hard mineral commodities and geographic regions.

Since inception, RCF has supported 170 mining companies, with projects located in 51 countries and across 29 commodities.

RCF has a strong team of investment professionals, with wide ranging industry and technical expertise and a demonstrated history of investments in mining globally. RCF's track record is based on its ability to pick technically and commercially compelling assets and support management to achieve desired outcomes whilst remaining throughout a source of patient capital. RCF aims to partner with companies to build strong, successful and sustainable businesses and in doing so strives to earn superior returns for all Shareholders.

Further information about RCF can be found on its website at **www.resourcecapitalfunds.com.**

(e) **Further background information on Pala**

Pala is a multi-strategy investment company focused on the mining and metals value chain with a strong track record of successful investments and value creation. Pala's team has extensive experience within the sector and seeks to assist companies in which it has long-term shareholdings by providing strategic advice and innovative solutions in development, production, expansion and turnaround situations. Pala also pursues a range of liquid investment strategies. Pala invests across all geographies and in all mining commodities as well as mining services and consumables.

Further information about Pala can be found on its website at **www.pala.com.**

(f) **Future intentions of RCF VI for the Company**

RCF VI has informed the Company that its intentions mentioned in this section are based on the facts and information regarding the Company, its business and the general

business environment which are known to RCF VI as at the date of the Notice, which is limited to publicly available information. Any future decisions regarding these matters will only be made based on all material information and circumstances at the relevant time. Accordingly, the statements set out below are statements of current intention only which, if circumstances change or new information becomes available in the future, could change accordingly.

No change to the composition of the Company's Board is currently proposed by RCF VI or the Company.

Other than as disclosed above or elsewhere in this Explanatory Statement, RCF VI:

(i) has no current intention of making any significant changes to the existing business of the Company;

(ii) has no current intention to inject further capital into the Company;

(iii) has no current intention of making changes regarding the future employment of the Company's present employees;

(iv) does not currently intend for any property to be transferred between the Company and itself or any person associated with it;

(v) has no current intention to otherwise redeploy the fixed assets of the Company; and

(vi) has no current intention to significantly change the Company's existing financial or dividend policies.

(g) **Future intentions of Pala for the Company**

Pala has informed the Company that its intentions mentioned in this section are based on the facts and information regarding the Company, its business and the general business environment which are known to Pala as at the date of the Notice, which is limited to publicly available information. Any future decisions regarding these matters will only be made based on all material information and circumstances at the relevant time. Accordingly, the statements set out below are statements of current intention only which, if circumstances change or new information becomes available in the future, could change accordingly.

No change to the composition of the Company's Board is currently proposed by Pala or the Company.

Other than as disclosed above or elsewhere in this Explanatory Statement, Pala:

(i) has no current intention of making any significant changes to the existing business of the Company;

(ii) has no current intention to inject further capital into the Company;

(iii) has no current intention of making changes regarding the future employment of the Company's present employees;

(iv) does not currently intend for any property to be transferred between the Company and itself or any person associated with it;

(v) has no current intention to otherwise redeploy the fixed assets of the Company; and

(vi) has no current intention to significantly change the Company's existing financial or dividend policies.

(h) **Terms of the proposed acquisition and contracts conditional on Shareholder approval of Resolution 1 and 2**

The terms of the proposed acquisition of Shares, Options and Replacement Convertible Notes (or Post-Assignment Replacement Convertible Notes) by RCF VI and Pala under the Amended Convertible Note Facility and upon exercise of the RCF VI PENOD Options, RCF VI Extension Fee Options, Pala PENOD Options and Pala Extension Fee Options are summarised in sections 1.2 and 1.4 of this Explanatory Statement above. The terms of the Security granted for the benefit of the Lenders are set out in section 2.1 below, including the proposed extension of the Security.

Other than the Amending Deeds and the Security (and Extended Security), there are no other contracts or proposed contracts between the Lenders and the Company or any of their Associates which are conditional upon, or directly or indirectly dependent on, Shareholder approval of Resolutions 1 or 2.

(i) **Timing of the proposed acquisition**

The timing of the proposed acquisition by RCF VI and Pala of:

(i) Replacement Convertible Notes (or Post-Assignment Replacement Convertible Notes) is following satisfaction of the conditions precedent to the Amending Deeds and the Amending Deeds becoming effective;

(ii) Shares on conversion of the Replacement Convertible Notes (or Post-Assignment Replacement Convertible Notes) under the Amended Convertible Note Facility is extended by 24 months from the Maturity Date to allow acquisition up to and including 22 April 2020 as set out in sections 1.2 and 1.6 of this Explanatory Statement;

(iii) Extension Fee Shares is the date on which the Lenders respectively confirm satisfaction of the conditions precedent under the Amending Deeds as set out in sections 1.2 and 1.6 of this Explanatory Statement;

(iv) Shares upon the exercise of Extension Fee Options is up and to including 22 April 2022 as set out in sections 1.2 and 1.6 of this Explanatory Statement and Schedule 1;

(v) Shares upon the exercise of PENOD Options is up to and including 31 December 2018 in accordance with the terms of the PENOD Options.

(j) **Reasons for the proposed acquisition**

An explanation of the reasons for the proposed acquisition is set out in sections 1.1 and 1.2 of this Explanatory Statement.

(k) **Directors' interests and recommendations**

The current Directors of the Company are Messrs John Harrison, Wayne Heili, Mark Wheatley, Harrison (Hink) Barker, Evgenij Iorich and David Coyne.

Each Director (apart from Evgenij Iorich and Mark Wheatley, who abstain from making a recommendation) recommends that Shareholders vote in favour of Resolutions 1 and 2 for the following reasons:

- the terms of the Replacement Convertible Notes (and relevant Post-Assignment Replacement Convertible Notes) are more favourable to the Company and non-associated Shareholders as they extend the Maturity Date by 24 months to 22 April 2020;

- financing costs associated with the Replacement Convertible Notes (and relevant Post-Assignment Replacement Convertible Notes) are competitive when compared to alternate financing options; and

- should Resolutions 1 and 2 not be approved by Shareholders, the Amended Convertible Loan Facilities will not come into effect, and all amounts owing under the Convertible Loan Facility agreements would become immediately due and payable on 30 September 2018, being 18 months earlier than they would otherwise be if Resolutions 1 and 2 were passed and the Amended Convertible Loan Facilities came into effect. The Lenders could elect to convert the amount owing under the Convertible Notes into Shares at a fixed conversion price of A$0.625 per Share, but in the event the Lenders do not do so, the Company may not have sufficient funding available to make the repayment at that point in time, in which case, the Company will need to seek alternative sources of finance and obtain waivers of, and amendments to the Convertible Loan Facility agreements, which may take some time and impact on the Company's ability to make the repayment.

No votes can be cast on Resolutions 1 or 2 by RCF VI, Pala or any of their respective Associates. Evgenij Iorich abstains from making a recommendation as he is an employee of Pala and serves as Pala's nominee on the Board of the Company. Mark Wheatley abstains from making a recommendation as he serves as RCF VI's nominee on the Board of the Company.

(l) **Independent Expert's Report as to whether the acquisition by RCF VI is fair and reasonable**

Accompanying this Notice is an Independent Expert's Report prepared by RSM. The Independent Expert's Report assesses whether the acquisition of Shares by RCF VI through the issue of the RCF VI Replacement Convertible Note (and the RCF VI Post-Assignment Replacement Convertible Note) and RCF VI Shares, and the increase in the voting power of RCF VI and the RCF Associates to up to 44.73%, pursuant to Resolution 1, and the acquisition of Shares by Pala through the issue of the Pala Replacement Convertible Note (and the Pala Post-Assignment Replacement Convertible Note) and Pala Shares, and the increase in the voting power of Pala and the Pala Associates to up to 26.23%, pursuant to Resolution 2 (in each case disregarding any reduction in the number of Shares or Options held or to be issued to RCF VI or Pala (including any Shares to be issued on conversion of the relevant Replacement Convertible Note) as a result of the Assignment) are fair and reasonable to the Shareholders not associated with RCF VI or Pala, respectively. The report concludes that:

- the acquisition of Shares by RCF VI through the issue of the RCF VI Replacement Convertible Note (or the RCF VI Post-Assignment Replacement Convertible Note) and RCF VI Shares, and the resultant increase in the voting power of RCF VI and the RCF Associates to up to 44.73%, pursuant to Resolution 1, is not fair but reasonable to the Shareholders not associated with RCF VI; and

- the acquisition of Shares by Pala through the issue of the Pala Replacement Convertible Note (or the Pala Post-Assignment Replacement Convertible Note) and Pala Shares, and the resultant increase in the voting power of Pala and the Pala Associates to up to 26.23%, pursuant to Resolution 2 is not fair but reasonable to the Shareholders not associated with Pala.

Please refer to the Independent Expert's Report of this Notice at Appendix A for further details and in particular the advantages and disadvantages of the issue of the RCF VI Replacement Convertible Note (and the RCF VI Post-Assignment Replacement Convertible Note) and RCF VI Shares, the subject of Resolution 1, to RCF VI, and the issue of the Pala Replacement Convertible Note (and the Pala Post-Assignment Replacement Convertible Note) and Pala Shares, the subject of Resolution

2, to Pala. This assessment is designed to assist all Shareholders in reaching their voting decision. It is recommended that all Shareholders read the Independent Expert's Report in full.

(m) **Interdependency**

If either Resolution 1 or Resolution 2 is not passed, the issue of Shares and Replacement Convertible Notes (or Post-Assignment Replacement Convertible Notes) pursuant to Resolutions 1 and 2 will not proceed.

2. RESOLUTION 3 – APPROVAL OF GRANT AND DIRECT ENFORCEMENT OF EXTENDED SECURITY BY THE LENDERS PURSUANT TO CONVERTIBLE NOTES

2.1 General

At the November 2016 EGM and subsequently at the April 2017 EGM, approval was given to grant RCF VI and Pala security over certain assets of the Company to secure the obligations under the Convertible Notes. As the Convertible Loan Notes were due for repayment by 22 April 2018, a new approval is required to enable the extension of the Security for the period between 23 April 2018 and 22 April 2020 (**Extended Security**) and direct enforcement of the Extended Security by the Lenders.

In the event Shareholder approval under Resolution 3 is not obtained to permit the extension and direct enforcement of the Security by the Lenders, the Security will remain albeit subject to the condition imposed under the ASX waiver (refer to section 2.3 below), and all monies outstanding under the Convertible Loan Facility would become immediately due and payable on 30 September 2018.

As part of the amendment of the Convertible Loan Facility pursuant to the Amending Deeds, minor amendments will be made to the Security to remove references to the obsolete working capital facility with Investec and associated finance documents. There will be no material changes to the nature or extent of the Security.

2.2 Application of Listing Rule 10.1

Listing Rule 10.1 provides that approval of holders of an entity's ordinary securities is required where an entity proposes to dispose of or agree to dispose of a substantial asset to a second entity that is a substantial shareholder, or an Associate of a substantial shareholder of that second entity.

For these purposes:

(a) a person is a substantial holder if the person and the person's Associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to an entity's voting securities; and

(b) an asset is a substantial asset if its value, or the value of the consideration for it, is 5% or more of the equity interests of the company as set out in the latest accounts of the company given to ASX under the Listing Rules.

The Lenders are substantial Shareholders of the Company.

The Company's full year accounts for the period ended 30 June 2017 (as lodged with ASX on 29 September 2017) show that its equity interests were approximately US$79.48 million. The value of the assets the subject of the Extended Security would exceed 5% of the Company's equity interests as shown in its last consolidated financial statements.

ASX deems the granting of a security interest over an asset to be a disposal of that asset. As such the granting of the Extended Security by the Company for the benefit of the Lenders may be deemed under Listing Rule 10.1 to be a disposal of a substantial asset (ie the underlying assets to the Security Documents), on the basis that the Lenders are substantial Shareholders in the Company. As the value of the debt secured by the Extended Security Documents is greater than

5% of the equity interests of the Company as set out in its last accounts given to ASX, the Company is seeking Shareholder approval and ratification of the grant to the Lenders and their direct enforcement of the Extended Security pursuant to Listing Rule 10.1.

For the purposes of Listing Rule 10.1, the "disposal" of an asset includes the grant of a security over that asset. Accordingly, while the Company has already granted the Security, Shareholder approval for the purposes of Listing Rule 10.1 would be required before the Company could enter into any agreements to provide the Extended Security.

2.3 Listing Rule 10.1 waiver

As the documents comprising the Security were entered into prior to Shareholder approval being obtained pursuant to Resolution 3, the Company was, on 6 June 2018, granted a waiver of Listing Rule 10.1 to secure the obligations under the Convertible Notes. The waiver enables the Security to be granted prior to Shareholder approval being obtained, on the condition that the Security includes a term that if an event of default occurs and the Lenders exercise their rights under the Security, neither the Lenders nor any of their Associates can acquire any legal or beneficial interest in an asset of the Company or its subsidiaries in full or part satisfaction of the Company's obligations under the Security, or otherwise deal with the assets of the Company or its subsidiaries, without the Company having first complied with any applicable Listing Rules, including Listing Rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person) appointed by the Lenders exercising their power of sale under the Security and selling the assets to an unrelated party on arm's length commercial terms and conditions and distributing the cash proceeds to the Lenders in accordance with its legal entitlements. The Company and the Lenders have amended the terms of the Security to reflect the inclusion of this term.

Notwithstanding ASX's grant of a waiver of Listing Rule 10.1 for the Security for the obligations under the Convertible Notes, to ensure that the Lenders are able to directly enforce the Security without requiring any further approvals of Shareholders to be obtained or being required to exercise its rights through a receiver or receiver and manager, it was determined appropriate to seek the approval of Shareholders for the purposes of Listing Rule 10.1.

2.4 Independent Expert's Report

In accordance with Listing Rule 10.1, accompanying this Notice is an Independent Expert's Report prepared by RSM. The Independent Expert's Report assesses whether the grant to the Lenders and their direct enforcement of the Extended Security is fair and reasonable to the Shareholders who are not associated with RCF VI and Pala. The report concludes that the grant to the Lenders and the direct enforcement by RCF VI and Pala of the Extended Security is fair and reasonable to the non-associated Shareholders.

Please refer to the Independent Expert's Report of this Notice at Appendix A for further details and in particular the advantages and disadvantages of the grant to the Lenders and their direct enforcement of the Extended Security, being the subject of Resolution 3. This assessment is designed to assist all Shareholders in reaching their voting decision. It is recommended that all Shareholders read the Independent Expert's Report in full.

2.5 Resolution not approved

In the event Shareholder approval under Resolution 3 is not obtained to permit the direct the extension and direct enforcement of the Security by the Lenders, the Security will remain albeit subject to the condition imposed under the ASX waiver (refer to section 2.3 above). Further, the Amended Convertible Loan Facilities will not come into effect, and all amounts owing under the Convertible Loan Facility agreements would become immediately due and payable on 30 September 2018, being 18 months earlier than they would otherwise be if Resolution 3 was passed and the Amended Convertible Loan Facilities came into effect. The Lenders could elect to convert the amount owing under the Convertible Notes into Shares at a fixed conversion price of A$0.625 per Share, but in the event the Lenders do not do so, the Company may not have sufficient funding available to make the repayment at that point in time, in which case, the Company will need to seek alternative sources of finance and obtain waivers of, and amendments

to the Convertible Loan Facility agreements, which may take some time and impact on the Company's ability to make the repayment.

2.6 Directors' recommendation

The Board (apart from Evgenij Iorich and Mark Wheatley, who abstain from making a recommendation) recommends that members vote in favour of Resolution 3.

3. RESOLUTION 4 – APPROVAL FOR THE ISSUE OF SHARES, OPTIONS AND POST-ASSIGNMENT REPLACEMENT CONVERTIBLE NOTES TO ASSIGNEES

3.1 General

Resolution 4 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the Directors to allot and issue to the Assignees on completion of the Assignment:

(a) the Assignees' Post-Assignment Replacement Convertible Notes;

(b) the Assignees' Extension Fee Shares (which the Company will only be required to do if directed to do so by the Lenders on completion of the Assignment); and

(c) the Assignees' Extension Fee Options (which the Company will only be required to do if directed to do so by the Lenders on completion of the Assignment).

Shareholder approval in respect of ASX Listing Rule 7.1 in relation to the Assignees' Extension Fee Shares and Assignees' Extension Fee Options is only required in the event that the Company is directed by the Lenders to issue the Assignees' Extension Fee Shares and the Assignees' Extension Fee Options directly to the Assignees on completion of the Assignment, and is only being sought in anticipation that such a direction may be provided.

The Deed of Assignment specifies the proportion of the Assignees' Extension Fee Shares and the Assignees' Extension Fee Options that are due by the Lenders to each individual Assignee (and which the Company may therefore be directed to issue to each Assignee). However, the Deed of Assignment also includes the right for each Assignee to elect for another Assignee to receive its individual proportion of Assignees' Extension Fee Shares and Assignees' Extension Fee Options, and therefore the total Assignees' Extension Fee Shares and Assignees' Extension Fee Options may be split between the Assignees in the proportions specified by the Assignees.

None of the Assignees' Post-Assignment Replacement Convertible Notes, the Assignees' Extension Fee Shares or the Assignees' Extension Fee Options will be placed to Related Parties of the Company.

In the event Shareholder approval under Resolution 4 is not obtained, the Company will proceed with the issue of the Assignees' Post-Assignment Replacement Convertible Notes, and if directed to do so, the Assignees' Extension Fee Shares and Assignees' Extension Fee Options. The effect of passing Resolution 4 will be to allow the Directors to issue the Assignees' Post-Assignment Replacement Convertible Notes, and if directed to do so, the Assignees' Extension Fee Shares and Assignees' Extension Fee Options during the period of 3 months after the Extraordinary General Meeting (or a longer period, if allowed by ASX), without eroding the Company’s annual 15% placement capacity under Listing Rule 7.1, or its additional 10% capacity under Listing Rule 7.1A.

3.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Assignees' Post-Assignment Replacement Convertible Notes, the Assignees' Extension Fee Shares and the Assignees' Extension Fee Options, in each case assuming that the Assignment completes:

(a) the Assignees' Post-Assignment Replacement Convertible Notes will be issued to the Assignees (a separate Assignees' Post-Assignment Replacement Convertible Note will be issued to each Assignee for the amount of the debt they have agreed to acquire under the Deed of Assignment);

(b) the relevant Assignees' Extension Fee Shares and the relevant Assignees' Extension Fee Options will be issued to the relevant Assignees by the Company only if the Company is directed to do so by either or both of the Lenders pursuant to the Deed of Assignment on completion of the Assignment;

(c) the issue price for the securities to be issued to the Assignees (in addition to the Assignees' Post-Assignment Replacement Convertible Notes, which will be issued at their face value) is as follows:

(i) in relation to Shares issued on conversion of the principal amount of the Assignees' Post-Assignment Replacement Convertible Notes, as set out in paragraph 1.2(a) in respect of the Replacement Convertible Notes (that is a fixed conversion price of A$0.40 per Share (subject to standard provisions in respect of reconstructions and bonus issues));

(ii) in relation to Coupon Rate Shares, as set out in paragraph 1.2(b) in relation to Coupon Rate Shares to be issued to the Lenders (that is the lower of A$0.40 per Share and the 20-day VWAP immediately prior to the quarter end and the interest payment amount will be converted from USD to AUD at the Reserve Bank of Australia rate on the date of the conversion notice);

(iii) in relation to the Assignees' Extension Fee Shares, as set out in paragraph 1.2(c) in relation to the Extension Fee Shares (that is the lower of A$0.40 per Share and the 5-day VWAP of Shares immediately prior to the date on which the Lenders respectively confirm satisfaction of the conditions precedent under the Amending Deeds, and the Assignees' Extension Fee will be converted from USD to AUD at the Reserve Bank of Australia rate on the date of payment); and

(iv) in relation to the Assignees' Extension Fee Options, there is no issue price (the Assignees' Extension Fee Options have an exercise price of A$0.50 per option as set out in paragraph 1.2(d));

(d) for the purposes of calculating the maximum number of securities to be issued to the Assignees, the issue price in respect of certain securities is not currently known or set and the exchange rate for possible USD amounts to be converted to AUD is not currently known or set, and so the Company has applied a notional issue price of A$0.26 per Share where the issue price is not known or set, a notional exchange rate of 0.75 for possible USD amounts to be converted to AUD, and a 10% contingency for future share price or exchange rate fluctuations. On this basis the maximum number of securities to be issued to the Assignees collectively is:

(i) 19,395,335 Shares comprising:

(A) 12,833,333 Shares issued on conversion of principal under the Assignees' Post-Assignment Replacement Convertible Notes at a conversion price of A$0.40, assuming that the Assignees' Post-Assignment Replacement Convertible Notes are each fully converted on the Amended Repayment Date;

(B) 394,872 Assignees' Extension Fee Shares, assuming an issue price of A$0.26 per Share;

(C) 4,403,917 Coupon Rate Shares issued under the Assignees' Convertible Loan Facility, assuming an issue price of A$0.26 per Share and assuming that interest is satisfied on each quarterly

interest payment date during the term of the Assignees' Convertible Loan Facility by the issue of Coupon Rate Shares at that date;

(D) 1,763,212 Shares as a 10% contingency for exchange rate and share price fluctuations in relation to the possible future issue of Shares under paragraphs (A) to (C) above; and

(ii) 5,095,588 Assignees' Extension Fee Options;

(e) the Assignees' Post-Assignment Replacement Convertible Notes and, if applicable, the Assignees' Extension Fee Shares and the Assignees' Extension Fee Options, will be issued no later than three (3) months after the date of the Extraordinary General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);

(f) as at the date of this Notice of Meeting a specific date on which the Directors will issue any Assignees' Post-Assignment Replacement Convertible Notes, Assignees' Extension Fee Shares or Assignees' Extension Fee Options to the Assignees has not been nominated as this will depend on the date the Assignment is executed;

(g) the terms of the securities to be issued to the Assignees are as follows:

(i) the Assignees' Post-Assignment Replacement Convertible Notes will be issued on the same terms as the Replacement Convertible Notes (or Post-Assignment Replacement Convertible Notes, as the case may be) to be issued to RCF VI and Pala or their respective Associates in accordance with Resolutions 1 and 2;

(ii) the Assignees' Extension Fee Shares, the Shares issued on conversion of the Assignees' Post-Assignment Replacement Convertible Notes, Coupon Rate Shares and the Shares issued on exercise of the Extension Fee Options will rank equally with the Company's existing Shares; and

(iii) the terms of the Assignees' Extension Fee Options are set out in Schedule 1; and

(h) no funds will be raised from the issue. Section 1.4 of this Explanatory Statement outlines how funds drawn under the Convertible Loan Facility were used by the Company.

3.3 Directors recommendations

4. The Board (apart from Evgenij Iorich and Mark Wheatley, who abstain from making a recommendation) recommends that members vote in favour of Resolution 4.

GLOSSARY

A$ means Australian dollars, the lawful currency of the Commonwealth of Australia.

Amended Convertible Loan Facility and **Amended Convertible Loan Facilities** have the meaning given in section 1.2 of the Explanatory Statement.

Amended Repayment Date means 22 April 2020.

April 2017 EGM means the Extraordinary General Meeting of the Company held on 20 April 2017.

Assignee and **Assignees** have the meaning given in section 1.3 of the Explanatory Statement.

Assignees' Convertible Loan Agreement means the convertible bridge loan facility agreement to be entered into between the Company and the Assignees in relation to the Assignees' Convertible Loan Facility.

Assignees' Convertible Loan Facility has the meaning given in section 1.3 of the Explanatory Statement.

Assignees' Extension Fee has the meaning given in section 1.3 of the Explanatory Statement.

Assignees' Extension Fee Shares has the meaning given in section 1.3 of the Explanatory Statement.

Assignees' Extension Fee Options has the meaning given in section 1.3 of the Explanatory Statement.

Assignees' Post-Assignment Replacement Convertible Notes has the meaning given in section 1.3 of the Explanatory Statement.

Associate has the meaning given in section 1.6 of the Explanatory Statement.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as the context requires.

Board means the current board of Directors of the Company.

Business Day has the meaning set out in the Listing Rules.

Company or **Peninsula** means Peninsula Energy Limited (ABN 67 062 409 303).

Convertible Loan Facility has the meaning given in section 1.2 of the Explanatory Statement.

Convertible Note has the meaning given in section 1.2 of the Explanatory Statement.

Corporations Act means the *Corporations Act 2001* (Cth).

Coupon Rate Shares has the meaning given to it Section 1.2 of the Explanatory Statement.

Directors means the current directors of the Company.

Equity Securities has the meaning given in the Listing Rules.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Extended Security means the Security with an extended term so that it continues to apply to the Amended Convertible Loan Facilities during the period between 23 April 2018 and 22 April 2020.

Extension Fee has the meaning given in section 1.2 of the Explanatory Statement.

Extension Fee Options has the meaning given in section 1.2 of the Explanatory Statement and Schedule 1.

Extension Fee Shares has the meaning given in section 1.2 of the Explanatory Statement.

Extraordinary General Meeting or **Meeting** means the extraordinary meeting convened by this Notice.

Independent Expert's Report means the independent expert's report prepared by RSM set out in Appendix A to this Notice.

Investec means Investec Bank plc.

Lenders means RCF VI and Pala.

Listing Rules means the Listing Rules of ASX.

Maturity Date means 22 April 2018.

Notice or **Notice of Meeting** means this notice of Extraordinary General Meeting of the Company including the Explanatory Statement and the Proxy Form.

November 2016 EGM means the Extraordinary General Meeting of the Company held on 28 November 2016.

Option means an option to purchase a Share and includes a PENOD Option and an Extension Fee Option.

Pala means Pala Investments Limited.

Pala Associate means an Associate of Pala.

Pala Extension Fee Options means 8,055,000 unlisted Options exercisable at A$0.50 on or before 22 April 2022.

Pala Extension Fee Shares means the Extension Fee Shares which Pala can elect to receive in satisfaction of the Extension Fee payable to it under its Amending Deed.

Pala Options means Pala PENOD Options and Pala Extension Fee Options.

Pala PENOD Options means 8,647,590 PENOD Options held by Pala.

Pala Post-Assignment Replacement Convertible Note has the meaning given in section 1.3 of the Explanatory Statement.

Pala Replacement Convertible Note has the meaning given in section 1.2 of the Explanatory Statement.

Pala Shares has the meaning given in section 1.7(b) of the Explanatory Statement.

PENOD Option means an Option listed on ASX exercisable at A$2.00 on or before 31 December 2018.

Post-Assignment Replacement Convertible Notes has the meaning give in section 1.3 of the Explanatory Statement.

Proxy Form means the proxy form attached to this Notice of Meeting.

RCF means Resource Capital Funds, a group of private equity funds managed by RCF Management LLC.

RCF Associate means an Associate of RCF VI.

RCF VI Extension Fee Options means 14,445,000 unlisted Options exercisable at A$0.50 on or before 22 April 2022.

RCF VI Extension Fee Shares means the Extension Fee Shares which RCF VI can elect to receive in satisfaction of the Extension Fee payable to it under its Amending Deed.

RCF VI Options means RCF VI PENOD Options and RCF VI Extension Fee Options.

RCF VI PENOD Options means 24,205,302 PENOD Options held by RCF VI.

RCF VI Post-Assignment Replacement Convertible Note has the meaning given in section 1.3 of the Explanatory Statement.

RCF VI Replacement Convertible Note has the meaning given in section 1.2 of the Explanatory Statement.

RCF VI Shares has the meaning given in section 1.7(a) of the Explanatory Statement.

RCF VI means Resource Capital Fund VI LP.

Replacement Convertible Notes has the meaning given in section 1.2 of the Explanatory Statement, and where appropriate includes the Post-Assignment Replacement Convertible Notes.

Resolutions means the resolutions set out in the Notice of Meeting and **Resolution** means any one of them.

RSM means RSM Australia Pty Ltd.

Security means the existing security over the assets of Peninsula in Australia, the United States and the United Kingdom held by Investec Australia Ltd as security trustee, granted originally to secure the obligations of the Company to Investec Bank plc pursuant to a working capital facility signed in December 2015 but amended to secure the obligations of the Company under the Convertible Loan Facility, including the security trust deed relating to such security.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Strata Energy means Strata Energy Inc, a company incorporated in Delaware, United States of America.

US$ means United States dollars, the lawful currency of the United States of America.

VWAP means volume weighted average price.

WST means Western Standard Time, Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF EXTENSION FEE OPTIONS

(1) Each Extension Fee Option gives the holder the right to subscribe for one Share.

(2) The Extension Fee Options will expire at 5.00pm (WST) on 22 April 2022 (**Expiry Date**). Any Extension Fee Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(3) The Extension Fee Options will each have an exercise price of A$0.50 (**Exercise Price**).

(4) The Lender may exercise Extension Fee Options by lodging with the Borrower, before the Expiry Date:

(i) a written notice of exercise of Extension Fee Options specifying the number of Extension Fee Options being exercised; and

(ii) a cheque or electronic funds transfer for the Exercise Price for the number of Extension Fee Options being exercised,

(**Exercise Notice**).

(5) A certificate will be issued for the Extension Fee Options and a replacement certificate will be issued in respect of any Extension Fee Options held by the holder after the exercise of some but not all of the holder's Extension Fee Options

(6) Shares to be issued on exercise of Extension Fee Options must be issued not later than 10 business days after lodgment of the Exercise Notice with the Borrower.

(7) All Shares issued upon the exercise of Extension Fee Options will upon allotment rank pari passu in all respects with other Shares. The Borrower will apply for official quotation by ASX of all Shares issued upon exercise of the Extension Fee Options.

(8) The Borrower will not apply for official quotation of the Extension Fee Options by ASX.

(9) If at any time the issued capital of the Borrower is reconstructed, all rights of the holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(10) There are no participating rights or entitlements inherent in the Extension Fee Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Extension Fee Options. However, the Borrower will ensure that for the purposes of determining entitlements to any such issue, the Borrower will give the holder notice of the proposed issue prior to the record date which will be at least 7 Business Days after the issue is announced. This will give the holder the opportunity to exercise its Extension Fee Options prior to the date for determining entitlements to participate in any such issue.

(11) In the event the Borrower proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Extension Fee Options, the Exercise Price may be reduced in accordance with the formula set out in Listing Rule 6.22.2.

(12) If the Borrower makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of an Extension Fee Options will be increased by the number of Shares which the holder would have received if the holder had exercised the Extension Fee Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(13) Optionholders will be given a written notice of all adjustments.

(14) The Extension Fee Options are transferable.

APPENDIX A – INDEPENDENT EXPERT'S REPORT

PENINSULA ENERGY LIMITED

Financial Services Guide and Independent Expert's Report

27 July 2018

We have concluded that the Proposed Transaction is not fair but reasonable

We have concluded that the extension of Security is fair and reasonable

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RSM

FINANCIAL SERVICES GUIDE

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 (“RSM Corporate Australia Pty Ltd” or “we” or “us” or “ours” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; the Company will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and / or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints Resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, P O Box R1253, Perth, WA, 6844.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ("FOS"). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

Toll Free:	1300 78 08 08
Facsimile:	(03) 9613 6399
Email:	info@fos.org.au

Contact Details

You may contact us using the details set out at the top of our letterhead on page 5 of this report.

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TABLE OF APPENDICES

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27 July 2018

The Directors
Peninsula Energy Limited
Units 32/33, Level 3, 22 Railway Road
Subiaco WA 6008

Dear Directors

INDEPENDENT EXPERT'S REPORT ("REPORT")

1. Introduction

1.1 This Independent Expert's Report (the "Report" or "IER") has been prepared to accompany the Notice of General Meeting and Explanatory Statement ("Notice") to be provided to Shareholders for a General Meeting of Peninsula Energy Limited ("Peninsula" or "the Company") to be held on or around 19 September 2018, at which shareholder approval will be sought for (among other things) the variation and extension of terms relating to the convertible loan facility ("Convertible Loan Facility") between the Company and substantial Shareholders, Resource Capital Fund VI L.P. ("RCF VI") and Pala Investments Ltd ("Pala") (together, the "Lenders").

1.2 At the Extraordinary General Meeting held on 28 November 2016 ("November 2016 EGM") Shareholders approved the issue of convertible notes to RCF VI and Pala ("Original Convertible Notes"). At an EGM on 20 April 2017, Shareholders agreed to replace the Original Convertible Notes with new convertible notes ("Replacement Convertible Notes") on varied terms by way of a 12-month extension to the repayment date to 22 April 2018 and a fixed conversion price of A$0.625 per Share.

1.3 The Company is seeking Shareholder approval to further extend the maturity date of the Replacement Convertible Notes to 22 April 2020, amend the conversion price to A$0.40, increase the interest rate payable from 8% per annum to an average of 11% per annum ("New Convertible Notes"), and incur fees in relation to the extension (payable in cash or Shares) and issue options (together forming "the Proposed Transaction" and shown as Resolutions 1 and 2 in the Notice).

1.4 The Original Convertible Notes and Replacement Convertible Notes are secured by a charge over certain assets of the Company ("Security"). This Security will be extended for the duration of the New Convertible Notes subject to Resolution 3 in the Notice.

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RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

1.5 RCF VI currently holds 22.61% of the issued capital in the Company and Pala currently holds 11.30% of the issued capital in the Company. RCF VI currently holds 24,205,302 options to acquire shares in the Company and Pala currently holds 8,647,590 options to acquire shares in the Company, which are all exercisable at $2.00 per share and expire on 31 December 2018.

1.6 The Directors of the Company have requested that RSM Corporate Australia Pty Ltd ("RSM"), being independent and qualified for the purpose, express an opinion as to whether the Proposed Transaction and provision of Security are fair and reasonable to Shareholders not associated with the Proposed Transaction ("Non-Associated Shareholders").

1.7 The ultimate decision whether to approve the Proposed Transaction and Security should be based on each Shareholder's assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt as to the action they should take with regard to the Proposed Transaction and Security, or the matters dealt with in this Report, Shareholders should seek independent professional advice.

2. Summary and Conclusion

Proposed Transaction

Opinion

2.1 In our opinion, and for the reasons set out in Sections 10 and 11 of this Report, the Proposed Transaction is not fair but reasonable to the Non-Associated Shareholders of Peninsula.

Context

2.2 The Original Convertible Notes were approved by Shareholders at the November 2016 EGM and subsequently issued to the Lenders. The terms that were approved by Shareholders enabled the Lenders to convert the Original Convertible Notes at the lower of A$0.80 per Share and the price of any equity raising carried out by the Company prior to the repayment date on 22 April 2017.

2.3 The Company conducted a Share placement in December 2016 ("Placement") at an issue price of A$0.50 per Share. As a result of the December Placement, the Original Convertible Notes were eligible to be converted at A$0.50 per Share on 22 April 2017.

2.4 In connection with the December Placement, the Company agreed with the Lenders, and obtained Shareholder approval, to change the terms of the Original Convertible Notes by extending the repayment date by 12 months to 22 April 2018 and fixing the conversion price at A$0.625 per Share.

2.5 The amendment which forms the Proposed Transaction seeks to extend the maturity date of the Replacement Convertible Notes to 22 April 2020, amend the conversion price to A$0.40, increase the coupon rate payable, and will also incur costs in additional fees (payable in cash or Shares) and options, as detailed in Section 3 below.

2.6 Each of the Lenders entered into an amendment and restatement deed in respect of its Convertible Loan Facility agreement on 3 July 2018 ("Amending Deeds") which provide for an immediate extension of the maturity date to 31 August 2018. The Lenders have subsequently agreed to extend this to 30 September 2018. On the Amending Deeds becoming effective, which is subject to Resolutions 1, 2 and 3 being passed, each Convertible Loan Facility will be amended to incorporate the revised terms ("Amended Convertible Loan Facilities").

2.7 Our Report therefore acts to provide an opinion on whether the change in terms of the New Convertible Notes are fair and reasonable to Non-Associated Shareholders of the Company.

Approach

2.8 In assessing whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders, we have considered Australian Securities and Investment Commission ("ASIC") Regulatory Guide 111 – *Content of Expert Reports* ("RG 111"), which provides specific guidance as to how an expert is to appraise transactions.

2.9 Where an issue of shares by a company otherwise prohibited under section 606 of the Act is approved under item 7 of section 611, and the effect on the company shareholding is comparable to a takeover bid, such as the Proposed Transaction, RG 111 states that the transaction should be analysed as if it was a takeover bid.

2.10 Therefore, we have considered whether or not the Proposed Transaction is "fair" to the Non-Associated Shareholders by assessing and comparing:

- The Fair Value of a Share in Peninsula on a control basis pre the Proposed Transaction; with
- The Fair Value of a Share in Peninsula on a non-control basis immediately post completion of the Proposed Transaction,

and, considered whether the Proposed Transaction is "reasonable" to the Non-Associated Shareholders by undertaking an analysis of the other factors relating to the Proposed Transaction which are likely to be relevant to the Non-Associated Shareholders in their decision of whether or not to approve the Proposed Transaction.

2.11 Further information of the approach we have employed in assessing whether the Proposed Transaction is "fair and reasonable" is set out at Section 4 of this Report.

Fairness

2.12 Our assessed values of a Peninsula Share prior to and immediately after the Proposed Transaction are summarised in the table and figure below.

2.13 We have considered the value of a Peninsula Share post the Proposed Transaction under two separate scenarios:

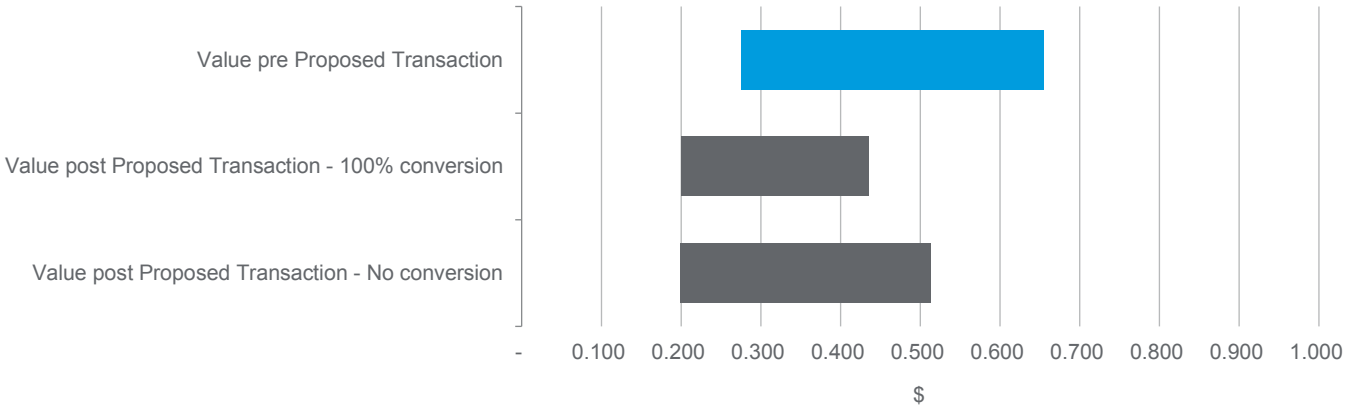
- Scenario 1 – Assuming full conversion of the loans to equity, deducting a minority interest discount and reflecting the issue of Shares under the New Convertible Notes; and
- Scenario 2 – Assuming no conversion, reflecting the impact of the liabilities arising from the New Convertible Notes and deducting a minority interest discount.

Table 1 Assessed values of Peninsula Shares to be issued pre and post the Proposed Transaction

Assessment of fairness	Ref	Value per Share	
		Low	High
Fair value of a Share pre the Proposed Transaction – Control basis	8.3	A$0.28	A$0.65
Fair value of a Share post the Proposed Transaction – Non-control basis – Scenario 1	9.2	A$0.20	A$0.43
Fair value of a Share post the Proposed Transaction – Non-control basis – Scenario 2	9.9	A$0.20	A$0.51

Source: RSM analysis

Figure 1 Peninsula Share valuation graphical representation



Source: RSM Analysis

2.14 The chart above indicates that the ranges of values post the Proposed Transaction under both scenarios are below the range of values pre the Proposed Transaction.

2.15 In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of Section 611, Item 7 of the *Corporations Act 2001*, we consider the Proposed Transaction to be not fair to the Non-Associated Shareholders of Peninsula.

Reasonableness

2.16 RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the offer closes. As such, we have also considered the following factors in relation to the reasonableness aspects of the Proposed Transaction:

- The future prospects of the Company if the Proposed Transaction does not proceed; and
- Any other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

2.17 If the Proposed Transaction does not proceed then the Amended Convertible Loan Facilities will not come into effect and all amounts owing under the Convertible Loan Facilities would become immediately due and payable on 30 September 2018; the current amounts owing total US$17 million. The Lenders could elect to convert the amounts owing into shares at the fixed conversion price of $0.625 per share, but if the Lenders did not do so, the Company may not be able to secure sufficient funding to make the repayment at that point in time and continue operations given that current cash holdings are approximately US$12.5 million (excluding cash held on deposit as security for bonds).

2.18 The key advantages of the Proposed Transaction are:

Advantage	Details
Eliminate potential overhang of debt repayment	The extension of the repayment date would alleviate the requirement to repay the full debt balance for almost two years as the Company focuses on further developing the Lance Projects and improving its operating cost structure. The extension of the term also ensures the Company will not risk being in default of its debt should the existing Convertible Loan amounts become immediately due and payable on 30 September 2018.
Financial flexibility from extension of repayment date	Extending the repayment date of the Convertible Loan Facility by two years provides the Company with greater financial flexibility to continue executing its short-term operating plan and pursue the potential transition of the Lance Projects to a low pH recovery system, with a view to generating cash flows from operations to repay the Lenders in cash should they elect not to convert to Shares.
Failure to amend terms may discourage future investors	If the Proposed Transaction does not proceed, the Company may not be able to raise additional short-term capital at commercial rates while uncertainty remains around whether the Lenders will elect to call upon their debts at the repayment date. In addition, the Company is in a transitional phase until the feasibility study on the Lance Projects is completed which may negatively affect its ability to secure debt funding.
Exercise of new unlisted options could result in significant cash inflow	Conversion of the new unlisted options at $0.50 would result in a cash inflow of $11.25 million should the Lenders exercise the new options.

2.19 The key disadvantages of the Proposed Transaction are:

Disadvantage	Details
The Proposed Transaction is not fair	We have assessed the Proposed Transaction to be not fair to the Non-Associated Shareholders.
Increase in coupon interest rate	The coupon interest rate will increase from 8% per annum currently to an average of 11% per annum over the two years of the New Convertible Notes.

Disadvantage	Details
Non-Associated Shareholders may be diluted	If the Proposed Transaction proceeds, the Non-Associated Shareholders may be diluted; the full extent will be dependent on factors relevant at the time of conversion. If the Replacement Convertible Notes were converted at this time, it would result in the interests of the Non-Associated Shareholders reducing from 59.27% to 52.69% on a fully diluted basis. Based on the Company estimates, the Proposed Transaction may result in the Non-Associated Shareholders being diluted to as low as 43.59% if all New Convertible Notes and all existing and new unlisted Options are exercised.

2.20 We note that the auditor of Peninsula, BDO, included an emphasis of matter with regard to the Company's ability to operate as a going concern in their unqualified review opinion on the financial statements for the half year ended 31 December 2017. The emphasis of matter was based on the fact that the Convertible Loan Facilities were due to mature in April 2018 and agreement had not been reached as to an extension or restructure at the date of signing the review report.

2.21 We are not aware of any alternative proposals which may provide a greater benefit to the Non-Associated Shareholders of Peninsula at this time.

2.22 In our opinion, the position of the Non-Associated Shareholders of Peninsula if the Proposed Transaction is approved is more advantageous than if the Proposed Transaction is not approved. Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the Proposed Transaction is reasonable for the Non-Associated Shareholders of Peninsula.

Security

Opinion

2.23 In our opinion, the grant and direct enforcement of the Security is fair and reasonable to the Non-Associated Shareholders of Peninsula.

Fairness

2.24 At the November 2016 EGM and subsequently at the April 2017 EGM, approval was given to grant RCF VI and Pala security over certain assets of the Company to secure obligations under the Original Convertible Note. Approval is therefore required to enable the extension of the Security and its direct enforcement by the Lenders until 22 April 2020 in respect of the New Convertible Notes.

2.25 The Security is limited to the value of the debt owed to the Lenders, plus other amounts otherwise owed to the Lenders under the Proposed Transaction. As such, the Lenders will not receive any value from the Security that is greater than the debt owing to them. For the purpose of our analysis, we have not considered any additional interest charges or additional amounts that may become payable as the quantum of such is not predictable and not material to our opinion of fairness. We note that the amended average 11% per annum rate attached to the New Convertible Notes is within an assessed market range.

2.26 In accordance with the guidance set out in RG 111 issued by ASIC, and in the absence of any other relevant information, for the purpose of ASX Listing Rule 10.1, we consider the grant and direct enforcement of the Security to be fair to the Non-Associated Shareholders of Peninsula, as the value of the Security cannot be greater than the value of the debt owed to the Lenders.

Reasonableness

2.27 RG 111 establishes that a transaction is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for the security holders to approve the transaction in the absence of a superior alternative. In assessing the reasonableness of extending the Security, we have considered the following factors in our assessment:

- The future prospects of the Company if the Security is issued; and
- Any other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of issuing the Security.

2.28 The extension of the Security is a condition of the Amended Convertible Note Facilities coming into effect. If the extension of the Security is not approved, then the Proposed Transaction will not proceed. The terms of the Security have not changed, it is simply an extension of the period which the Security is valid so that it matches the term of the New Convertible Notes.

2.29 We consider the key advantages of extending the Security to be as follows:

Disadvantage	Details
The extension of the Security is fair	RG 111 stated that if a transaction is fair, it is also reasonable.
The 11% p.a. average coupon rate attached to the Convertible Loan Facility is not unreasonable	Whilst the coupon interest rate is greater than the existing Convertible Notes, the new rate is not unreasonable given the financial position of the Company and the requirements to extend the maturity of the Convertible Notes.
If Security is not approved, the Lenders may deem Peninsula to be in default	If Security is not approved, the Lenders would be entitled to declare all monies outstanding under the existing Convertible Notes due and payable on 30 September 2018 and enforce the Security if the Company does not have sufficient funding available to make the repayment at that point in time.
Allows the Proposed Transaction to proceed	The extension of the Security allows the Proposed Transaction to take place and ensures the Company is not required to repay or refinance the Convertible Notes by 30 September 2018.

2.30 The key disadvantage of extending the Security is:

Disadvantage	Details
Peninsula assets may be sold in a default event	If, in an event of default by Peninsula and RCF VI or Pala enforce the Security, then some or all of Peninsula's assets may be sold (to the extent required to enable RCF VI or Pala to recover the debt).

2.31 In our opinion, the position of the Non-Associated Shareholders of Peninsula if the extension of Security is approved is more advantageous than if it is not approved. Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the grant and direct enforcement of the Security is reasonable for the Non-Associated Shareholders of Peninsula.

3. Summary of Transactions

Overview of existing Convertible Loan Facility

3.1 As set out in the announcements dated 26 April 2016 and 14 October 2016, the Company entered into binding convertible bridge loan agreements with the Lenders, pursuant to which they agreed to provide Peninsula with funding support through a convertible loan facility ("Convertible Loan Facility").

3.2 The Convertible Loan Facility comprised subordinated second ranking secured convertible bridge loans of an aggregate US$20 million, advanced by RCF VI and Pala proportionally to each entity's then shareholding in Peninsula (RCF VI loan amount was US$12.84 million and Pala loan amount was US$7.16 million). The Convertible Loan Facility was secured through the Lenders' accession to the existing security over the assets of Peninsula in Australia, the United States and the United Kingdom held by Investec Australia Ltd as security trustee ("Security Trustee") originally granted to the Security Trustee to secure the Company's obligations to Investec Bank plc ("Investec") in respect of a working capital facility signed in December 2015 ("Security").

3.3 Upon receiving shareholder approval at an Extraordinary General Meeting held on 28 November 2016 ("November 2016 EGM"), the Company issued convertible notes for a face value equal to the principal amount outstanding under the Convertible Loan Facility and any accrued but unpaid interest from time to time. At the November 2016 EGM, shareholders approved an increase in the voting power of RCF VI up to 41.84% and an increase in the voting power of Pala up to 24.59%.

3.4 On 24 February 2017, RCF VI and Pala agreed to amend the Convertible Loan Facility and replace the original convertible notes with new convertible notes on varied terms whereby the original repayment date was extended by 12 months to 22 April 2018 ("Maturity Date") and the Lenders had the option to convert the convertible notes to shares in Peninsula at a fixed price of A$0.625 per Share. Upon receiving shareholder approval at an Extraordinary General Meeting held on 20 April 2017 ("April 2017 EGM"), the Company issued replacement convertible notes for a face value equal to the principal amount outstanding under the amended Convertible Loan Facility and any accrued but unpaid interest from time to time ("Replacement Convertible Notes"). At the April 2017 EGM, shareholders approved an increase in the voting power of RCF VI up to 36.92% and an increase in the voting power of Pala up to 21.08%.

3.5 The Convertible Loan Facility was fully drawn in 2016 and the funds were utilised for development costs at the Lance Projects, development costs at the Karoo Projects and working capital expenditure for the Company and the Lance Projects.

3.6 In December 2017, the Company's working capital facility in place with Investec reached the end of its 2-year term. The facility was not renewed or extended by the Company. At this point in time, the Convertible Loan Facility was no longer a subordinated facility and assumed first ranking position for the Security.

Proposed changes in terms of the Convertible Notes

3.7 As set out in the announcement dated 20 April 2018, RCF VI and Pala have agreed in principle, subject to certain conditions, to further extend the Maturity Date of the Convertible Loan Facility. To secure the extension of the Maturity Date to 22 April 2020 ("Amended Maturity Date"), the Company has also agreed to reduce the Convertible Loan Facility from US$20 million to US$17 million, following a cash repayment by the Company of US$3 million, which was made on 20 April 2018.

3.8 Following the repayment of US$3 million the total principal outstanding under the amended Convertible Loan Facility was US$17 million, comprising a US$10.914 million convertible loan provided by RCF VI and a US$6.086 million convertible loan provided by Pala.

3.9 Subject to shareholder approval and the Amending Deeds (discussed below) becoming effective, the Company will issue new convertible notes (in replacement of the Convertible Notes) for a face value equal to the principal amount outstanding under the Amended Convertible Loan Facility and any accrued but unpaid interest from time to time ("New Convertible Notes"), being:

- in relation to RCF VI, a Replacement Convertible Note with a face value of US$10.914 million (plus any accrued but unpaid interest from time to time) ("RCF VI New Convertible Note"); and

- in relation to Pala, a Replacement Convertible Note with a face value of US$6.086 million (plus any accrued but unpaid interest from time to time) ("Pala New Convertible Note").

3.10 Each of the Lenders entered into an amendment and restatement deed in respect of its Convertible Loan Facility agreement on 3 July 2018 (each an "Amending Deed"). Each Amending Deed provides for an immediate extension of the Maturity Date to 31 August 2018 (which the Lenders have agreed to extend to 30 September 2018), pending satisfaction of the conditions precedent and the Amending Deeds becoming effective. On the Amending Deeds becoming effective, which is in each case subject to satisfaction of certain conditions precedent (including Resolutions 1, 2 and 3 being passed), the relevant Convertible Loan Facility will be amended and restated in the form of the amended and restated Convertible Loan Facility agreement scheduled to the relevant Amending Deed ("Amended Convertible Loan Facility").

3.11 RCF VI and Pala also agreed to assign US$3.85 million of the Amended Convertible Loan Facility to six parties (the "Assignees"). The Assignment of the debt is subject to certain conditions precedent, including the Amended Convertible Loan Facilities coming into effect. Following the Assignment, RCF VI will hold US$8.44 million, Pala will hold US$4.71 million and the Assignees will hold US$3.85 million of the New Convertible Notes.

3.12 In addition to the Amended Maturity Date, the amendments to the Convertible Loan Facility include the following:

- the Lenders may elect to convert all or part of the principal amount of the New Convertible Notes (including any capitalised interest) into fully paid ordinary shares at any time prior to maturity at a fixed conversion price of A$0.40 per share;

- the Amended Convertible Loan Facility will accrue interest to be calculated and paid quarterly at a coupon rate of 10% per annum for the first twelve-month period up until 22 April 2019 and then 12% per annum thereafter to maturity. Interest can be paid in cash or Shares ("Coupon Rate Shares") at the Company's election for the period up until 30 June 2019 and at the Lenders' election thereafter, in which case the issue price for shares will be determined by the lower of A$0.40 per share and the 20-day volume weighted average price ("VWAP") prior to the quarter end;

- the Lenders will be entitled to an extension fee of 2% of the amount made available by each of them under the Amended Convertible Loan Facility ("Extension Fee") to be paid in cash or shares at the election of the Lender; and

- the Lenders will be entitled to 22,500,000 unlisted Options in Peninsula exercisable at A$0.50 per Option on or before 22 April 2022 which will be issued to the Lenders in equal proportion to the respective principal amounts of the New Convertible Notes ("Extension Fee Options").

3.13 The Company is seeking approval for the maximum number of shares to be granted to RCF VI and Pala under the Convertible Loan Facility, as follows:

Table 2 Estimate of maximum number of shares to be issued under the New Convertible Notes

	Total Number of Shares[1]
Convertible Loan at A$0.40 each	56,666,667
Extension Fee Shares issued at 2% of face value	1,743,590
Coupon Rate Shares	19,445,869
Contingency shares (10% of above)	7,785,613
Total shares issued	**85,641,738**
Extension Fee Options (new unlisted options)	22,500,000
Total Shares and options issued under New Convertible Notes	**108,141,738**

Source: Company estimates

1. Estimates assume Peninsula share price of A$0.26 and AUD:USD rate of 0.75

Security

3.14 Security over the assets of Peninsula in Australia, the United States and the United Kingdom was held by Investec Australia Ltd and Investec Bank plc as part of a working capital facility which expired in December 2017, following which, the Lenders assumed the senior secured position of the assets. Investec Australia Ltd is the trustee on behalf on the Lenders.

3.15 At the November 2016 EGM, and subsequently at the April 2017 EGM, approval was given to grant RCF VI and Pala security over certain assets of the Company to secure the obligations under the Convertible Notes. As the Convertible Loan Notes are due for repayment by 22 April 2018, a new approval is required to enable the extension of the Security for the period between 23 April 2018 and 22 April 2020 ("Extended Security") and direct enforcement of the Extended Security by the Lenders.

Rationale for the Proposed Transaction

3.16 The Company is reviewing its operating plan with the aim to reduce the costs of production under a low pH process at the Lance Projects. The feasibility study for this process is underway and due for completion in the second half of 2018. The Company is seeking to delay the repayment of its Convertible Notes until the feasibility study is completed and the findings from the study can be implemented.

Impact of Proposed Transaction on Peninsula's Capital Structure

3.17 The table below sets out a summary of the current capital structure of Peninsula and the capital structure assuming both full conversion and no conversion of the New Convertible Notes following completion of the Proposed Transaction and Assignment of US$3.85 million of the debt by RCF VI and Pala.

Table 3 Share structure of Peninsula under the New Convertible Notes

	Prior to Proposed Transaction		Post Proposed Transaction - All Convert[1]		Post Proposed Transaction - No Conversion[2]	
Shares on issue						
Non-Associated Shareholders	148,554,848	63.49%	148,554,848	47.02%	148,554,848	58.58%
RCF VI	52,901,883	22.61%	95,432,074	30.21%	64,476,974	25.42%
Pala	26,434,917	11.30%	50,151,129	15.87%	32,889,563	12.97%
Assignees	6,100,352	2.61%	21,802,720	6.90%	7,686,053	3.03%
Total undiluted shares on issue	**233,992,000**	**100.0%**	**315,940,771**	**100.0%**	**253,607,438**	**100.0%**
Options:						
Non-Associated Shareholders	23,570,291	41.77%	23,570,291	29.86%	23,570,291	29.86%
RCF VI	24,205,302	42.90%	35,378,934	44.83%	35,378,934	44.83%
Pala	8,647,590	15.33%	14,878,369	18.85%	14,878,369	18.85%
Assignees	-	0.00%	5,095,588	6.50%	5,095,588	6.50%
Total options on issue	**56,423,183**	**100.0%**	**78,923,183**	**100.0%**	**78,923,183**	**100.0%**
Fully Diluted Position:						
Non-Associated Shareholders	172,125,139	59.27%	172,125,139	43.59%	172,125,139	51.76%
RCF VI	77,107,185	26.55%	130,811,008	33.13%	99,855,908	30.03%
Pala	35,082,507	12.08%	65,029,499	16.47%	47,767,932	14.36%
Assignees	6,100,352	2.10%	26,898,308	6.81%	12,781,641	3.84%
Total diluted shares on issue	**290,415,183**	**100.0%**	**394,863,954**	**100.0%**	**332,530,621**	**100.0%**

Source: Company estimates

1. Full conversion assumes conversion of all Convertible Notes, Shares for the extension fee, coupon interest Shares over 2 years and allows for a contingency of 10% due to uncertainty of issue price.
2. No conversion scenario assumes the issue of shares for the extension fee, coupon interest over 2 years and allows for a contingency of 10%.

3.18 The existing options on issue include:

- 1.35 million options exercisable at A$0.50 on or before 30 November 2022;
- 2.975 million options exercisable at A$0.55 on or before 30 November 2022;
- 51.713 million listed (ASX:PENOD) options exercisable at A$2.00 on or before 31 December 2018; and
- 0.385 million options exercisable at A$1.52 on or before 1 December 2019.

4. Scope of the Report

Proposed Transaction

Corporations Act

4.1 Section 606 of the Act prohibits a person from acquiring a relevant interest in the issued voting shares of a public company if the acquisition results in that person's voting interest in the company increasing by more than 3% in every 6 months from a starting point that is above 20% or increasing their interest from a position of less than to greater than 20%.

4.2 At the date of this Report, the relevant voting interest of RCF VI in the Company is 22.61% (26.55% fully diluted) and Pala holds 11.30% (12.08% fully diluted). At the April 2017 EGM, Shareholder approval was received for the Lenders to increase their relevant interests in the Company, RCF VI up to 36.92% and Pala up to 21.08%. If the Proposed Transaction proceeds, RCF VI may acquire a maximum interest of up to 44.73% and Pala may acquire a maximum interest of 26.23%, assuming all PENOD Options and new unlisted options issued to RCF VI and Pala are fully converted and any listed and unlisted options on issue to Non-Associated Shareholders are not converted.

4.3 Under Item 7 of Section 611 of the Act, the prohibition contained in Section 606 does not apply if the acquisition has been approved by the Non-Associated Shareholders of the company.

4.4 Accordingly, the Company is seeking approval from the Non-Associated Shareholders for the change in terms under the Proposed Transaction in accordance with Item 7 of Section 611 of the Act.

4.5 Section 611(7) of the Act states that Shareholders must be given all information that is material to the decision on how to vote at the meeting. ASIC Regulatory Guide 111 ("RG 111") advises the requirement to commission an Independent Expert's Report in such circumstances and provides guidance on the content.

Basis of evaluation

4.6 In determining whether the Proposed Transaction is "fair and reasonable" we have given regard to the views expressed by the ASIC in RG 111.

4.7 RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.

4.8 RG 111 states that the expert's report should focus on:

- the issues facing the security holders for whom the report is being prepared; and
- the substance of the transaction rather than the legal mechanism used to achieve it.

4.9 Where an issue of shares by a company otherwise prohibited under section 606 is approved under item 7 of section 611 and the effect on the company's shareholding is comparable to a takeover bid, RG 111 states that the transaction should be analysed as if it was a takeover bid.

4.10 RG 111 applies the fair and reasonable test as two distinct criteria in the circumstance of a takeover offer, stating:

- A takeover offer is considered "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
- A takeover is considered "reasonable" if it is fair, or where the offer is "not fair" it may still be reasonable if the expert believes that there are sufficient reasons for security holders to accept the offer.

4.11 Consistent with the guidelines in RG 111, in determining whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders, the analysis undertaken is as follows:

- A comparison of the fair value of an ordinary Share in Peninsula prior to (on a control basis) and immediately following (on a non-control basis) the Proposed Transaction – fairness; and
- A review of other significant factors which Non-Associated Shareholders might consider prior to approving the Proposed Transaction – reasonableness.

4.12 The other significant factors to be considered include:

- The future prospects of the Company if the Proposed Transaction does not proceed; and
- Any other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

4.13 Our assessment of the Proposed Transaction is based on economic, market and other conditions prevailing at the date of this report.

Security

ASX Listing Rules

4.14 ASX Listing Rule 10.1 states that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, a substantial shareholder, a related party or any of its associates without the approval of holders of the entity's ordinary securities.

4.15 An asset is considered substantial "if its value; or the value of the consideration for it is, or in the ASX's opinion is 5% or more of the equity interest of the entity as set out in the latest financial statements given to the ASX".

4.16 The Lenders are substantial shareholders of the Company. The equity interests of Peninsula as at 31 December 2017 were US$79.2 million. The Security is granted over the present and future assets of Peninsula in Australia, the United States and the United Kingdom in respect of the Convertible Loan Facility and will exceed 5% of Peninsula's equity interests.

4.17 ASX Listing Rule 10.10 states that the notice for the shareholders' meeting required under ASX Listing Rule 10.1 must include a report on the transaction from an independent expert. The report must state whether, in the expert's opinion, the transaction is fair and reasonable to the Non-Associated Shareholders.

4.18 Accordingly, Peninsula is seeking approval to enable the extension of the Security and its direct enforcement by the Lenders between 23 April 2018 and 22 April 2020 in respect of the New Convertible Notes. The Company has engaged RSM, to prepare a report which sets out our opinion as to whether the grant and direct enforcement of the Security is fair and reasonable to Non-Associated Shareholders.

Regulatory guidelines

4.19 In determining whether the extension of the Security is "fair and reasonable" we have also given regard to the views expressed by ASIC in RG 111.

4.20 RG 111 states that in relation to related party transactions the expert's assessment of fair and reasonable should not be applied as a composite test – that is, there should be a separate assessment of whether the transaction is "fair and reasonable" as in a control transaction.

4.21 In assessing whether the extension of the Security is fair and reasonable to Non-Associated Shareholders, the analysis undertaken is as follows:

- Whether the value of the assets secured is greater than the value of the debt that will be owed in accordance with the terms of the Security – fairness; and

- A review of other significant factors which Non-Associated Shareholders might consider prior to approving the Security – reasonableness.

4.22 The other significant factors to be considered when assessing the reasonableness of the extension of the Security include:

- The future prospects of the Company if the Security is not provided; and
- Any other commercial advantages and disadvantages to the Non-Associated Shareholders as consequence of issuing the Security.

4.23 Our assessment of the Security is based on economic, market and other conditions prevailing at the date of this Report.

5. Profile of Peninsula

Background

5.1 Peninsula Energy Limited is an ASX listed uranium mining company engaged in the mining, exploration and development of uranium projects in the United States and South Africa.

5.2 The Company's flagship assets are the Lance uranium projects located on the North-East flank of the Powder River Basin in Wyoming, USA ("Lance Projects"). The Company commenced in-situ uranium production from the Lance Projects in December 2015 and delivered its first drummed uranium to the conversion facility in May 2016.

5.3 In October 2017, Peninsula announced the outcomes of a research initiative aimed at improving the operating performance at its Lance Projects. Results were positive using lower pH solutions, which resulted in increased peak uranium solution grades with uranium recoveries generally over 90%. These results in conjunction with subsequent test results, indicate that using a low pH system could align the Lance Projects operating performance and cost profile with current industry leading global uranium production projects.

5.4 A change from alkaline based ISR solution to a low pH ISR solution is not expected to require substantial changes to the current processing plant. In addition, capital expenditure requirements are anticipated to be minimal. Peninsula is in the process of completing a feasibility study on the change from an alkaline to acid lixiviant at the Lance Projects which is expected to be finalised in the second half of 2018 (post issue of this report). The Company suspended the majority of alkaline based production activity in the first mining unit at the Lance Projects in May 2018, with the production using alkaline lixiviant in the second mining unit forming the primary basis of ongoing operations over the near-term.

5.5 The Company also holds a 74% interest in the Karoo uranium/molybdenum exploration project located in the Republic of South Africa ("Karoo Project"). The Karoo Project, located in the Western Cape, Eastern Cape and Northern Cape Provinces of South Africa comprise 40 prospecting rights covering 7,774 km² of the main uranium-molybdenum bearing sandstone channels in the Karoo Basin.

5.6 In October 2017, Peninsula advised that it plans to complete a divestment of its 74% interest in the Karoo Project in South Africa however the Company was unable to secure an acceptable offer for the assets. In April 2018, Peninsula announced that it had decided to fully withdraw from any further development activities for the Karoo Project.

5.7 A detailed review of the Company's projects is included in SRK's independent specialist report at Appendix D.

Directors and management

5.8 The directors and key management of Peninsula are summarised in the table below.

Table 4 Peninsula Directors

Name	Title	Background
Mr Wayne Heili	Managing Director / CEO	Mr Heili has spent majority of his 30-year professional career in the uranium mining industry and recently served as President and CEO of Ur-Energy, Inc. where he oversaw the design, construction, commissioning and ramp-up of the Lost Creek in-situ uranium project in Wyoming USA. Mr Heili holds a Bachelor of Science in Metallurgical Engineering from Michigan Technological University.
Mr John Harrison	Non-Executive Chairman	Mr Harrison has resource sector experience and knowledge acquired over a 45 year career including 20 years of investment banking in London. During this time, Mr Harrison has developed an international contact base advising companies across a range of commodities, (including uranium) and raising more than £500m in equity capital in the process
Mr David Coyne	Finance Director / CFO	My Coyne has over 25 years' experience in the mining, and engineering and construction industries, both within Australia and internationally. Over the past 10 years, Mr Coyne has been directly involved in a number of equity and debt raising transactions and has been the project director on a company-wide systems implementation project.
Mr Evgenij Iorich	Non-Executive Director	Mr Iorich is currently Vice President at Pala Investments Limited (Pala) and has experience in the natural resources sector across a broad range of commodities with a focus on M&A opportunities, operational, financial planning and corporate structuring. Mr Iorich graduated from the University of Zurich with a Masters of Arts degree.
Mr Harrison Barker	Non-Executive Director	Mr Harrison (Hink) Barker retired June 1, 2015 from the Generation segment of Dominion Resources with over 40 years of fossil and nuclear fuel commercial and technical responsibilities. Since 1992, Mr Barker had been the manager responsible for Dominion's procurement of nuclear fuel and the related processing steps of conversion from U3O8 to UF6, enrichment of UF6, and fabrication of nuclear fuel assemblies
Mr Mark Wheatley	Non-Executive Director	Mr. Wheatley is an experienced resources company CEO, Non-Executive Director and Chairman with a career spanning more than 30 years in mining and related industries. Mr. Wheatley has 10 years' experience in the uranium industry and been involved in ISR project feasibility studies, start up, production, rehabilitation and closure.

Source: S&P Capital IQ/ ASX

Financial Information of Peninsula

5.9 The information below summarises the financial performance of Peninsula for the years ended 30 June 2017 and 30 June 2016 extracted from the audited financial statements of the Company, and the six months ended 31 December 2017 from the Company's reviewed financial statements. The unaudited financial position of Peninsula is also shown as at 31 May 2018 extracted from the Company's consolidated management accounts. We have not undertaken a review of Peninsula's unaudited financial statements in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and accordingly do not express an opinion on this financial information.

5.10 The auditor of Peninsula, BDO, issued unqualified review and audit opinions on the financial statements for the half year ended 31 December 2017 and year 30 June 2017 respectively, but for an emphasis of matter with regard to the Company's ability to operate as a going concern on the basis that the Convertible Loan Facilities were due to mature in April 2018 and agreement had not been reached as to an extension or restructure at the date of signing the review report.

Financial Performance

Table 5 Peninsula Historical Financial Performance

US$000's	Ref	31-Dec-17 Reviewed	30-Jun-17 Audited	30-Jun-16 Audited
Revenue	5.11	7,660	18,267	5,771
Cost of sales	5.11	(8,008)	(19,879)	(3,467)
Gross profit/(loss)		**(348)**	**(1,612)**	**2,304**
Other income		24	16	44
Selling and marketing expenses		(131)	(1,199)	(1,050)
Administration expenses		(1,097)	(2,978)	(3,836)
Depreciation expense		(63)	(31)	(201)
Foreign exchange gain/(loss)		198	(20)	1,094
Impairment expense	5.12	(9,232)	(74,786)	(95)
Fair value gain on derivative	5.13	9,616	9,384	-
Other expenses		(11)	(206)	(1,192)
Loss before interest and tax from continuing operations		**(1,044)**	**(71,432)**	**(2,932)**
Finance costs		(1,340)	(3,715)	(597)
Net loss before income tax		(2,384)	(75,147)	(3,529)
Income tax expense		-	-	-
Loss from continuing operations		**(2,384)**	**(75,147)**	**(3,529)**
Items that may be reclassified to profit and loss				
Exchange differences on translation of foreign controlled entities		692	1,590	(4,195)
Total comprehensive loss for the year		**(1,692)**	**(73,557)**	**(7,724)**

Source: Company financial statements

5.11 Revenue for the six-months ended 31 December 2017 relates to the sale of uranium, extracted from the Company's Lance Projects and also purchased on the open market. Approximately US$7.66 million in revenue was generated compared to cost of sales of US$8.01 million which resulted in a gross loss of US$0.35 million in the period.

5.12 The impairment expense of US$74.79 million for the year ended 30 June 2017 was in relation to the impairment of Peninsula's Karoo and Lance Projects.

5.13 During the 30 June 2017 financial year, the Company decided to take advantage of prevailing conditions and purchase uranium at prices below the expected cost of production. Peninsula contracted with a third party to purchase 900,000 pounds of uranium over a three-year period, commencing from January 2018 at an average cost of US$25/lb, to meet delivery commitments of two offtake agreements which Peninsula had previously entered into for delivery through to 2021. On 1 February 2018, the Company announced that it had received cash proceeds of US$19.0 million through the sale of interests in an existing uranium concentrate sale agreement and uranium concentrate purchase agreement. As a result of these transactions, fair value gains were recognised on the derivative financial assets in the 2017 financial year and the six months ended 31 December 2017.

Financial Position

Table 6 Peninsula historical financial position

$US000's	Ref	31-May-2018 Management	31-Dec-17 Reviewed	30-Jun-17 Audited
Current assets				
Cash and cash equivalents	5.15	12,534	3,316	9,621
Trade and other receivables		539	547	803
Inventory		2,760	3,514	4,052
Other financial assets	5.16	-	5,080	1,682
Total current assets	5.15	**15,833**	**12,457**	**16,158**
Non-current assets				
Trade and other receivables		5,965	3,954	2,805
Property, plant and equipment	5.14	27,258	27,430	29,842
Mineral exploration and evaluation		-	-	4,580
Mineral development	5.14	56,770	56,667	56,115
Other financial assets	5.16	3	13,923	9,945
Total non-current assets		**89,996**	**101,974**	**103,287**
Total assets		**105,829**	**114,431**	**119,445**
Current liabilities				
Trade and other payables	5.17	1,563	2,573	3,131
Borrowings	5.18	16,826	20,327	20,890
Deferred revenue		(1,233)	85	1,107
Provisions		889	969	187
Other financial liabilities		-	-	443
Total current liabilities	5.15	**18,045**	**23,954**	**25,758**
Non-current liabilities				
Borrowings	5.18	777	792	1,082
Provisions	5.19	11,373	11,373	11,332
Other financial liabilities		-	-	1,797
Total non-current liabilities		**12,150**	**12,165**	**14,211**
Total liabilities		**30,195**	**36,119**	**39,969**
Net assets	5.14	**75,634**	**78,312**	**79,476**

Source: Company

5.14 As at 31 December 2017, Peninsula had net assets of US$78.3 million driven by $56.7 million capitalised mineral development and $24.3 million in plant and equipment relating to the Lance Projects. Net assets disclosed in the management accounts at 31 May 2018 were US$75.6 million.

5.15 The Company had net working capital of US$8.8 million and net debt (cash less borrowings) of US$5.1 million including US$12.5 million cash and cash equivalents as at 31 May 2018.

5.16 The other financial assets were recognised as a result of derivative financial instruments relating to the Company's uranium offtake agreement and a purchase agreement the Company entered into. The Company sold interests in these agreements for US$19 million in February 2018.

5.17 Non-current receivables at 31 May 2018 comprise US$6.0 million of cash held on deposit as security for the Permit to Mine Bond and Environmental Performance Bonds for the Lance Projects, and a rental bond.

5.18 Borrowings principally comprise the US$20 million Original Convertible Notes drawn down during 2016 less the repayment of US$3.0 million in April 2018.

5.19 Long term provisions at 31 December 2017 represent estimated rehabilitation provisions recognised in relation to the exploration and development activities for costs associated with the restoration of various historical mining sites exploration drilling.

Capital Structure

5.20 Peninsula has 233,697,385 ordinary shares on issue. The top 20 Shareholders of Peninsula as at 17 July 2018 are set out below.

Table 7 Peninsula top 20 Shareholders

Rank	Name	Shares	%
1	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	54,176,972	23.15
2	CITICORP NOMINEES PTY LIMITED	28,393,142	12.15
3	NATIONAL NOMINEES LIMITED	6,934,997	2.97
4	J P MORGAN NOMINEES AUSTRALIA LIMITED	6,563,739	2.81
5	BNP PARIBAS NOMS PTY LTD	6,322,125	2.71
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,786,996	2.48
7	BT PORTFOLIO SERVICES LIMITED	4,000,000	1.71
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,068,460	1.31
9	SAFARI CAPITAL PTY LTD	3,000,000	1.28
10	SGK HOLDINGS (AUST) PTY LTD	2,637,868	1.13
11	RYNOBRONBELLA PTY LTD	2,508,761	1.07
12	NATIONAL NOMINEES LIMITED	2,496,312	1.07
13	SOMTAJ PTY LTD	2,413,554	1.03
14	INKESE PTY LTD	1,750,000	0.75
14	CCP TECHNICAL LIMITED	1,537,189	0.66
15	BNP PARIBAS NOMINEES PTY LTD	1,238,719	0.53
16	MR MARK JOHN BAHEN & MRS MARGARET PATRICIA BAHEN	1,000,000	0.43
16	KOBIA HOLDINGS PTY LTD	1,000,000	0.43
16	MR MARTY HENG LAU	1,000,000	0.43
17	BLU BONE PTY LTD	1,000,000	0.43
18	NEOMAN PTY LTD	901,368	0.39
19	TROCA ENTERPRISES PTY LTD	800,000	0.34
20	DENMAN INCOME LIMITED	750,000	0.32
	Top 20 total	**139,280,202**	**59.52**
	Balance of register	94,711,798	40.48
	Total issued capital	**233,992,000**	**100.00**

Source: Company

Share price performance

5.21 The figure below sets out a summary of Peninsula's closing Share prices and traded volumes for the 12 months to 18 July 2018.

Figure 2 Peninsula daily closing Share price and traded volumes

Source: S&P Capital IQ/ ASX

5.22 In the 12-month period to 18 July 2018, Peninsula shares traded between $0.47 and $0.22 per share. During this period, 56.54% of the Company's shares were traded, suggesting the shares are relatively liquid. However, a large number of share traded on 14 June 2018, where 6.9 million traded following completion of a block trade.

5.23 The most significant trading days have been noted in the chart above and are analysed as follows:

No.	Date	Comments
1	18-Oct-17	Peninsula announced that the Company had decided to exit and sell a 74% interest in the Karoo Projects in South Africa and that the divestment would be completed through an active process over the remainder of the 2017 colander year.
2	21-Nov-17	Peninsula announced that WWC Engineering had prepared a white paper for the Company which examines the in-situ recovery of uranium using low PH systems, including current practices in the United States and internationally, together with key considerations within the regulatory framework.
3	15-Jan-18	Peninsula announced the operating performance from its Lance Projects for the quarter ended 31 December 2017 which noted a substantial improvement in production compared to the September quarter
4	1-Feb-18	Peninsula announced that it had strengthened its cash position by US$19.0 million after the Company had signed binding agreements to sell a portion of its interest in existing long-term uranium concentrate sale and purchase agreements.
5	6-Apr-18	Peninsula announced the operating profit from its Lance Projects for the quarter ended 31 March 2018 which noted an increase in production of approximately twelve percent on the December 2017 quarter.
6	20-Apr-18	Peninsula announced that it had entered into binding offer letters with major shareholders RCF VI and Pala to extend the maturity date of the existing convertible note facility by 2 years
7	6-Jun-18	Peninsula announced that its second largest shareholder had completed a block trade to sell down 24 million shares at $0.24 per share.
8	3-Jul-18	Peninsula announced that it had executed loan amendment agreements with RCV VI and Pala to extend the maturity date of the existing convertible note facility by 2 years to 22 April 2020. It was also announced that the total loan liability had been reduced from US$20 million to US$17 million following a cash repayment by Peninsula of US$3 million in late April 2018 and US$3.85 million of the loan would be assigned to the Assignees.

6. Profile of RCF VI and Pala

RCF VI

6.1 Resource Capital Funds ("RCF") is a group of commonly managed private equity funds established in 1998 with a mining sector specific investment mandate spanning all hard mineral commodities and geographic regions.

6.2 Since inception, RCF has supported 170 mining companies, with projects located in 51 countries and across 29 commodities.

6.3 RCF's investment professionals have a wide-ranging industry and technical expertise and a demonstrated history of investments in mining globally. RCF's track record is based on its ability to pick technically and commercially compelling assets and support management to achieve desired outcomes whilst remaining throughout a source of patient capital. RCF aims to partner with companies to build strong, successful and sustainable businesses and in doing so strives to earn superior returns for all Shareholders.

6.4 Further information about RCF can be found on its website (www.resourcecapitalfunds.com).

Pala

6.5 Pala is a multi-strategy investment company focused on the mining and metals value chain with a strong track record of successful investments and value creation. Pala's team has experience within the sector and seeks to assist companies in which it has long-term shareholdings by providing strategic advice and innovative solutions in development, production, expansion and turnaround situations. Pala also pursues a range of liquid investment strategies. Pala invests across all geographies and in all mining commodities as well as mining services and consumables.

6.6 For more information, visit www.pala.com.

7. Valuation Approach

Basis of evaluation

7.1 The valuation of Peninsula prior to and post the Proposed Transaction has been prepared on the basis of Fair Market Value being the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length.

Valuation methodologies

7.2 In assessing the Fair Value of an ordinary Peninsula Share prior to and immediately following the Proposed Transaction, we have considered a range of valuation methodologies. RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:

- the discounted cash flow ("DCF") method and the estimated realisable value of any surplus assets;
- the application of earnings multiples to the estimated future maintainable earnings or cash flows added to the estimated realisable value of any surplus assets;
- the amount which would be available for distribution on an orderly realisation of assets;
- the quoted price for listed securities; and
- any recent genuine offers received.

7.3 We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

Market based methods

7.4 Market based methods estimate the Fair Value by considering the market value of a company's securities or the market value of comparable companies. Market based methods include;

- The quoted price for listed securities; and
- Industry specific methods.

7.5 The recent quoted price for listed securities method provides evidence of the fair market value of a company's securities where they are publicly traded in an informed and liquid market.

7.6 Industry specific methods usually involve the use of industry rules of thumb to estimate the fair market value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the fair market value of a company than other market-based valuation methods because they may not account for company specific risks and factors.

Income based methods

7.7 Income based methods estimate value by calculating the present value of a company's estimated future stream of earnings or cash flows. Income based methods include:

- Capitalisation of maintainable earnings; and
- Discounted cash flow methods.

7.8 The capitalisation of earnings methodology is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings ("FME") of the business, rather than a stream of cash flows is capitalised

based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable companies and the trading multiples of comparable companies.

7.9 The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company's cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

Asset based methods

7.10 Asset based methodologies estimate the Fair Value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- orderly realisation of assets method;
- liquidation of assets method; and
- net assets on a going concern basis.

7.11 The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.

7.12 The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method and is appropriate for companies in financial distress or where a company is not valued on a going concern basis.

7.13 The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

Selection of Valuation Methodologies

Valuation of a Peninsula Share prior to the Proposed Transaction (control basis)

7.14 In assessing the value of a Peninsula Share prior to the Proposed Transaction, we have selected the following valuation methodologies:

- net assets on a going concern basis which estimates the value of a Peninsula share by valuing the various assets and liabilities of Peninsula and aggregating the values (primary method); and
- quoted prices of listed securities (secondary method).

Primary Valuation

7.15 In assessing the value of a Peninsula Share prior to the Proposed Transaction, our primary valuation methodology has been derived by determining the Fair Value of Peninsula using a sum of parts comprising:

- Independent specialist valuation of the Company's mineral assets, comprising the Lance, Barber, Karoo and Raki Raki Projects; and

- Other assets and liabilities of the Company at book value.

7.16 We note that our sum of parts valuation is inclusive of a premium for control.

7.17 We have instructed SRK Consulting (Australasia) Pty Ltd ("SRK") to act as an independent specialist to value the mining assets of Peninsula. SRK adopted the following valuation methodologies in determining a range of values for the project:

- Comparable transactions analysis;
- Peer analysis; and
- Yardstick method.

7.18 Further information on SRK's adopted methodologies and valuations can be found in Section 8 below and in their full report included at Appendices D.

7.19 We note that, as the Lance Projects is a producing mine, a DCF valuation was also considered as an appropriate valuation methodology for this asset. As stated previously, the Company is currently conducting a feasibility study into the use of acid lixiviants at Lance, which is due for completion in the second half of 2018, subsequent to the issue of this Report. SRK did consider the DCF approach but noted that key inputs parameters are still being finalised by the Company and therefore there would be a significant degree of uncertainty in regards to future cash flows.

7.20 SRK also considered generic industry inputs, however concluded this was not appropriate given differences in the Lance Projects to other projects and therefore the DCF approach was not appropriate for their valuation assessment until the Company's feasibility study was completed.

Secondary Valuation

7.21 Peninsula's securities are listed on the ASX. We have, therefore, also utilised the quoted market price methodology of Peninsula on the ASX as a secondary valuation methodology and to assess the market value as a cross-check to our valuation of Peninsula derived under the sum of parts methodology.

7.22 The FME methodology is not appropriate as Peninsula does not have a history of profitable trading.

Valuation of a Peninsula Share post the Proposed Transaction (non-control basis)

7.23 In assessing the value of Peninsula post the Proposed Transaction, we have used the pre Proposed Transaction value and included the impact of the Proposed Transaction assuming it proceeds. In particular, we have made the following adjustments:

- Included proceeds/costs of the convertible loan agreements; and
- Included any dilution from the issue of Shares.

7.24 We have assessed the value of a Peninsula Share post the Proposed Transaction under two scenarios, as follows:

- Assuming full conversion of the New Convertible Notes to equity, with associated extension fee, and included the dilutive impact of the additional Shares; and
- Assuming the issue of the New Convertible Notes with no conversion to equity, and the impact the debt and related costs have on the net asset value of the Company.

7.25 We have assessed the value of an ordinary Peninsula Share immediately post the Proposed Transaction on a non-controlling basis by adjusting for minority discount in accordance with RG 111.

8. Valuation of Peninsula Shares prior to the Proposed Transaction

8.1 As stated at paragraph 7.15 we have assessed the value of a Peninsula Share prior to the Proposed Transaction on a sum of parts basis and have also considered the quoted price of its listed securities. In both valuations, we have included a premium for control.

Primary Valuation – Sum of Parts

8.2 Our primary valuation methodology as stated in section 7 has been derived by determining the Fair Value of a Peninsula share using a sum of parts approach.

8.3 We have assessed the value of a Peninsula Share on a control basis to be in the range of A$0.28 to A$0.65 per Share with a preferred value of A$0.52 per share, as summarised in the table below.

Table 8 Assessed Fair Value of a Peninsula Share – net assets

$000's	Ref	Management 31-May-18	Low	High	Preferred
Working capital	8.4	8,826	8,826	8,826	8,826
Mining assets (net of restoration provisions)	8.10	71,874	43,945	109,405	86,525
Net debt	8.12	(5,066)	(5,066)	(5,066)	(5,066)
Net assets (control basis)		**75,634**	**47,705**	**113,165**	**90,285**
Shares on issue pre Proposed Transaction (000's)	5.20		233,697	233,697	233,697
Value per share ($US)			**0.20**	**0.48**	**0.39**
Value per share ($A)			**0.28**	**0.65**	**0.52**

Source: RSM analysis

Working capital

8.4 Working capital has been assessed at its carrying value as at 31 May 2018.

8.5 We have included the US$6.0 million of cash held on deposit as security for various bonds in our calculation of working capital as this cash is effectively ring-fenced.

Valuation of mining assets

8.6 SRK considered comparable transactions, peer analysis and yardstick methods in valuing Peninsula's mining assets comprising the Lance, Barber, Karoo and Raki Raki Projects.

8.7 In determining its assessment of the market valuation range, SRK has placed greater weighting on the values implied by the comparable transactions and peer analysis. The preferred values are based on an evaluation of factors likely to be considered to impact positively or negatively on value as detailed in their report.

8.8 In summary, in selecting its overall preferred valuation for Peninsula's key Lance Projects, SRK noted the following:

- The lower cost structure likely to be achievable under an acidic lixiviant route. This is likely to have a positive impact on the value to be ascribed by the market due mainly to cost savings that this route is expected to provide; and
- Previous (historical) acid leach uranium trials in the US have typically operated at higher acid consumption rates than initially predicted using trials. Further, Peninsula's acid lixiviant recovery system

remains as a concept, with work completed to date undertaken only at bench scale. There is some risk in achieving commercial production rates and recoveries which is likely to have a negative impact on the value likely to be attributed by the market.

8.9 For the valuation of the Karoo Project, SRK considered the market is likely to pay towards the lower end of the range given Peninsula's recent decision to withdraw funding following an unsuccessful attempt to divest its interest in the project. Having tested the recent market, the Company found that

- the prevailing uranium market conditions were unsupportive of the ongoing development of a hard rock uranium mining opportunity; and
- the limited duration and cost structure associated with holding South African mineral retention rights quickly becomes cost prohibitive, this negating any form of 'option value', reportedly deterring a number of prospective buyers from making firm offers acceptable to the Company.

8.10 On this basis, SRK assessed the current market value for the Company's mineral assets at between US$41.04 million and US$106.5 million, with a preferred value of US$83.62 million as outlined in the table below.

Table 9 Assessed value of mineral assets

US$000's	Ref	Low	High	Preferred
Lance Projects		38,800	95,500	80,000
Karoo Project		2,000	10,460	3,370
Raki Raki Project		240	540	250
		41,040	**106,500**	**83,620**
Karoo - Freehold land[1]		2,905	2,905	2,905
Mining assets		**43,945**	**109,405**	**86,525**

Source: SRK's Report (Appendix D) and Company management accounts

1. Freehold land was not value by SRK. This balance is the carrying value of the land in the Company's balance sheet and we have accepted carrying value as fair market value.

8.11 The above valuations assume any related rehabilitation and restoration liabilities are included in the total value, based primarily on market transactions.

Net debt

8.12 We have accepted the book value as Fair Value for the net debt which comprises cash (excluding amounts held on deposit as security for bonds) and financial assets, less interest bearing liabilities as at 31 May 2018.

Value per Share – Quoted Price of Listed Securities

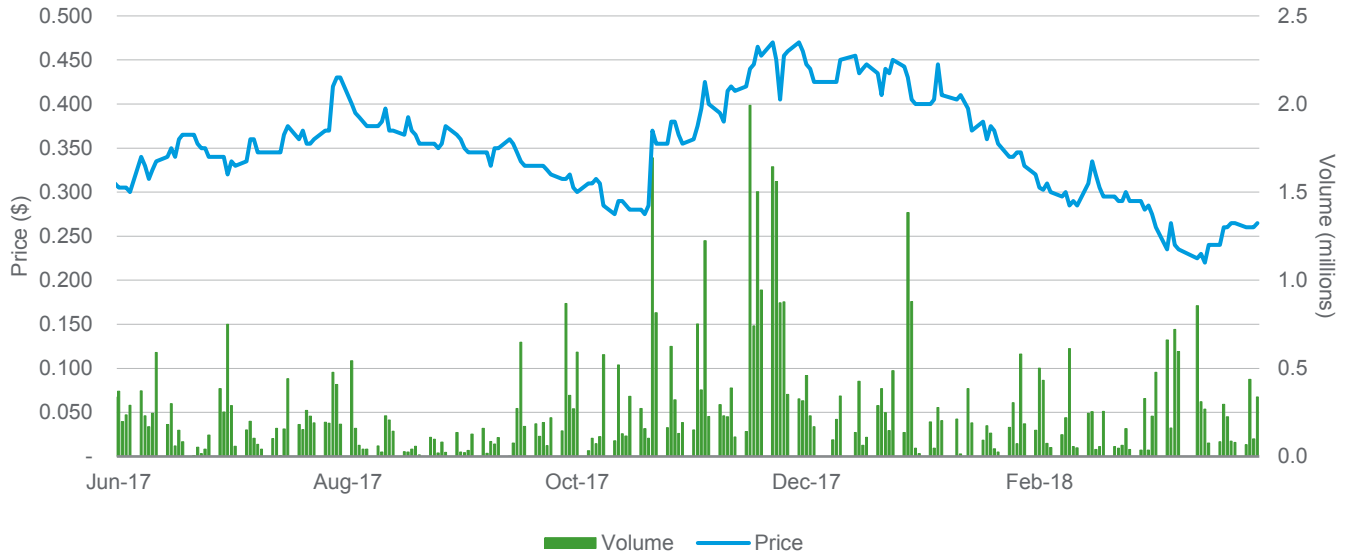
8.13 In order to provide a comparison and cross check to our sum of parts valuation of a Peninsula Share prior to the Proposed Transaction, we have considered the recent quoted market price of a Peninsula Share on the ASX prior to the announcement of the Proposed Transaction.

8.14 Unless otherwise stated, the analysis in this section is based on the capital structure of the Company.

Analysis of recent trading in Peninsula shares

8.15 The figure below sets out a summary of Peninsula's closing share price and volume of Peninsula shares traded in the 12 months to 19 April 2018, being the last day Peninsula shares were traded prior to the announcement of the Proposed Transaction.

Figure 3 Daily closing price and traded volumes of Peninsula



Source: S&P Capital IQ/ ASX

8.16 Under RG 111.69, for the quoted market price methodology to be considered a reliable valuation method there needs to be a deep market in the shares to reflect a liquid and active market. We consider regular trading, sufficient spread of shareholders and an annual trading volume of around 50% of total shares outstanding to generally indicate that a stock is liquid, such that no single minority trade or substantial shareholder can influence the market capitalisation of a listed company.

8.17 In the 180 days trading prior to 19 April 2018, Peninsula shares traded at a low of $0.22 on 5 April 2018 and a high of $0.47 on 11 December 2017. In the 180 trading days prior to the announcement of the Proposed Transaction, 22% of Peninsula's shares on issue traded, indicating a relatively illiquid share.

8.18 We note that the Company's free float of shares was approximately 60.7%, or 141.8 million shares after taking into account RCF VI and Pala, other strategic investors and Company employees and related parties. After considering the free float, 36% of Peninsula's shares were traded in the 180 days prior to the announcement.

8.19 After considering these factors against RG 111.69, we consider the Company's Shares do not have a deep, liquid market.

8.20 In order to provide further analysis of the market prices for Peninsula shares, we have considered the volume weighted average market price ("VWAP") for 1, 5, 10, 30, 60, 90, 120 and 180 trading day periods:

Table 10 Peninsula trading volume and VWAP as at 19 April 2018

# of Days	1 Day	5 Day	10 Day	30 Day	60 Day	90 Day	120 Day	180 Day
VWAP	**0.274**	**0.269**	**0.264**	**0.257**	**0.294**	**0.376**	**0.374**	**0.369**
Total volume (000's)	0.34	1.02	1.79	7.18	13.06	27.91	41.13	51.36
Total volume as a % of total shares	0.14%	0.44%	0.77%	3.07%	5.59%	11.94%	17.60%	21.98%
Low price	0.260	0.255	0.230	0.220	0.220	0.220	0.220	0.220
High price	0.285	0.285	0.285	0.335	0.445	0.485	0.485	0.485

Source: S&P Capital IQ/ ASX

Value of a Peninsula Share on a non-control minority basis

8.21 In our opinion, the weighted average share price of Peninsula over the last 30 days is reflective of the underlying value of a Peninsula Share. As such, we consider a range of values of between $0.257 and $0.274 (1 to 30-day VWAP) reflects the quoted market price valuation of a Peninsula Share on a minority basis prior to the Proposed Transaction.

Value of Peninsula Share on a control basis

8.22 Our valuation of a Peninsula Share, on the basis of the recent quoted market price including a premium for control is between $0.321 and $0.370, as summarised in the table below.

Table 11 Assessed value of a Peninsula Share – quoted price of listed securities

$	Ref	Low	High	Preferred
Quoted market price	8.21	0.257	0.274	0.266
Premium for control (25% to 35%)	8.25	25%	35%	30%
Quoted market price - controlling value		**0.321**	**0.370**	**0.345**

Source: RSM analysis

Key assumptions

Control Premium

8.23 The value derived at paragraph 8.21 is indicative of the value of a marketable parcel of shares assuming the Shareholder does not have control of Peninsula. RG 111.11 states that when considering the value of a company's Shares the expert should consider a premium for control. If the Proposed Transaction is successful, RCF VI's interest may increase to as high as 44.7% in the issued capital of Peninsula. Therefore, as explained in paragraph 7.16, our assessment of the Fair Value of a Peninsula Share must include a premium for control.

8.24 RSM has conducted a study on 463 takeovers and schemes of arrangements involving companies listed on the ASX over the 11 years ended 30 June 2016[1]. In determining the control premium, we compared the offer price to the closing trading price of the target company 20, 5 and 2 trading days prior to the date of the announcement of the offer. Where the consideration included shares in the acquiring company, we used the closing share price of the acquiring company on the date prior to the date of the offer.

8.25 In valuing an ordinary Peninsula Share prior to the Proposed Transaction using the quoted price of listed securities methodology, we have reflected a premium for control in the range of 25% to 35%, which is the average control premium range for resources companies.

Valuation summary and conclusion

8.26 A summary of our assessed values of an ordinary Peninsula Share on a control basis pre the Proposed Transaction, derived under the two methodologies, is set out in the table below.

[1] RSM Control Premium Study 2017

Table 12 Peninsula Share valuation summary

$000's	Ref	Low	High	Preferred
Sum of parts basis	8.3	0.276	0.655	0.522
Quoted market price	8.22	0.321	0.370	0.345
Preferred value of a Share pre-Proposed Transaction		**0.276**	**0.655**	**0.522**

Source: RSM Analysis

8.27 In our opinion, we consider that the sum of parts valuation methodology provides a better indicator of the Fair Value of a Peninsula Share as we consider the market valuation of the component assets of Peninsula to be more accurate than the quoted market price of the Company.

8.28 We consider the large range in values under the sum of parts methodology is the result of the following factors:

- Volatility and a recent downtrend in the uranium prices resulting in varying prices for comparable transactions at different points in time; and
- New low pH method being reviewed by the Company informing the upside of SRK's valuation assessment for the Lance Projects, however a full feasibility study on the transition is not yet completed creating uncertainty over key inputs and timing.

8.29 Our assessed value using the quoted market price methodology falls within the assessed range of a Peninsula Share prior to the Proposed Transaction under the sum of parts methodology, albeit at the lower end of the range. Given the relatively low market capitalisation of Peninsula, recent low uranium prices, lack of profitability and high-risk nature of its assets, we consider the quoted market price methodology to be speculative in nature, in that it reflects investors' perception of the risk in the mineral prospects of the Company and also factors in a likely refinancing of the Convertible Notes, rather than the Company's fundamental value at that point in time.

8.30 We also consider the Company's trading depth to not be sufficiently liquid as discussed in paragraphs 8.16 to 8.19, therefore we consider the sum of parts approach to be more reflective of the value of a Peninsula Share prior to the Proposed Transaction.

8.31 Therefore, in our opinion, the Fair Value of a Peninsula Share prior to the Proposed Transaction is between A$0.28 and A$0.65 with a preferred valuation of $0.52, on a controlling and undiluted basis.

9. Valuation of Peninsula Shares following the Proposed Transaction

9.1 In determining the Fair Value of Peninsula and a Peninsula share on a non-controlling basis immediately following the Proposed Transaction, using the sum of parts methodology, we have taken the Fair Value of Peninsula prior to the Proposed Transaction and reflected the impact of the Proposed Transaction in two separate scenarios:

- Scenario 1 – Assuming full conversion of the loan to equity, deducting a minority interest discount and reflecting the issue of Shares under the New Convertible Notes; and
- Scenario 2 – Assuming no conversion, reflecting the impact of the liabilities arising from the Convertible Notes and deducting a minority interest discount.

Scenario 1

9.2 Based on our analysis under Scenario 1, we have calculated a range of values for a Peninsula share post the Proposed Transaction of between A$0.20 and A$0.43.

Table 13 Assessed value of Peninsula post the Proposed Transaction – Scenario 1

$US000's	Ref	Low	High	Preferred
Sum of parts value of the Company pre Proposed Transaction	8.3	47,705	113,165	90,285
Debt converted to equity on conversion of New Convertible Notes	9.4	17,000	17,000	17,000
Extension fee	9.5	(340)	(340)	(340)
Fair value of the Company post the Proposed Transaction on a control basis		**64,365**	**129,825**	**106,945**
Discount for minority interest (26% to 20%)	9.6	(16,735)	(25,965)	(24,597)
Net assets (minority basis)		**47,630**	**103,860**	**82,348**
Number of shares on issue pre-Proposed Transaction	5.20	233,992	233,992	233,992
Maximum Shares issued on New Convertible Notes[1]	9.7	85,642	85,642	85,642
Number of Shares on issue post Proposed Transaction		**319,634**	**319,634**	**319,634**
Minority value per share (undiluted) ($US)		**0.15**	**0.33**	**0.26**
Minority value per share (undiluted) ($A)		**0.20**	**0.43**	**0.34**

Source: RSM Analysis

Note

1. Assumes shares issued for conversion of convertible notes, coupon interest, extension fee and 10% contingency for fluctuation in AUD:USD exchange rate and share price.

9.3 We have adjusted the net asset value and Shares on issue of Peninsula for the following:

Conversion of debt to equity under New Convertible Notes

9.4 Conversion of the New Convertible Notes will result in a reduction of total debt by US$17.0 million, the face value of the New Convertible Notes. We note that, as the Proposed Transaction is an amendment of the terms of the convertible notes, the total debt related to the New Convertible Notes is already included in the pre Proposed Transaction value.

Extension fee

9.5 An extension fee of 2% of the total New Convertible Note face value is payable by Peninsula, totalling US$0.34 million.

Minority interest discount

9.6 In selecting a minority discount, we have given consideration to our control premium applied in paragraph 8.25, where we established a range for a control premium of between 25% and 35%. The resulting corresponding minority discount range based on said control premiums is between 20% and 26%.

Number of Shares on issue

9.7 We have assumed that approximately 85.6 million shares are issued upon conversion of the New Convertible Notes, as set out in Table 2 above.

Company options on issue

9.8 We have not included the impact of any existing Company options on issue and the new unlisted options following completion of the Proposed Transaction because their exercise prices exceed the preferred value as calculated above.

Scenario 2

9.9 Based on our analysis under Scenario 2, we have calculated a range of values for a Peninsula share post the Proposed Transaction of between A$0.20 and A$0.51.

Table 14 Assessed value of Peninsula post the Proposed Transaction – Scenario 2

$US000's	Ref	Low	High	Preferred
Sum of parts value of the Company pre Proposed Transaction	8.3	47,705	113,165	90,285
Debt settled on Replacement Convertible Notes	9.11	17,000	17,000	17,000
Present value of New Convertible Notes	9.13	(13,196)	(13,196)	(13,196)
Present value of interest payments on New Convertible Notes	9.14	(3,081)	(3,081)	(3,081)
Extension Fee	9.5	(340)	(340)	(340)
Fair value of the Company post the Proposed Transaction on a control basis		**48,088**	**113,548**	**90,668**
Discount for minority interest (26% to 20%)	9.6	(12,503)	(22,710)	(20,854)
Net assets (minority basis)		**35,585**	**90,838**	**69,814**
Adjustment for embedded call option in New Convertible Notes	9.13	(722)	(722)	(722)
Fair value of the Company post the Proposed Transaction on a minority basis		**34,863**	**90,116**	**69,092**
Number of shares on issue pre-Proposed Transaction	5.20	233,992	233,992	233,992
Number of Shares on issue post Proposed Transaction		**233,992**	**233,992**	**233,992**
Minority value per share (undiluted) ($US)		**0.15**	**0.39**	**0.30**
Minority value per share (undiluted) ($A)		**0.20**	**0.51**	**0.39**

Source: RSM Analysis
1. Converted to USD at 0.75:1

9.10 We have adjusted the net asset value and Shares on issue of Peninsula for the following:

Convertible Notes settled

9.11 We have reflected the existing Convertible Notes being settled in favour of the New Convertible Notes being issued.

Value of New Convertible Notes

9.12 We have valued the New Convertible Notes using the effective interest method, as set out in the table below.

Table 15 Assessed values of component liabilities of New Convertible Notes

$US000's	Unit	Total value
Total face value	US$	17,000
Year 1 coupon interest rate	%	10.0%
Year 1 coupon interest	US$	1,700
Year 2 coupon interest rate	%	12.0%
Year 2 coupon interest	US$	2,040
Effective interest rate	%	13.5%
Term	years	2.0
Present value of debt portion	**US$**	**13,196**
Present value of interest portion	**US$**	**3,081**
Total debt and interest liability	**US$**	**16,278**
Value of conversion option	**US$**	**722**

Source: RSM Analysis
1. Assessment of market rate of interest for the Company for unrated corporate bonds.

9.13 Based on the analysis above, we have assessed the present value of the host debt element of the New Convertible Notes at US$13.20 million. After deducting the present value of the coupon interest (discussed below), the residual value of the conversion option implicit in the New Convertible Notes is US$0.72 million.

Present value of coupon interest

9.14 The New Convertible Notes have a coupon interest rate of 10% per annum in the first year and 12% per annum in the second year of the loan. We have calculated the net present value of the interest payable on the New Convertible Notes to be US$1.7 million in year one and US$2.04 million in year two. The net present value of the interest payable on the New Convertible Notes is calculated to be US$3.08 million. This interest payable is classed as a liability of the Company.

Company options on issue

9.15 We have not included the impact of any existing Company options on issue and the new unlisted options following completion of the Proposed Transaction because their exercise prices exceed the preferred value as calculated above.

10. Is the Proposed Transaction Fair to Peninsula Shareholders?

10.1 Our assessed values of a Peninsula Share prior to and immediately after the Proposed Transaction, are summarised in the table and figure below.

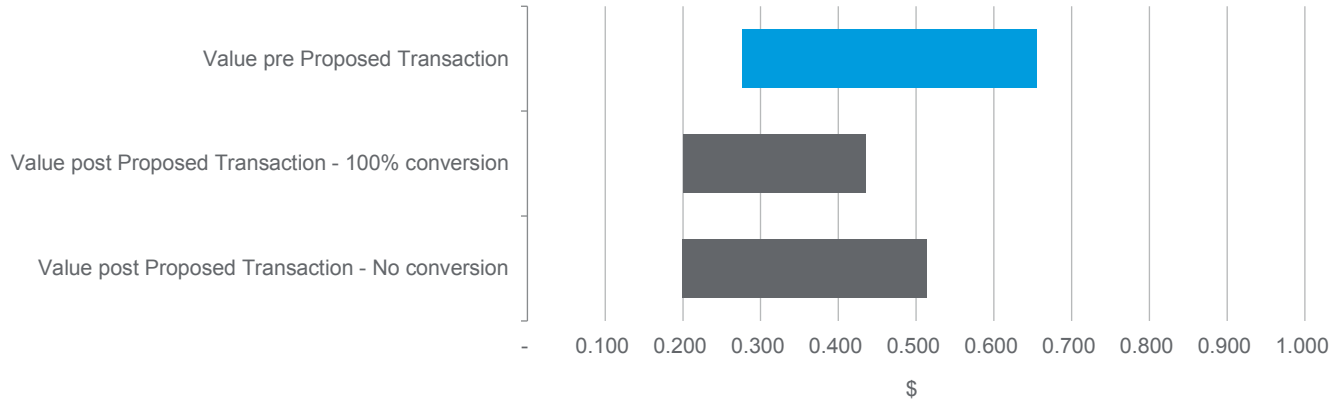
Table 16 Assessed values of a Peninsula share pre and post the Proposed Transaction

Assessment of fairness	Ref	Value per Share	
		Low	High
Fair value of a Share pre the Proposed Transaction – Control basis	8.3	A$0.28	A$0.65
Fair value of a Share post the Proposed Transaction – Non-control basis – Scenario 1	9.2	A$0.20	A$0.43
Fair value of a Share post the Proposed Transaction – Non-control basis – Scenario 2	9.9	A$0.20	A$0.51

Source: RSM Analysis

10.2 A graphical representation of these values is shown below.

Figure 4 Peninsula Share valuation graphical representation



Source: RSM Analysis

10.3 In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of s611 item 7 of the Corporations Act, we consider the Proposed Transaction to be not fair to the Non-Associated Shareholders of Peninsula as the range of values of a Peninsula Share post the Proposed Transaction under both scenarios is lower than the range of values of a Peninsula Share pre the Proposed Transaction.

11. Is the Proposed Transaction Reasonable to Peninsula Shareholders?

11.1 RG111 establishes that an offer is reasonable if it is fair. If an offer is not fair it may still be reasonable after considering the specific circumstances applicable to the offer. In our assessment of the reasonableness of the Proposed Transaction, we have given consideration to:

- The future prospects of Peninsula if the Proposed Transaction does not proceed; and
- Other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

Future prospects of Peninsula if the Proposed Transaction does not proceed

11.2 If the Proposed Transaction does not proceed then the Amended Convertible Loan Facilities will not come into effect and all amounts owing under the Convertible Loan Facilities would become immediately due and payable on 30 September 2018; the current amounts owing total US$17 million. The Lenders could elect to convert the amounts owing into shares at the fixed conversion price of $0.625 per share, but if the Lenders did not do so, the Company may not be able to secure sufficient funding to make the repayment at that point in time and continue operations given that current cash holdings are approximately US$12.5 million (excluding cash held on deposit as security for bonds).

Advantages and disadvantages

11.3 In assessing whether the Non-Associated Shareholders are likely to be better off if the Proposed Transaction proceeds than if it does not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

Advantages of approving the Proposed Transaction

11.4 The key advantages of the Proposed transaction are:

Advantage	Details
Eliminate potential overhang of debt repayment	The extension of the repayment date would alleviate the requirement to repay the full debt balance for almost two years as the Company focuses on further developing the Lance Projects and improving its operating cost structure. The extension of the term also ensures the Company will not risk being in default of its debt should the existing Convertible Loan amounts become immediately due and payable on 30 September 2018.
Financial flexibility from extension of repayment date	Extending the repayment date of the Convertible Loan Facility by two years provides the Company with greater financial flexibility to continue executing its short-term operating plan and pursue the potential transition of the Lance Projects to a low pH recovery system, with a view to generating cash flows from operations to repay the Lenders in cash should they elect not to convert to Shares.
Failure to amend terms may discourage future investors	If the Proposed Transaction does not proceed, the Company may not be able to raise additional short-term capital at commercial rates while uncertainty remains around whether the Lenders will elect to call upon their debts at the repayment date. In addition, the Company is in a transitional phase until the feasibility study on the Lance Projects is completed which may negatively affect its ability to secure debt funding.
Exercise of new unlisted options could result in significant cash inflow	Conversion of the new unlisted options at $0.50 would result in a cash inflow of $11.25 million should the Lenders exercise the new options.

11.5 The key disadvantages of the Proposed transaction are:

Disadvantage	Details
The Proposed Transaction is not fair	We have assessed the Proposed Transaction to be not fair to the Non-Associated Shareholders
Increase in coupon interest rate	The coupon interest rate will increase from 8% per annum currently to an average of 11% per annum over the two years of the New Convertible Notes.
Non-Associated Shareholders may be diluted	If the Proposed Transaction proceeds, the Non-Associated Shareholders may be diluted; the full extent will be dependent on factors relevant at the time of conversion. If the Replacement Convertible Notes were converted at this time, it would result in the interests of the Non-Associated Shareholders reducing from 59.27% to 52.69% on a fully diluted basis. Based on the Company estimates, the Proposed Transaction may result in the Non-Associated Shareholders being diluted to as low as 43.59% if all New Convertible Notes and all existing and new unlisted Options are exercised.

11.6 We note that the auditor of Peninsula, BDO, included an emphasis of matter with regard to the Company's ability to operate as a going concern in their unqualified review opinion on the financial statements for the half year ended 31 December 2017. The emphasis of matter was based on the fact that the Convertible Loan Facilities were due to mature in April 2018 and agreement had not been reached as to an extension or restructure at the date of signing the review report.

Alternative Proposal

11.7 We are not aware of any alternative proposals which may provide a greater benefit to the Non-Associated Shareholders of Peninsula at this time.

Conclusion on Reasonableness

11.8 In our opinion, the position of the Non-Associated Shareholders if the Proposed Transaction is approved is more advantageous than the position if it is not approved. Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the Proposed Transaction is **reasonable** for the Non-Associated Shareholders of Peninsula.

11.9 An individual shareholder's decision in relation to the Proposed Transaction may be influenced by his or her individual circumstances. If in doubt, Shareholders should consult an independent advisor.

Yours faithfully

RSM CORPORATE AUSTRALIA PTY LTD

N MARKE

Director

G YATES

Director

APPENDICES

A. DECLARATIONS AND DISCLAIMERS

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM) a large national firm of chartered accountants and business advisors.

Ms Nadine Marke and Mr Glyn Yates are directors of RSM Corporate Australia Pty Ltd. Both Ms Marke and Mr Yates are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This report has been prepared solely for the purpose of assisting Shareholders of the Company in considering the Proposed Transaction and Security. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose.

Reliance on Information

Statements and opinions contained in this report are given in good faith. In the preparation of this report, we have relied upon information provided by the Directors and management of Peninsula Energy Limited and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of this report, none of RSM Corporate Australia Pty Ltd, RSM, Nadine Marke, Glyn Yates, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Proposed Transaction, except that RSM Corporate Australia Pty Ltd are expected to receive a fee of approximately $27,500 based on time occupied at normal professional rates for the preparation of this report. The fees are payable regardless of Peninsula Energy Limited receives Shareholder approval for the Proposed Transaction and Security, or otherwise.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this report in the form and context in which it is included with the Notice of Extraordinary General Meeting and Explanatory Memorandum to be issued to Shareholders. Other than this report, none of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd or has been involved in the preparation of the Notice of Extraordinary General Meeting and Explanatory Memorandum. Accordingly, we take no responsibility for the content of the Notice of General Meeting and Explanatory Statement.

B. SOURCES OF INFORMATION

In preparing this Report we have relied upon the following principal sources of information:

- Drafts and final copies of the Notice of Meeting;
- Drafts and final copies of the agreements to extend the Amending Deed and Assignment Deed;
- Audited financial statements for Peninsula for the years ended 30 June 2016 and 30 June 2017
- Reviewed financial statements for Peninsula for the half-year ended 31 December 2017
- Consolidated management accounts for the 11 months ended 31 May 2018;
- ASX announcements of Peninsula;
- S&P Capital IQ database; and
- Discussions with Directors, Management and staff of Peninsula.

C. GLOSSARY OF TERMS

Term or Abbreviation	Definition
$	Australian Dollar
Act	Corporations Act 2001 (Cth)
Amending Deeds	Amendment and restatement deeds entered into by the Lenders in respect of their Convertible Loan Facility, dated 3 July 2018
Amended Maturity Date	22 April 2020
APES	Accounting Professional & Ethical Standards Board
Arrangement Fee	A fee which the Lenders are entitled to be paid in cash or Shares based on 2% of the total proceeds of the Convertible Loan Facility
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
Company	Peninsula
Control basis	As assessment of the Fair Value on an equity interest, which assumes the holder or holders have control of entity in which the equity is held
Convertible Loan Facility	Has the meaning given in the Notice
Coupon Rate Shares	Shares issued in settlement of coupon interest
CY##	Calendar year ended 31 December
DCF	A method within the income approach whereby the present value of future expected net cash flows is calculated using a discount rate
Directors	Directors of the Company
EBIT	Earnings, Before, Interest and Tax
EBITDA	Earnings, Before, Interest, Tax, Depreciation and Amortisation
Equity	The owner's interest in property after deduction of all liabilities
EV	Enterprise Value, meaning, the total value of the equity in a business plus the value of its debt or debt-related liabilities, minus any cash or cash equivalents available to meet those liabilities
Extension Fee	2% of the amount made available to be paid in cash of shares
Extension Fee Options	New unlisted options exercisable at A$0.50 per option on or before 22 April 2022
Fair Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
FY##	Financial year ended 30 June
IER	This Independent Expert Report
Interest Shares	Interest on the Convertible Loan Facility to be calculated and paid quarterly at a coupon rate of 8% per annum in cash or Shares at the Lenders' election, in which case the issue price for Shares is determined by the 5 day VWAP prior to the quarter end
Investec	Investec Australia Ltd

Term or Abbreviation	Definition
Lenders	RCF VI and Pala
Maturity Date	The date which is 12 months from drawdown of the Convertible Loan Facility, being 22 April 2018
New Convertible Notes	Convertible notes the subject of the Proposed Transaction
Non-Associated Shareholders	Shareholders who are not a party, or associated to a party, to the Proposed Transaction
Non-control basis	As assessment of the Fair Value on an equity interest, which assumes the holder or holders do not have control of entity in which the equity is held
Notice	The notice of meeting to vote on the Proposed Transaction and the Security
NPBT	Net Profit Before Tax
NPAT	Net Profit After Tax
Option or Options	An option to purchase a Share and includes a PENOD Option
Original Convertible Notes	Convertible notes voted on at November 2016 shareholder meeting
Pala	Pala Investments Ltd
PENOD Option	PENOD Option means an Option listed on ASX exercisable at A$2.00 on or before 31 December 2018
PEN or Peninsula	Peninsula Energy Limited
Proposed Transaction	The variation and extension to the proposed convertible loan agreements with the Lenders
RCF VI	Resources Capital Fund VI LLP
Regulations	Corporations Act Regulations 2001 (Cth)
Report	This Independent Experts Report prepared by RSM dated 27 July 2018
Replacement Convertible Notes	Convertible notes voted on at April 2017 shareholder meeting
RG 111	ASIC Regulatory Guide 111 Contents of Expert's Reports
RSM	RSM Corporate Australia Pty Ltd
S&P Capital IQ	An entity of Standard and Poors which is a third party provider of company and other financial information
Security	Charge over certain assets of the Company in relation to the convertible loan facilities
Security Trustee	Investec
Share or Shares	Ordinary issued capital in the Company
SME	Small to medium enterprises
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015)
VWAP	Volume weighted average share price

D. INDEPENDENT SPECIALIST REPORT

Independent Technical Assessment and Valuation Report relating to the mineral assets of Peninsula Energy Limited

Report Prepared for

RSM Corporate Australia Pty Ltd

Report Prepared by

srk consulting

SRK Consulting (Australasia) Pty Ltd

Project Number PNS002

July 2018

Independent Technical Assessment Report relating to the mineral assets of Peninsula Energy Limited

RSM Corporate Australia Pty Ltd

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Executive Summary

This intention of this report is to provide an independent technical evaluation of two uranium projects – the Lance Project (USA) and the Karoo Project (South Africa).

This report is an update of a previous report addressed to RSM Corporate Australia Pty Ltd (RSM) pertaining to Peninsula's mineral assets dated October 2016.

Summary of principal objectives

RSM Corporate Australia Pty Ltd (RSM) has been engaged by Peninsula Energy Limited (Peninsula) to prepare an Independent Expert's Report (IER) for inclusion with a Notice of Meeting, to assist shareholders in their decision whether or not to approve a proposed funding package.

Peninsula is developing two uranium projects, namely:

- Lance Project: An *in situ* leach project located in Wyoming, USA. This is the most advanced of Peninsula's projects and is currently in production, albeit that the Company is currently investigating the transition to a low pH recovery system with a feasibility study due in mid-2018 (i.e. post-completion of this report).
- Karoo Project: This consists of exploration tenure and associated uranium resources located in the Beaufort West region of the Western Cape Province of South Africa. In late 2017, Peninsula sought potential divestment opportunities for the Project, which having failed to attract any suitors has ultimately led to a withdrawal of further funding in order to focus on the Lance operations.
- The Raki Raki Project in Fiji.

SRK Consulting (Australasia) Pty Ltd (SRK) was engaged to prepare a technical assessment and valuation report on the projects.

SRK notes that it has previously valued the mineral assets of Peninsula in 2016 and that this report updates its earlier report to account for Peninsula's proposed transition to an acid lixiviant uranium recovery route at Lance as well as significant tenure changes and the withdrawal of funding at the Company's Karoo Project.

Valuation

For this valuation, SRK conducted a high-level review of the available Mineral Resources at both Peninsula's Lance and Karoo Projects, for the purpose of determining their validity from a valuation perspective. SRK has not performed, nor does it accept the responsibilities of a Competent Person as defined by the JORC Code (2012) in respect of the Mineral Resources estimates presented in this Report. In SRK's opinion, the Mineral Resource estimates for Lance and Karoo Projects do not present any fatal flaws and the stated Mineral Resource are acceptable as a representation of global grades and likely recoveries. Thus, for the purposes of this valuation, the global resource estimates were considered.

As outlined within the body of this report, SRK comments on the likely technical operating parameters and associated costings for an acid based lixiviant operation at Lance. SRK notes that Peninsula is currently targeting the completion of a Feasibility Study into the use of acid lixiviants at Lance which is due for completion in mid-2018 but subsequent to the completion of this valuation.

While the VALMIN Code (2015) states that decisions as to which valuation methodology is used are the responsibility of the Expert or Specialist, where possible, SRK considers a number of methods. The aim of this approach is to compare the results achieved using different methods to select a preferred value within a valuation range. This reflects the uncertainty in the data and interaction of the various assumptions inherent in the valuation.

SRK has considered the Comparable Transaction, Peer Analysis and Yardstick methods in determining its overall valuation range and preferred value. SRK did consider the income approach but notes that the key input parameters are currently being evaluated by Peninsula and remain to be finalised. As such, SRK considered generic input parameters from similar low pH operations in Australia and Kazakhstan, as well as acid leach copper projects in the US. However, in SRK's opinion, these generic operating parameters are of little use in considering the Lance operation due to differences in the geological environment and jurisdictional issues.

SRK's recommended valuation ranges and preferred values for each project are summarised in Table ES-1. SRK has produced a Market Value as defined by the VALMIN Code (2015). In selecting its valuation range, SRK has placed greater weighting on the values implied by the comparable transactions and peer analysis. SRK's preferred values are based on an evaluation of factors likely to be considered to impact positively or negatively on value as discussed in each respective section and outlined briefly below.

In selecting its overall preferred positioning for the Lance Project, SRK is cognisant of the following:

- The lower cost structure likely to be achievable under an acidic lixiviant route. This is likely to have a positive impact on the value likely to be ascribed by the market.
- Previous (historical) acid leach uranium trials in the US have typically operated at higher acid consumption rates than initially predicted during trials. Furthermore, Peninsula's acid lixiviant recovery system remains as a concept with work completed to date undertaken only at bench scale. There is some risk in achieving commercial production rates and recoveries which is likely to have a negative impact on the value likely to be attributed by the market.

For the valuation of the Karoo Project, SRK considers the market is likely to pay towards the lower end of the range given Peninsula's recent decision to withdraw funding following an unsuccessful attempt to divest its interest in the Project. Having tested the recent market, Peninsula found that i) the prevailing uranium market conditions were unsupportive of the ongoing development of a hard rock uranium mining opportunity, ii) the limited duration and cost structure associated with holding South African mineral retention rights quickly becomes cost prohibitive thus negating any form of 'option value' (Peninsula, Q1 Report 2018). Reportedly these reasons deterred a number of prospective buyers from making firm offers acceptable to Peninsula.

Table ES-1: Valuation Summary of Peninsula's mineral assets as at 11 June 2018

Asset	Value Centre	Value Method	Low (US$ M)	High (US$ M)	Preferred (US$ M)
Lance (100%)	Lance Project Resources (Entire)	Comparable Transaction	41.3	123.7	
		Peer Analysis	37.0	87.2	
		Yardstick	8.5	17.9	
		Selected	**38.8**	**95.5**	**80.0**
	Barber Resources Only	Comparable Transaction	21.0	54.8	
		Peer Analysis	17.2	31.9	
		Yardstick	4.0	8.1	
		Selected	**18.4**	**39.2**	**35.0**
Karoo* (74%)	Mineral Resource	Actual transaction	74.98		
		Comparable transaction	2.69	96.54	
		Yardstick	6.85	13.69	
		MEE	21.4		
		Selected	**2.70**	**13.70**	**4.50**
	Exploration Potential	Comparable transaction	0.02	0.45	0.06
		Selected	**0.02**	**0.45**	**0.06**
	Overall	**100% basis**	**2.72**	**14.15**	**4.56**
		74% Basis	**2.00**	**10.46**	**3.37**
Raki Raki (50%)	Exploration Potential	Comparable transaction	0.47	1.08	
		Selected	**0.47**	**1.08**	**0.5**
	Overall	**100% basis**	**0.47**	**1.08**	**0.5**
		50% Basis	**0.24**	**0.54**	**0.25**

*does not include the value of 322 km^2 of freehold farmland (which remains to be determined through a separate valuation process).

Any discrepancies between values in the table are due to rounding.

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Disclaimer

The opinions expressed in this Report have been based on the information supplied to SRK Consulting (Australasia) Pty Ltd (SRK) by RSM Corporate Australia Pty Ltd (RSM) and Peninsula Energy Limited (Peninsula). The opinions in this Report are provided in response to a specific request from RSM to do so. SRK has exercised all due care in reviewing the supplied information. Whilst SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which SRK had no prior knowledge nor had the opportunity to evaluate.

List of Abbreviations

Abbreviation	Meaning
3D	three dimensions
AIG	Australian Institute of Geoscientists
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
AusIMM	The Australasian Institute of Mining and Metallurgy
BAC	base acquisition cost
BEE	Black Economic Empowerment
CPP	Central Processing Plant
CRM	certified reference material
DCF	discounted cashflow
DD	diamond core
DMR	South African Department of Minerals and Resources
FH	Fox Hills
ft/d	feet per day
Gpm	gallons per minute
G	grade
GT	grade thickness
ICP-MS	inductively coupled plasma – mass spectrometry
IER	Independent Expert's Report
IML	Inter-Mountain Laboratories
ISL	in situ leach
ISR	in situ recovery
IX	ion exchange
JCI	Johannesburg Consolidated Investments
lbU/ft^3	pounds uranium per cubic foot
LL 1	Lance Formation (1)
LL 2	Lance Formation (2)
LUC	localised uniform conditioning
MEE	multiples of exploration expenditure
mg/L	milligrams per litre
MLA	Mining Licence Application
Mlbs	million pounds
Mo	molybdenum
MTR	metal transaction ratio
MU-1	mine unit #1

Abbreviation	Meaning
MU-2	mine unit #2
NNR	National Nuclear Regulator
NRC	United States Nuclear Regulatory Commission
NRR	net refining returns royalty
NuBeth JV	NuBeth Joint Venture between Nuclear Dynamics Inc, Bethlehem Steel Corporation and later Pacific Power and Hydro
Nuclear Dynamics	Nuclear Dynamics, Inc.
OZ	Ore Zone
Peninsula	Peninsula Energy Ltd
PC	percussion
PFN	prompt fission neutron
PLS	Pregnant leach solution
PR	Prospecting Right
QA/QC	quality assurance/ quality control
R&D	research and development
RC	reverse circulation
RCF	Resource Capital Fund VI L.P.
Redox	reduction–oxidation
RSM	RSM Corporate Australia Pty Ltd
SMU	selective mining unit
SRK	SRK Consulting (Australasia) Pty Ltd
Strata	Strata Energy Inc.
T	thickness
TDS	total dissolved solids
TM JVCo	Tasman-Mmakau JV Company (Pty)
UCEX	Union Carbide
UTL	upper tolerance limit
WDEQ	Wyoming Department of Environmental Quality
WIM	World Industrial Minerals
WWC	WWC Engineering
XRF	X-ray fluorescence

1 Introduction and Scope of Report

SRK Consulting (Australasia) Pty Limited (SRK) has been commissioned by RSM Corporate Australia Pty Ltd (RSM) to prepare an Independent Specialist Report on the mineral assets of Peninsula Energy Limited (Peninsula). SRK understands that this report is to be included as an appendix to RSM's Independent Expert's Report (IER) relating to a proposed amendment to the terms of convertible notes on issue in the Company (Proposed Transaction).

SRK further understands that RSM's IER will be included with a notice of meeting to assist shareholders in deciding whether or not to approve the Proposed Transaction.

Peninsula's mineral assets which are the subject of this report comprise:

- A 100% interest in the Lance uranium projects located in Wyoming, USA (Lance Project);
- A joint venture interest in the Karoo uranium exploration project, Western Cape Province, South Africa (Karoo Project); and
- A joint venture interest in the Raki Raki gold exploration project in Fiji (Raki Raki Project).

2 Background and Brief

2.1 Background of the project

This Independent Specialists Report, incorporating a technical assessment and valuation, was initiated by Mr Ian Rowe, Senior Manager – Corporate Finance for RSM, on 26 April 2018.

2.2 Nature of the brief

RSM has been engaged by Peninsula to prepare an IER for inclusion with a notice of meeting, to assist shareholders in their decision whether or not to approve the Proposed Transaction.

Peninsula is developing two uranium projects, the most advanced being the Lance Project (*in situ* leach) in Wyoming, USA. The Lance Project is currently in production, albeit that Peninsula is currently investigating a change from an alkaline to acid lixiviant which is the subject of a Feasibility Study due for delivery in mid-2018 (post completion of this report).

Peninsula's second project is located in the Beaufort West region of the Western Cape Province of South Africa and consists of exploration tenure and associated uranium resources, which have been assessed to a pre-feasibility study level. SRK has been advised that Peninsula had recently sought to dispose of this asset but was unable to attract a sufficiently attractive offer to support a sale. As a result, the Company has recently withdrawn funding in order to focus on the Lance operation.

In addition to its uranium assets, Peninsula also holds a joint venture interest in the Raki Raki gold project in Fiji, as a legacy of its pre-uranium exploration strategy dating back over a decade ago. This asset has not received any recent exploration and the Company has advised it is awaiting a report from its joint venture partners recommending relinquishment.

SRK was engaged to provide RSM with a technical assessment and valuation report relating to Peninsula's mineral assets.

3 Program Objectives and Work Program

3.1 Program objectives

The objective of this Report is to provide an independent technical assessment and valuation of Peninsula's mineral assets for inclusion in an IER to be prepared by RSM.

It is SRK's understanding that this Report will be appended to RSM's IER and, as such, will be a public document.

3.2 Reporting standard

This Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment and Valuation Report under the guidelines of the VALMIN Code (2015). It should be noted that the authors of this Report are Members or Fellows of either the Australasian Institute of Mining and Metallurgy (AusIMM) or the Australian Institute of Geoscientists (AIG) and, as such, are bound by both the VALMIN and JORC Codes. For the avoidance of doubt, this report has been prepared according to:

- 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code)
- 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

As per the VALMIN Code (2015), a first draft of the report was supplied to RSM and Peninsula to check for material error, factual accuracy and omissions before the final report was issued. SRK's scope of work was limited to the second draft of the Report after a round of edits by RSM and Peninsula. The final report was issued following review of any comments by the project team.

For the purposes of this Report, value is defined as 'market value' being the amount of money (or the cash equivalent or some other consideration) for which a mineral asset should change hands on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing, wherein the parties each acted knowledgeably, prudently and without compulsion.

3.3 Work program

In the completion of its mandate, SRK has carried out the following work program:

- Review awarded: 4 May 2018
- Site visit to Lance Project: 8 -9 May 2018
- Peer review: 11 June 2018
- Submission of the draft report: 12 June 2018
- Submission of the final report: 20 July 2018.

3.4 Project team

Jeames McKibben, BSc(Hons), MBA, MRICS (Registered Valuer and Chartered Valuation Surveyor), MAusIMM(CP), MAIG, Principal Consultant (Project Evaluation), managed the study, conducted the Valuation of the mineral assets and compiled the final report.

- Vladimir Ugorets, PhD, MMSAQP, Principal Consultant (Hydrogeology), provided an assessment of the hydrogeology and conducted a site visit to the Lance Project, Wyoming, USA.
- Rob Bowell, PhD, C.Chem C.Geol Corporate Consultant (Geochemistry & Geometallurgy), reviewed the geochemical and metallurgical aspects and conducted a site visit to the Lance Project, Wyoming, USA.
- Karen Lloyd, BSc (Hons), MBA, FAusIMM, Associate Principal Consultant (Project Evaluation), undertook a peer review of the compiled report.

3.5 Statement of SRK independence

Neither SRK nor any of the authors of this Report have any material present or contingent interest in the outcome of this Report, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence or that of SRK.

SRK has no beneficial interest in the outcome of the technical assessment and valuation being capable of affecting its independence.

SRK's fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The payment of that professional fee is not contingent upon the outcome of the Report.

3.6 Fees

The professional fees charges in the preparation of this report are approximately A$80,000.

3.7 Representation

Peninsula has represented in writing to SRK that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

3.8 Indemnities

As recommended by the VALMIN Code, Peninsula has provided SRK with an indemnity under which SRK is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by Peninsula or to Peninsula not providing material information; or
- which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

3.9 Consents

SRK consents to this Report being included, in full, in the RSM's IER in the form and context in which the Technical Assessment and Valuation is provided, and not for any other purpose. SRK provides this consent on the basis that the technical assessments and valuations expressed in the Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report.

3.10 Declaration

The information in this report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by a team of technical specialists supervised by Mr Jeames McKibben, who is a Member the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr McKibben accepts responsibility for the content and derived values outlined in this Report. Mr McKibben has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Specialist as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets'. Mr McKibben consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

4 Lance Project

Peninsula's wholly-owned subsidiary company, Strata Energy Inc. (Strata), holds a 100% interest in the Lance Project's *in situ* uranium recovery operations in Wyoming, USA.

The Lance Uranium District includes thirteen (13) previously identified mineralised areas which collectively constitute Peninsula's Lance Project. One of these mineralised areas (known as the Ross area) was advanced to production, with an *in situ* recovery (ISR) wellfield operating in the late 1970s.

The Lance Project areas lie within a broader mineralised system comprising 22 mineralised sands hosting more than 204 km (127 miles) of roll-front uranium deposits. This large mineralised system was defined throughout the district in the 1970s.

4.1 Location

Peninsula's Lance Project is located along the northeastern flank of the Powder River Basin within the Ross Permit Area of Crook County, Wyoming, USA (Figure 4-1). The Project extends over a strike length of 37 km and over a width of 8 km. The project is bound by the Little Powder River to the west and the Belle Fourche River to the east.

Three defined resource areas have been defined 50 km east-northeast of the regional urban centre of Gillette in northeastern Wyoming, namely the Ross (currently in production), Kendrick and Barber areas (Figure 4-2).

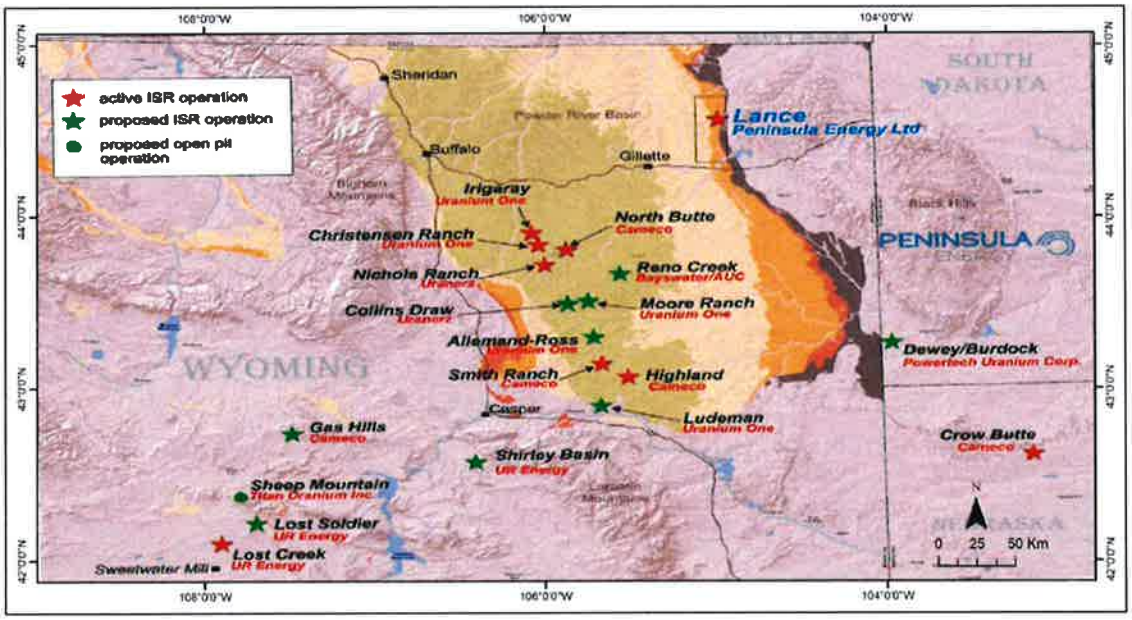


Figure 4-1: Location of the Lance Project and other significant third party owned uranium projects in the Powder River Basin

Key to geology: Quaternary cover (buff), Tertiary (yellow), Cretaceous (orange) and Permian (brown)

Source: Peninsula, 2015

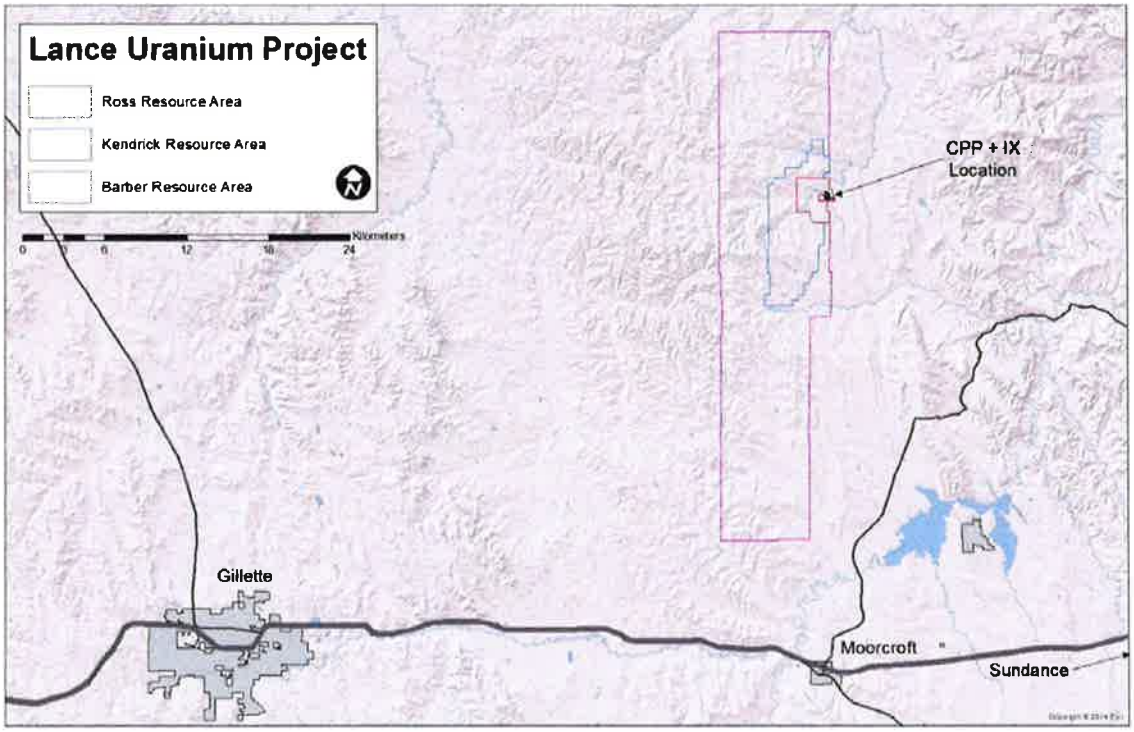


Figure 4-2: Relative locations of the resource areas – Lance Project
Source: WIM, 2018

4.2 Access, Climate and Physiography

The Lance Project tenements are accessed from the major east-west interstate highway (I90) connecting the major mining centres of Gillette in Wyoming and Rapid City in South Dakota. At Moorcroft, a minor road (New Haven Road – County Road 164) extends northwards with direct access to parts of the project area gained from this road, D Road (CR 68), Deadman Road (CR211), the Oshoto Connection (CR 193) and Cabin Creek Road (CR 116). D road and New Haven roads are the primary access to the project.

The climate is characterised by large seasonal temperature variations with dry, warm summers contrasted by cool to cold winters with common but not generally heavy snowfalls. As such, operations can continue throughout the year.

The terrain is gently undulating with elevations around 1,350 m above mean sea level. Vegetation comprises mainly grasses and sagebrush. Other major land uses in the area include oil production, bentonite mining, stock raising and crop cultivation. As a result of the oil extraction activities, several power lines and access roads cross the project tenements.

4.3 Tenure

The Project tenure covers an approximate area of 42,494 acres as outlined in Table 4-1 and shown in Figure 4-3. They are located in a Township and Range System in Crook County, Wyoming, USA and comprise a mixture of various surface and mineral right holdings including private access agreements, as well as State and Federal mining claims and hence tenement references are not applicable.

Table 4-1: Tenure type and area

Tenure type	Area (acres)
Private Land (FEE) – Surface Access Agreements	6,837
Private Land (FEE) – Mineral Rights	10,042
Federal Mining Claims – Mineral Rights	13,422
Federal Mining Claims – Surface Access – Grazing Lease	40
State Leases – Mineral Rights	10,604
State Leases – Surface Access	1,229
Strata Owned – Surface Access	320
Total	**42,494**

Source: WIM, 2018

These mineral rights extend north and south of the current mining operations for a distance of 56 km.

All mineral (sub-surface) and access (surface) rights are held in the name of Strata Energy Inc., a wholly owned subsidiary of Peninsula.

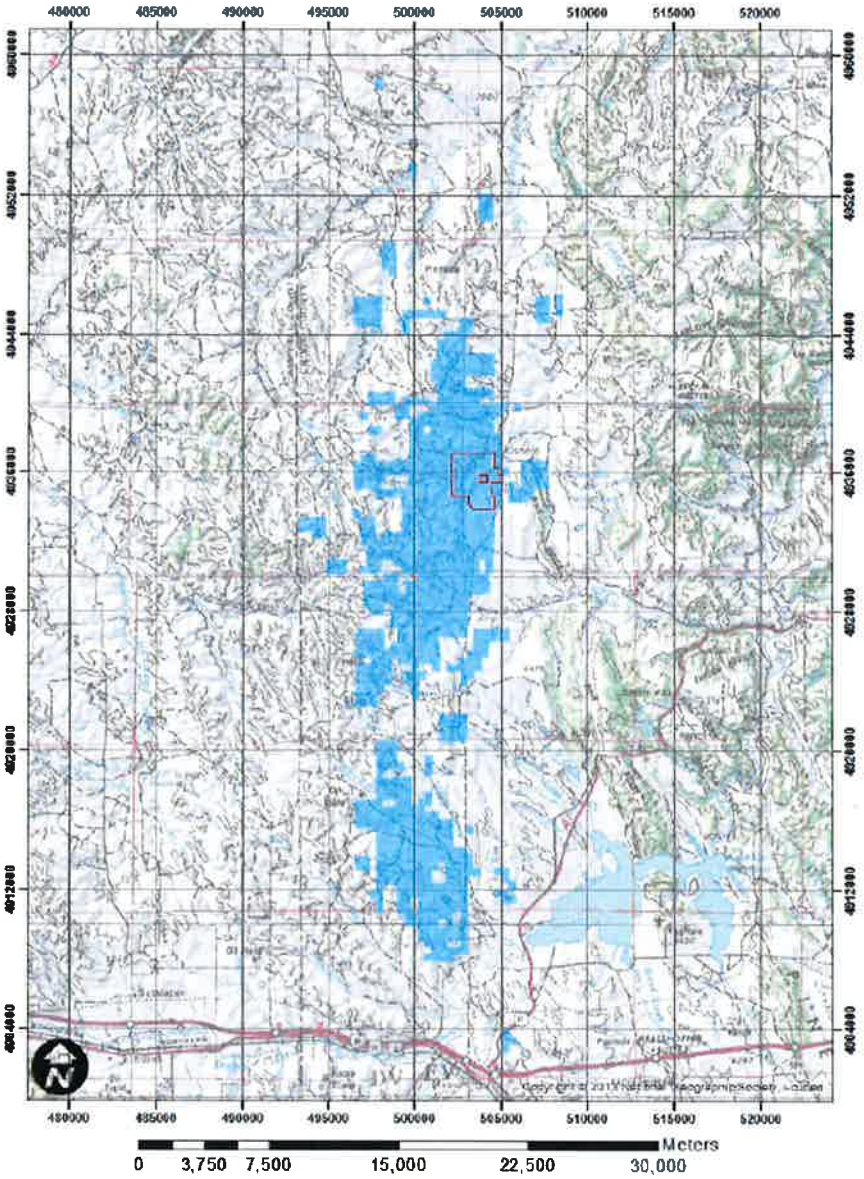


Figure 4-3: Lease holding - Lance Project
Source: WIM, 2018

4.4 Operating permits

The primary regulatory agencies that oversee uranium ISR projects in Wyoming are the US Nuclear Regulatory Commission (NRC) and the Wyoming Department of Environmental Quality (WDEQ). As the Project operator, Strata has obtained the required licences for construction and operation of the Project and the Safety, Health and Environment Management System from the NRC.

SRK has reviewed the Lance wellfield package and confirmed the documentation is complete and adequate for regulatory approval. The WDEQ and NRC have provided final approval of the requisite wellfield packages. SRK considers that the work undertaken to date meets the standard for operations of this nature, that no material environmental issues have been identified and that there are no material risks of schedule delays or cost increases associated with the environmental and social aspects of the Project.

Strata maintains a proactive, visible profile in Crook County and with local stakeholders. The project office is located in Oshoto (Crook County) and the Company's senior management team is located in Sundance, Wyoming, providing a local presence. Company representatives meet with local landowners and local government on a frequent basis. The Project has a significant, positive economic impact on Crook County. The Natural Resources Défense Council (NRDC) and Powder River Basin Resource Council (PRBRC) presented a series of legal challenges during the administrative hearing process for NRC licencing of the Project. The legal challenges were dismissed after due process by the Atomic Safety Licensing Board (ASLB) in January 2015.

The NRDC and PRBRC appealed the ASLB decision in February 2015. In July 2016, the NRC ruled in favour of Peninsula and denied the NRDC and PRBRC petition to appeal the ASLB's previous dismissal of all remaining environmental contentions brought against the Lance Central Processing Plant and Ross Project area. During January 2018, the US Court of Appeals reaffirmed the 2015 decision by the ALSB stating that the PRBRC and the NRDC failed to identify "*any substantive flaws in the NRC's decisions*" (Peninsula Dec 2017 Quarterly Activities Report, 2018)

SRK considers that the work undertaken to date meets the standard for operations of this nature, that no material environmental issues have been identified and that there are no material risks of schedule delays or cost increases associated with the environmental and social aspects of the Project.

Uranium production commenced at the Ross Production area in December 2015. Currently, adequate services for power, water and access are available to the Project and SRK does not see this as presenting a risk. SRK is of the opinion that power availability is not a material risk to the Project and that delivery terms for power are within industrial norms for the region. Strata has received approval for appropriation of groundwater for ISR operations. Potable water will be supplied to the Project. A reinjection well has been permitted, but to date has not been used and minor waste or excess water is stored on site in lined ponds. Well-maintained county roads and interstate freeways provide efficient and all-season road access to the Project.

Table 4-2 outlines the current status of Federal and State level environmental approvals for the Lance Project. SRK understands that all applicable licences have been granted and the operation is currently in compliance.

Table 4-2: Summary of approved licences and permits for the Ross ISR Project Area that includes the Lance Project (June 2018)

Level	Regulatory Agency	Permit or Licence	Status
Federal	NRC	Material Licence	SUA-1601 issued April 24, 2014
	EPA (Environmental Protection Agency, a US Federal agency)	Approval to Construct Retention Ponds	Approval received May 5, 2015
		Approval of Class III Aquifer Exemption	Received May 15, 2013; approval of revised boundary received from DEQ April 2017.
	USACE (United States Army Corps of Engineers)	Verification of Preliminary Wetlands Delineation	Verification received December 9, 2010
		Nationwide Permit Coverage Authorization	Nationwide Permit coverage confirmed June 15, 2015
State	WDEQ/AQD (Wyoming Dept. Environmental Quality; Air Quality Department)	Air Quality Permit	Approved September 13, 2011, Permit #CT-12198
	WDEQ/LQD (Land Quality Division)	Permit to Mine	Approved, signed November 16, 2012, Permit #802
		UIC Class III Permit	Received WDEQ/LQD approval as part of Permit #802
		Mineral Exploration Permit/Drilling Notification	Approved #384DN
		Wastewater Pond Construction Permit (lined retention ponds and sediment pond)	Non-significant Revision to Permit #802.
	WDEQ/WQD (Water Quality Division)	UIC Class I Permit (deep disposal wells)	Approved April 13, 2011, Permit #10-263
		Permit to Construct Domestic Wastewater System	Permit to Construct 14-061 issued April 1, 2014; revised design approval 15-262 received July 27, 2015
		Stormwater WYPDES Permit (construction)	Approved January 17, 2013, Permit #WYR104738
		Stormwater WYPDES Permit (industrial)	Approved July 19, 2016, Permit #WYR001448.
		WYPDES Permit (Pond underdrains, CBW French Drain)	Approved June 16, 2016, Permit #WY0095885
		Public Water Supply System – Permit to Construct	Permit to Construct 14-012

Source: Peninsula, June 2018

The permits and licences of the Lance Project authorise the use of alkaline and oxidant solutions in the ISR process. As noted elsewhere in this report, Peninsula is currently transitioning to a low pH (acidic) recovery system and an application has been submitted to amend the current permits and licences.

Ongoing laboratory research indicates that the quality of the affected groundwater can be returned to pre-operational conditions (to equal or better quality) following the use of lower pH ISR solutions. These results demonstrate consistency with the Lance Project's current regulatory requirements, however further work is required to validate the previous findings. Should these additional studies confirm previous results, Peninsula considers that currently approved target restoration values would not need to be modified for potential use of low pH ISR solutions.

However, in order to change form an alkaline based mining solution to a low pH solution requires the approval of amendments to the existing permits and licences. Peninsula has advised SRK that discussions with relevant regulatory authorities have been positive and not identified any legal impediments to the use of low pH ISR solutions at Lance.

On 8 April 2018, Peninsula's wholly owned subsidiary, Strata Energy Inc, formally submitted a request to the Wyoming Department of Environmental Quality to amend its existing Permit to Mine to allow for the use of a low-pH recovery solution in the Ross Permit Area of the Lance Projects.

4.5 History

The exploration history of the Lance district is summarised in Table 4-3 which relies on the World Industrial Minerals (WIM) report, 2012. Uranium mineralisation was first identified within the Lance Formation near Oshoto, Wyoming in 1952. However, the U_3O_8 grades (200 to 300 ppm) encountered at that time were considered sub-economic.

During the mid-1970s uranium boom, continental sandstones of the Lance Formation were targeted for roll-front-style uranium mineralisation. Exploration of the area was led by Nuclear Dynamics, Inc. (Nuclear Dynamics) given the favourable geological setting and anomalous radioactivity noted in outcrop and oil field drilling. Beginning in 1971, Nuclear Dynamics acquired State and private mineral rights and staked Federal lode mining claims in the area.

In 1978, Nuclear Dynamics formed the NuBeth JV with Bethlehem Steel Corporation which subsequently expanded to include Pacific Power and Hydro. Between 1971 and 1979, the NuBeth JV completed more than 5,000 drill holes in the Lance area totalling some 912,000 m (3,000,000 ft), which identified 13 zones of uranium mineralisation resulting from chemical changes in the groundwaters flowing along the sandstone horizons causing the deposition of uranium-rich zones termed "roll-fronts" (Section 4.6.1 for definition) (Peninsula, 2015).

As a result of this exploration success, the NuBeth JV constructed a pilot In Situ Recovery (ISR) wellfield and processing plant, beginning in 1978. The expansion of the project was terminated as a result of the loss of community interest in nuclear energy following the incident with the Three Mile Island nuclear power generator in Pennsylvania in 1979.

Following a 28-year hiatus, Strata acquired a proprietary database relating to the historical drilling and pilot plant data over the Lance area in 2007. Since that time, Peninsula has identified a series of roll-front-style uranium mineralised zones extending over a 50 km north–south strike length at the Lance Project (Peninsula, 2015).

Table 4-3: Summary of historical exploration within the Lance Project

Year	Company	Comment
1952		Identification of U_3O_8 in the Lance Formation
1971	Nuclear Dynamics	Acquisition and commencement of exploration drilling within the Lance Project
1978	Nuclear Dynamics	Joint Venture with Bethlehem Steel (NuBeth Joint Venture) to develop the Project
1978 -1979	NuBeth JV	Develops and briefly operates a pilot plant scale ISR in the south central portion of what will become the Ross Permit Area
2007	Strata	Acquisition of ground over the Ross Permit Area and begins confirmation drilling of historic resources as well as new exploration drilling. Strata acquires a portion of the historic NuBeth database
2009	Strata	Continued exploration and development drilling. Acquires the entirety of the original NuBeth JV database.
2010 - 2015	Strata	Ongoing exploration and development drilling (resource / reserve delineation)
2015 - 2016	Strata	ISL ramp-up production

Source: WIM Report, 2012, Peninsula, ASX announcements

Strata commenced *in situ* leach operations from the Ross Permit area in December 2015. Operational performance to date is shown in Table 4-4.

Table 4-4: Lance Production History

	Units	2015	2016				2017				2018
		Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
U_3O_8 Captured	lbs	209	9,193	28,856	53,635	35,000	25,293	30,574	34,568	38,828	43,638
U_3O_8 Dried and Drummed	lbs				38,417	40,291	5,296	44,059	42,665	23,270	73,864
U_3O_8 Sold	lbs			105,000		100,000	250,000		132,934		125,000

Source: Peninsula Annual Report 2016, 2017 and 2018 Quarterly reports

Since uranium recovery efforts commenced in December 2015, the deposit has proven only moderately amenable to alkaline solutions. Despite recent improved production rates, the overall uranium recovery rates for the active ISR operational areas in the Ross Permit Area continue to be below targeted levels.

In 2017, the Company conducted a series of bench-scale tests which demonstrated a significantly increased recovery rate using low concentrations of sulfuric acid (1.5% or less) which increased peak uranium solution grades (averaging nearly 1.0 g/L) with uranium recoveries typically over 90%. These initial results were followed by further laboratory testing and geochemical modelling, which indicates that use at low pH system could potentially align the operating performance and cost profile with other leading global uranium production projects. To this end, Peninsula has now set itself on a path to transition to a low pH recovery system.

In the meantime, production from the Company's nine commissioned header houses using alkaline lixiviant will continue to form the basis for ongoing operations over the near term while Peninsula progresses the various activities and permit actions required to change to a low pH ISR uranium operation. The Company is nearing completed construction of the facilities associated with the 10th header house to increase the operating capacity by mid-2018 or as needed.

4.6 Geology and Resource

4.6.1 Geological model

The Lance Project lies along the eastern periphery of the Powder River Basin (Figure 4-4), an asymmetric synclinal basin with primarily Tertiary age rocks exposed at surface.

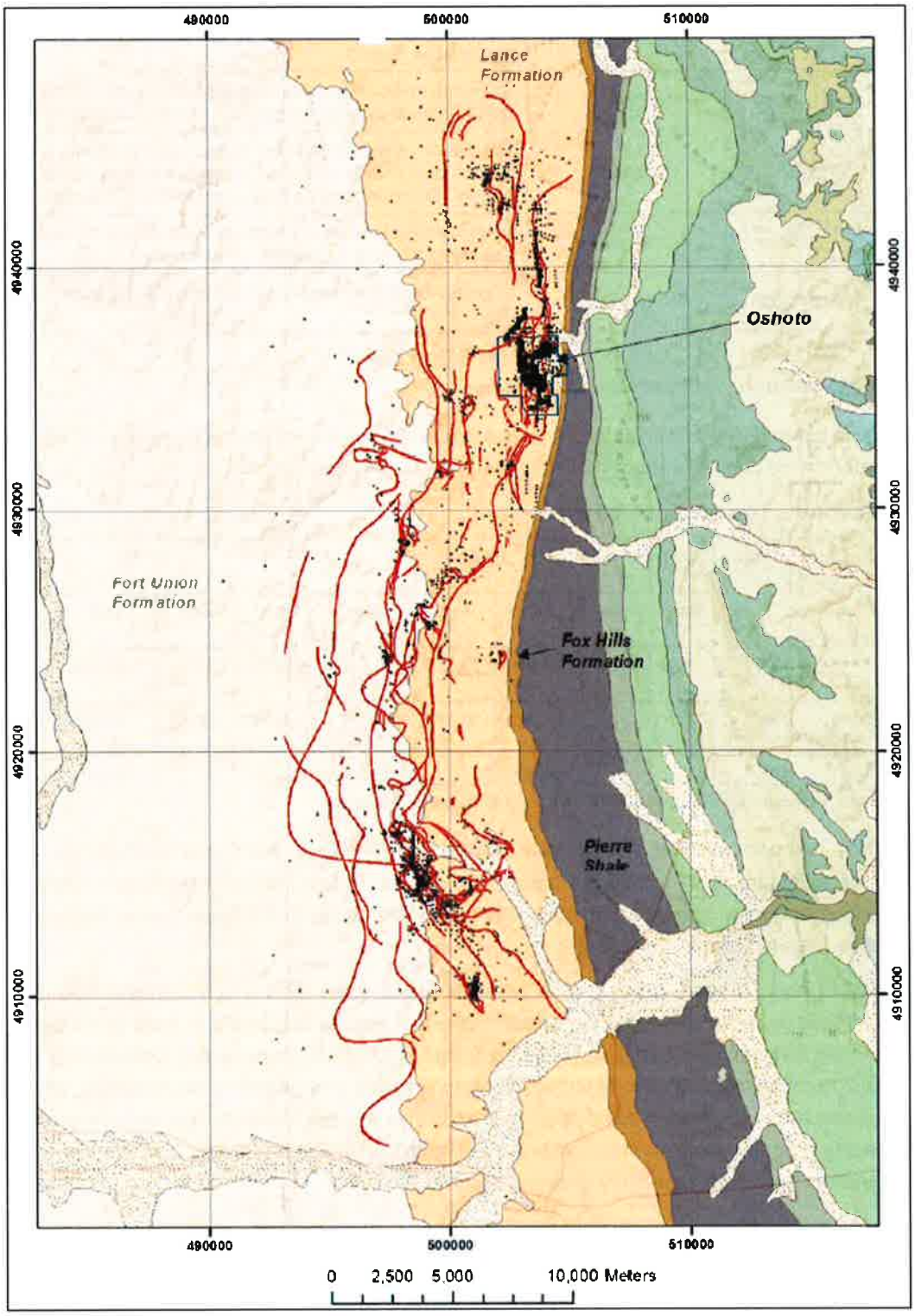


Figure 4-4: Geology of the Lance area with exploration drilling

Source: WIM, 2012

The Lance Project hosts Cretaceous sedimentary rocks belonging to the Pierre Shale, Fox Hills and Lance Formations (Figure 4-5).

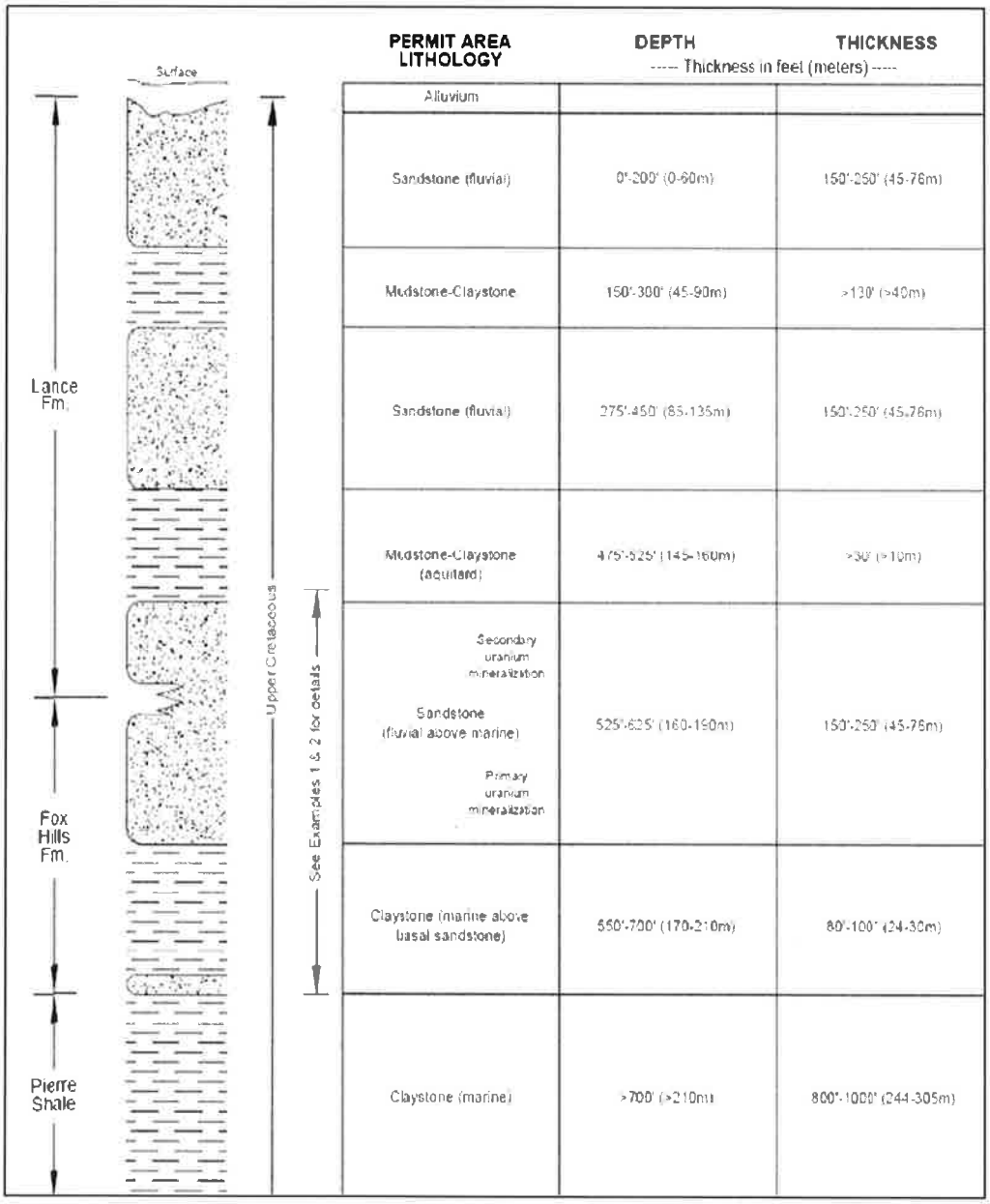


Figure 4-5: Generalised stratigraphy of the Lance Project area
Source: WIM, 2012

In the Ross area, the Fox Hills Formation consists of sandstone units separated by 9 to 15 m of intervening shale. The Fox Hills Formation is divided into lower and upper units based on differences in colour, bedding, trace fossils, lithology and texture. The lower unit consists of off-shore marine and transitional marine shale, siltstone, and fine-grained sandstone but is not known to contain uranium. The upper unit consists of uranium-bearing organic, thinly bedded claystone, siltstone and sandstone.

Within the project area, mineralisation primarily occurs within the upper sandstone of the Fox Hills Formation, although in localised areas, there is some mineralisation within the overlying Lower Lance Formation sandstone.

Uranium mineralisation at the Lance Project occurs as roll-front deposits or tabular in nature and hosted in over 20 stacked mineralised sandstone units separated from different aquifers by impermeable mudstone/siltstone units.

Roll-front uranium mineralisation is generally hosted within a permeable sandstone or conglomerate unit, where the uranium is leached from nearby uranium-rich stratigraphy, and transported along aquifers dissolved in an oxidised state, uranium is precipitated when the groundwater reaches a regionally reduced host rock aquifer and a redox front is created (Guilbert and Park, 1996). When the fluids change redox (reduction-oxidation) state, generally in contact with carbon-rich organic matter, uranium precipitates to form a 'front' (Nash et al.,1988; Cuney and Kyser, 2008).

The roll-fronts are typically crescent-shaped with the convex side pointing down the hydraulic gradient, Guilbert and Park (1996). The limbs are concordant with the bedding, with upper and lower "limbs" which extend for many hundreds of metres, with geochemical zonation proportional to metal reduction.

The roll-fronts or tabular deposits are hosted in over 20 stacked sandstone units which are separated from different aquifers by impermeable mudstone/ siltstone units.

The depth of the mineralisation at Lance is approximately 530 feet (160 m) below surface. Molybdenum, selenium and more significantly, vanadium, are associated with the known uranium mineralisation. Although no discrete uranium grains could be differentiated, they were identified as being fine grains (less than 10 µm) and comprised of various calcium uranyl phosphates or silicates such as autunite or uranophane. These will have slower leaching kinetics than uranyl oxides such as pitchblende.

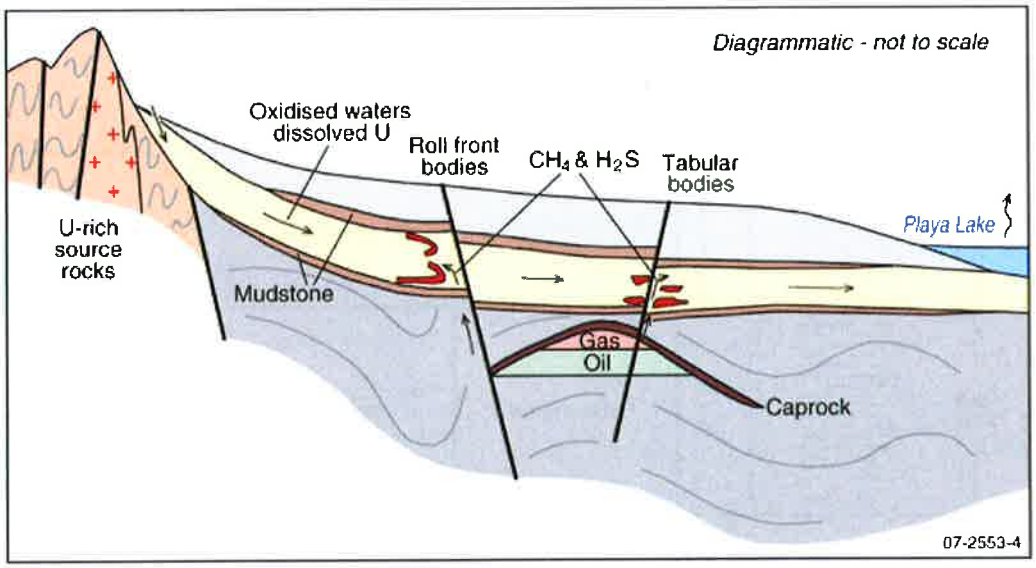


Figure 4-6: Schematic geological model for uranium roll-front mineralisation

Source: Geoscience Australia, 2008

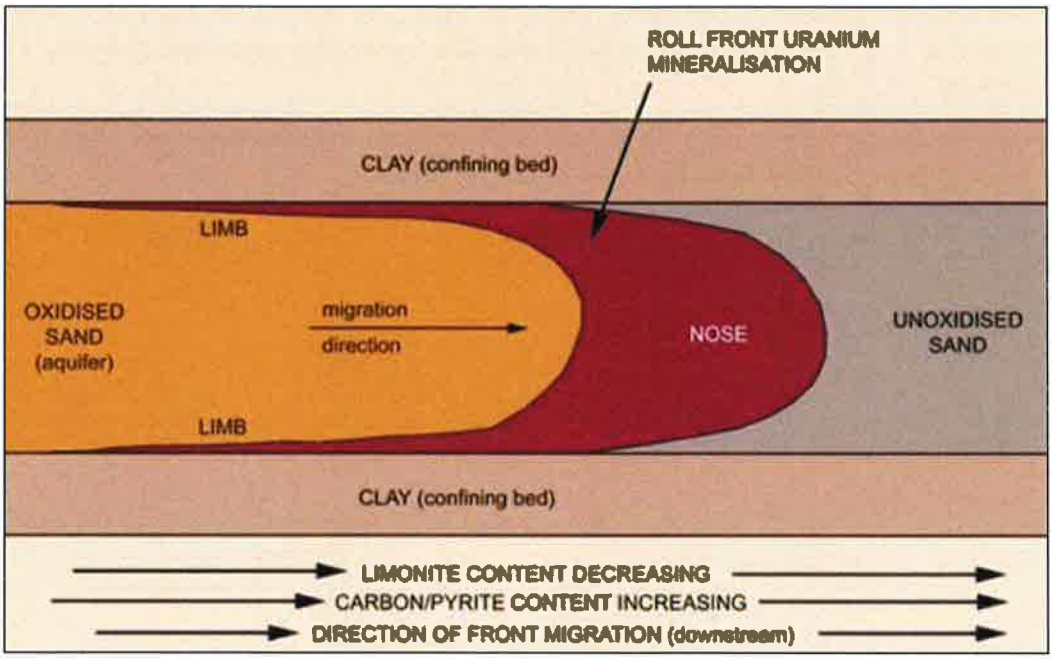


Figure 4-7: Details of a roll-front deposit in schematic cross section
Source: Curnamona Energy

Although no discrete uranium grains could be differentiated, the known mineralisation is identified as fine grains (less than 10 µm) in the form of various calcium uranyl phosphates and silicates such as autunite or uranophane. These minerals have slower leaching kinetics than uranyl oxides such as pitchblende.

Analysis of mineralisation has demonstrated that the primary elements associated with the uranium in the Ross area are molybdenum, selenium and vanadium.

- Uranium is generally in the form of uranophane, uraninite or coffinite, with lesser amounts of brannerite and autunite
- Vanadium is generally in the form of vanadinite, carnotite or fervanite
- Molybdenum is generally in the form of molybdenite
- Selenium is generally in the form of ferro-selenite

4.7 Mineral Resource

SRK has reviewed the following documents relating to the geological model and resource estimate for the Lance Project:

- World Industrial Minerals (WIM), Lance Uranium Project Mineral Resource Report - DRAFT, April 2018
- World Industrial Minerals (WIM), Lance Uranium Project Mineral Resource Report, March 2012
- SRK Consulting (UK), Technical Environmental and Social Audit of the Lance Uranium Project, Wyoming USA, October 2015.

In addition, two 2D (two-dimensional) datasets for Areas 05B and 07A were available. These contain all the mineralised intersections [G - Grade (eU_3O_8 ppm), T - Thickness (ft) and GT - product grade-thickness (ft%)] and were used by SRK to perform spot checks on the stated resource.

The project has been divided into 17 separate secondary resource areas, which were assigned according to the mineralised trends and areas with higher data confidence (primarily around drill density).

With the commencement of mining in the Ross Permit area, secondary resource areas 1 and 2 were renamed Mining Units 1 and 2 (MU1 and MU2).

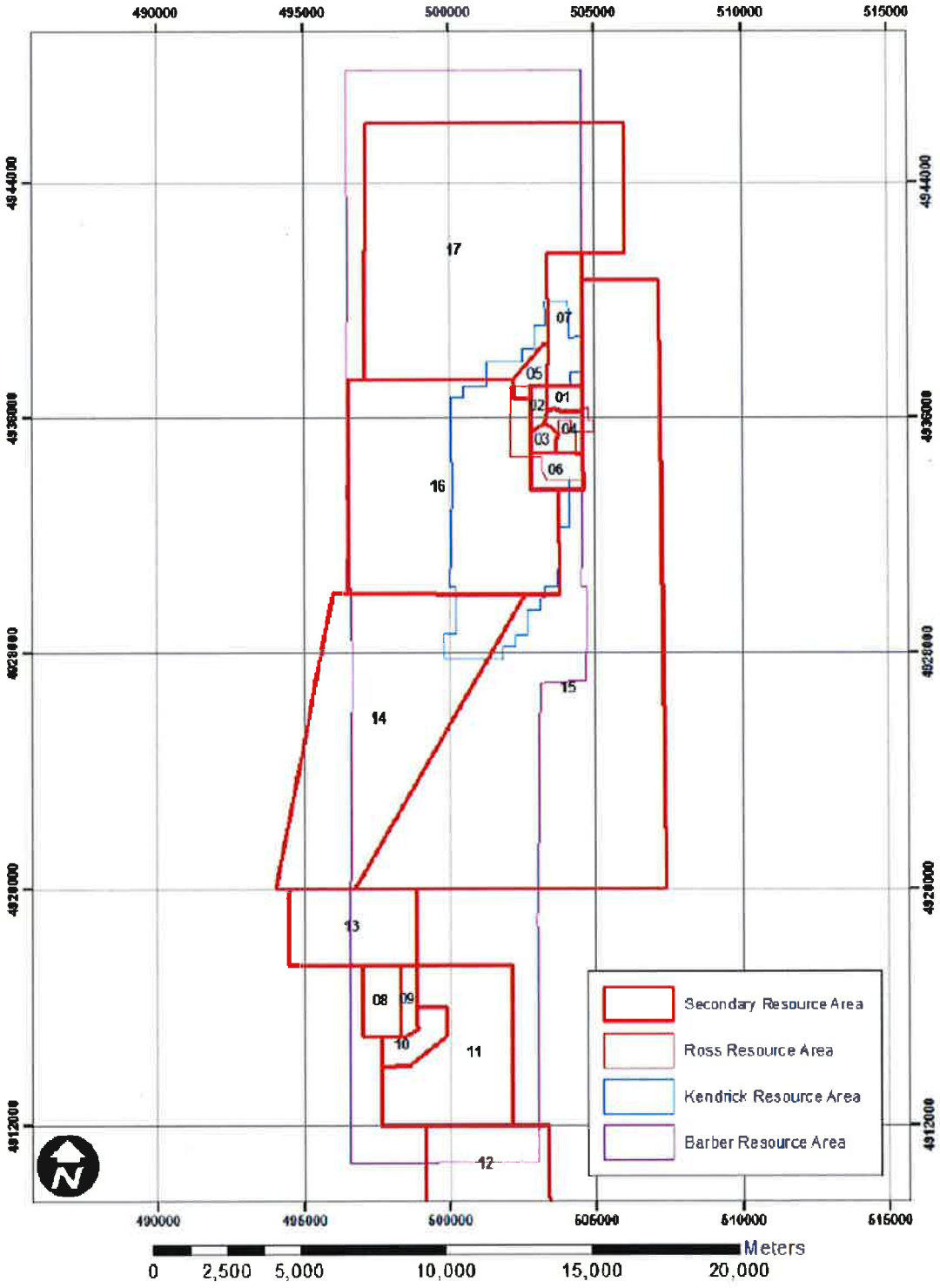


Figure 4-8: Location plan of Secondary Resource Areas

Source: WIM, 2018

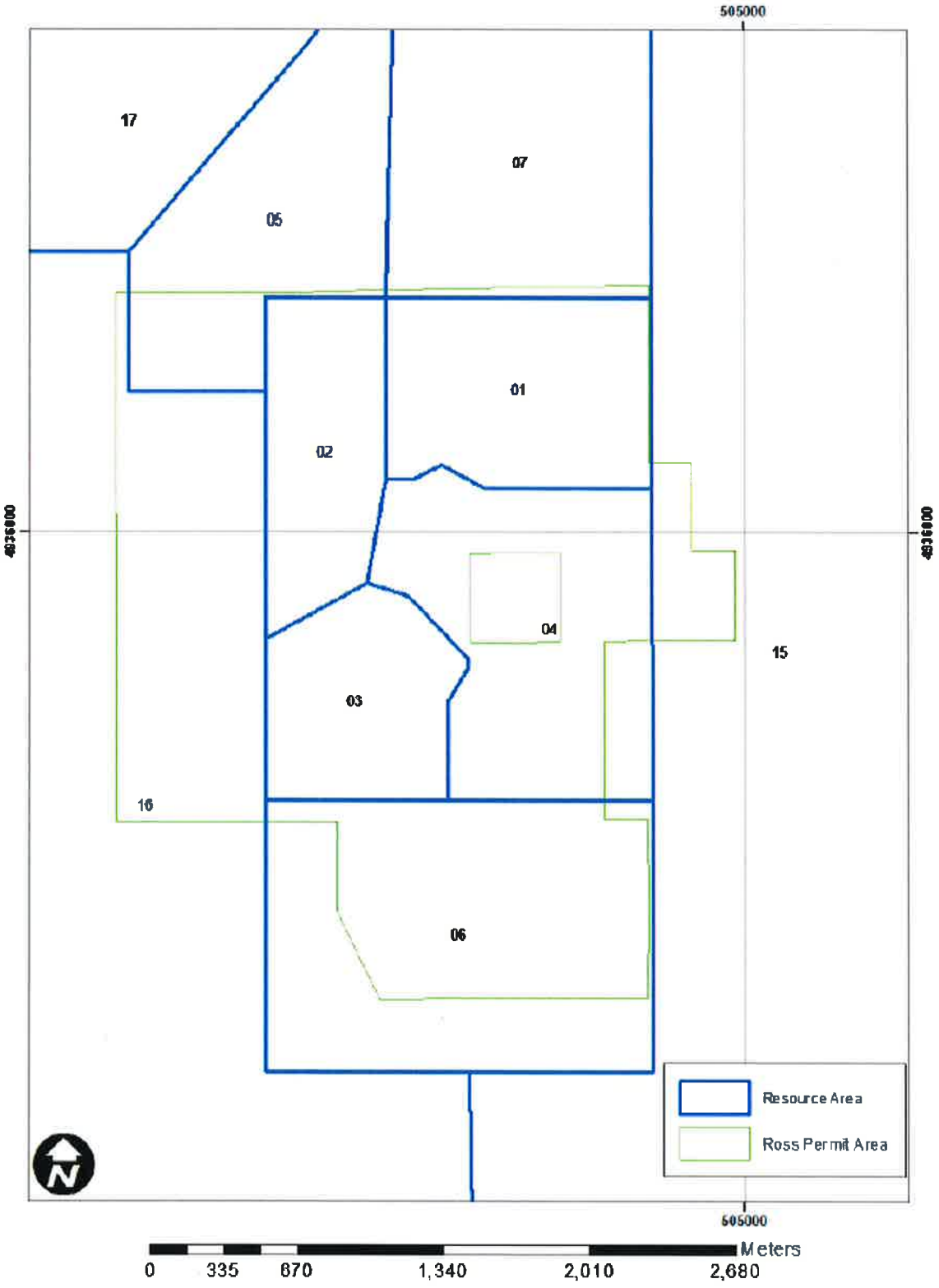


Figure 4-9: Details of Secondary Resource Areas at Ross Permit Area, showing the MU1 and MU2 areas

Source: WIM, 2018

4.7.1 Resource estimation

In March 2012, WIM prepared a resource estimate for the Lance Project. The resources were updated by WIM in December 2012, after completion of 676 additional rotary mud holes and using the same methodology. As part of the present valuation, SRK Australasia reviewed the resource estimation procedure used, which is well documented in the WIM 2012 report.

The Mineral Resources for the Lance Project are shown in Table 4-5.

Table 4-5: Reported Mineral Resources for Lance Project (December 2012, GT >0.2 and >200 ppm)

Resource classification	Tonnes (Mt)	Contained U_3O_8 (kg) (million)	Contained U_3O_8 (lb) (million)	Grade (ppm U_3O_8)
Measured	4.1	2.1	4.5	495
Indicated	11.6	5.7	12.7	497
Inferred	35.5	16.6	36.5	467
Total	**51.2**	**24.4**	**53.7**	**476**

Source: Peninsula, ASX Announcement 24 January 2013

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Jim Guilinger. Mr Guilinger 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 Guilinger is Principal of independent consultants World Industrial Minerals. Mr Guilinger has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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 Guilinger consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Readers are directed to Peninsula's ASX announcements dated 13 and 20 September 2016 for the most recent Mineral Resource outline and JORC Code Table 1.

The stated Resource was then depleted to account for all production (206,316 lbs) up to 30 June 2017. The current Mineral Resource available at Lance is outlined in Peninsula's 2017 Annual Report in Table 4-6.

Table 4-6: Lance Project Classified Resource Summary (30 June 2017)

Resource classification	Tonnes (Mt)	Contained U_3O_8 (kg) (million)	Contained U_3O_8 (lb) (million)	Grade (ppm U_3O_8)
Measured	3.7	2.0	4.3	489
Indicated	10.0	5.1	12.7	466
Inferred	37.0	17.5	36.5	463
Total	**50.7**	**24.6**	**53.5**	**473**

Source: Peninsula's 2017 Annual Report

Data

The database for the WIM resource estimation contains 4,726 historical drill holes (mostly completed by the NuBeth JV), as well as 1,854 holes drilled by Peninsula between 2008 and March 2012. The majority of the drill holes are rotary mud holes, with very few diamond holes drilled. As a consequence, there are few assays available for the purpose of quality assurance/ quality control (QA/QC) comparison with associated downhole geophysical measurements.

Downhole geophysical survey measurements include gamma, resistivity, self-potential and prompt fission neutron (PFN) logs. Self-potential and resistivity measurements are used to assist in the interpretation of the stratigraphy (together with logging of the cuttings). Gamma measurements are affected by disequilibrium, as they measure decay products from U^{238}. PFN directly measures uranium and is not affected by disequilibrium. Both gamma and PFN downhole probes require regular calibration to ensure the reliability of readings.

Based on its independent review in 2012, Coffey considered there were too few holes for making a meaningful statistical comparison between PFN and chemical data (Coffey, 2012). Nevertheless, the data suggest a potential bias, with the chemical data returning higher values than the corresponding PFN values.

In 2012, as part of an independent review, Optiro compared the geophysical and geochemical assay results for 28 diamond drill holes completed by Peninsula (including the ones assessed by Coffey) and reached the following conclusions, which are likely to impact the resource estimation:

- A depth offset between PFN and gamma data for some holes suggests a misalignment of probes at the collars, with potential errors in the definition of the hanging wall and footwall of the mineralisation.
- Gamma values understate PFN grades by up to 15%, which is consistent with probable disequilibrium of the mineralisation, as is common in Wyoming deposits, but may also be due to other factors including probe calibration.
- PFN data understates chemical uranium grades (measured using inductively coupled plasma – mass spectrometry [ICP-MS]) by about 30%. This bias is unexplained, but X-ray fluorescence (XRF) values are also lower than ICP-MS measurements by approximately 20%, which suggests that there may be a flaw with ICP-MS readings.

SRK concurs with Optiro that preference should be given to the PFN values, but factoring the gamma or PFN data based on ICP-MS values is not considered to be prudent as there is insufficient comparison data and ICP-MS may be flawed.

Another source of uncertainty for the resource estimate is the fact that the historical data (NuBeth JV holes), which represent the largest proportion of the drill hole information informing the resource estimation, do not appear to have any associated QA/QC data.

Furthermore, bulk density is determined from a limited number of samples, with only 32 samples coming from four Peninsula diamond holes. The average bulk density value (2.1 t/m^3) was adopted for the tonnage, but as noted in the SRK UK report, this is considered relatively conservative (by about 5%) for the sandstone units. Moreover, there is likely to be some variability linked to the various sandstone units involved. Although more data is needed, in SRK's opinion, the overall tonnage estimated is unlikely to be materially different from that currently reported.

Estimation methodology

The method used for the estimation process is common for roll-front style uranium deposits, particularly those in Wyoming, and includes the following steps:

- Definition of mineralised composites per drill hole, based on a 200 ppm and 0.2 GT lower cut-off grades.
- Classification of these composites in three dimensions (3D) according to the area to which they belong (17 areas defined based on mineralisation trend and drilling density) and to the relevant mineralised horizon. These are named A, B, C, etc. starting from the deeper horizon. The majority of significant GT intersections belong to the four first horizons.
- The estimation is then essentially performed in 2D by resource area and horizon using a classical polygonal method in Surpac. At the edges of the mineralisation, the polygons were limited by an interpreted outline based on the 0.2 GT contour.

For historical NuBeth JV data (with no PFN grades), eU_3O_8 grades were based on the gamma counts, with the usual corrections linked to the probe characteristics.

An additional correction to the eU_3O_8 grades was applied due to the disequilibrium factor. This was calculated based on Peninsula's drilling, averaged by area and horizon and applied to the historical eU_3O_8 data.

This approach to the resource estimation is considered by SRK to be reasonable, particularly at a global scale. Locally, the estimate suffers from the issues associated with the polygonal estimation method (mostly the risk of overestimation of high-grade zones and underestimation of low-grade areas). SRK has calculated the variograms of grade-tonnage and tonnes in area 05B. While the ranges are rather short (below 100 m), there is sufficient continuity to ensure correct local estimation of 50 m by 50 m blocks, which is reasonable for an ISL operation (Figure 4-10).

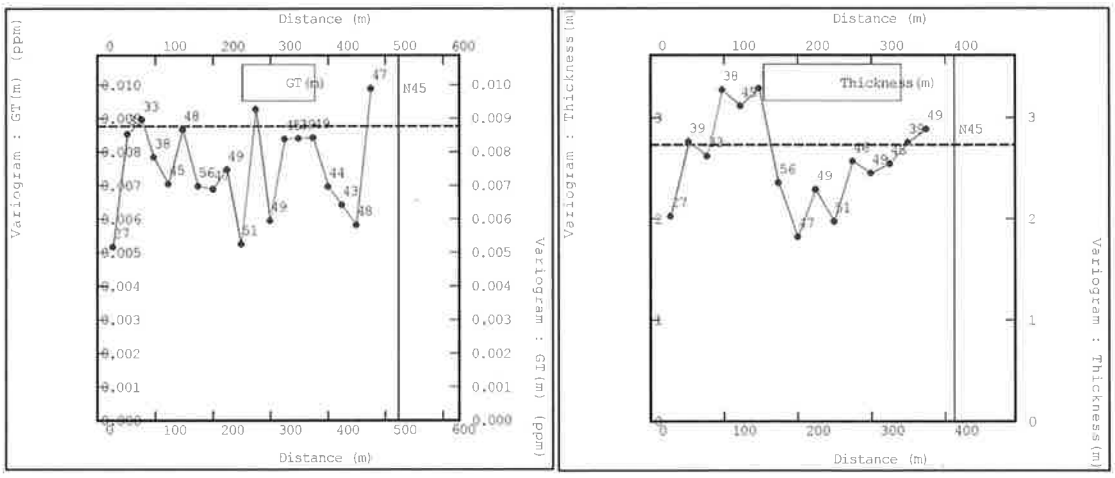


Figure 4-10: Area 05B – Variograms of GT (left) and T (right) [N45 Direction]

The fact that grade tonnage and tonnage are well correlated (Figure 4-11) suggests that a better estimation method would be co-kriging of grade tonnage and tonnage, or a simplified version of co-kriging (residual kriging) which has commonly been used in sedimentary uranium deposits.

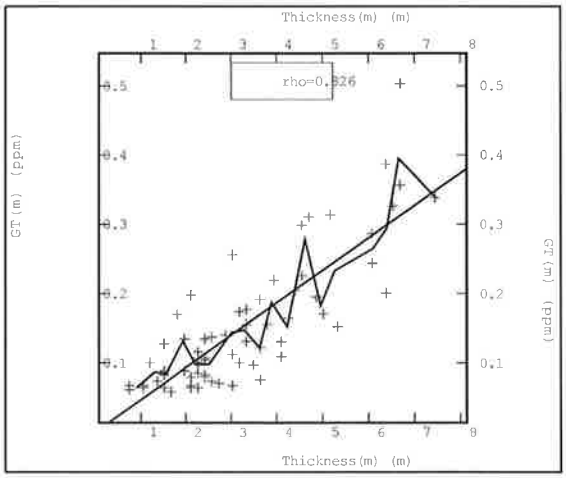


Figure 4-11: Area 05B – Scatter diagram GT vs T

Resource classification

While SRK has some concerns with regard to the limited number of chemical assays and density measurements available, overall, SRK considers the quantum and mean grade of the Measured plus Indicated Resource estimates reported by WIM to be reasonable and reliable.

The classification is based on areas of influence around the drill hole intercepts, within a 0.2 GT contour. The choice of a 15 m radius (respectively 120 m) for the Measured (respectively Indicated) Resources has no real technical support and appears rather arbitrary. SRK considers it would be more appropriate to use the results of a geostatistical estimation (criteria like kriging efficiency and slope of regression). Given the density of data is high within the zones where Measured and Indicated Resources are defined and despite the paucity of chemical assays, SRK considers these classified resources are reasonable and reliable. As far as Inferred Resources are concerned, the individual roll-fronts are intersected by very few drill holes. Consequently, the estimation is affected by a high degree of uncertainty. Analysis of drilling programs between 2011 and 2012 within the Kendrick area demonstrates a high rate of conversion of material from the Inferred to Indicated Resource categories (Peninsula Energy Ltd, 2014).

4.8 In situ uranium extraction and uranium recovery

4.8.1 Wellfield Design

The ISR wellfields for the Lance Project for Mine Units 1 (MU-1) and 2 (MU-2) are shown in Figure 4-12.

The wellfield uses a hexagonal pattern with a 75 ft (23 m) distance between wells. The general outline of hexagonal pattern is shown in Figure 4-13. This pattern was chosen over a 5-spot square pattern to increase injection well/ recovery well ratio (24:7 vs 16:9 ratio) and effectiveness of lixiviant injection. A targeted pumping rate from a recovery rate of 20 gpm was chosen based on the results of hydrogeological testing and available drawdown, while the distance between wells of 75 ft (23 m) is based on successful experience of uranium recovery from the Crow Butte ISR project. It was found that mine solution would be captured under a bleeding rate about 0.5% and this rate was obtained during 2.5 years of ISR mining. Vertical flare of 1.44 was assumed for groundwater restoration bond estimates.

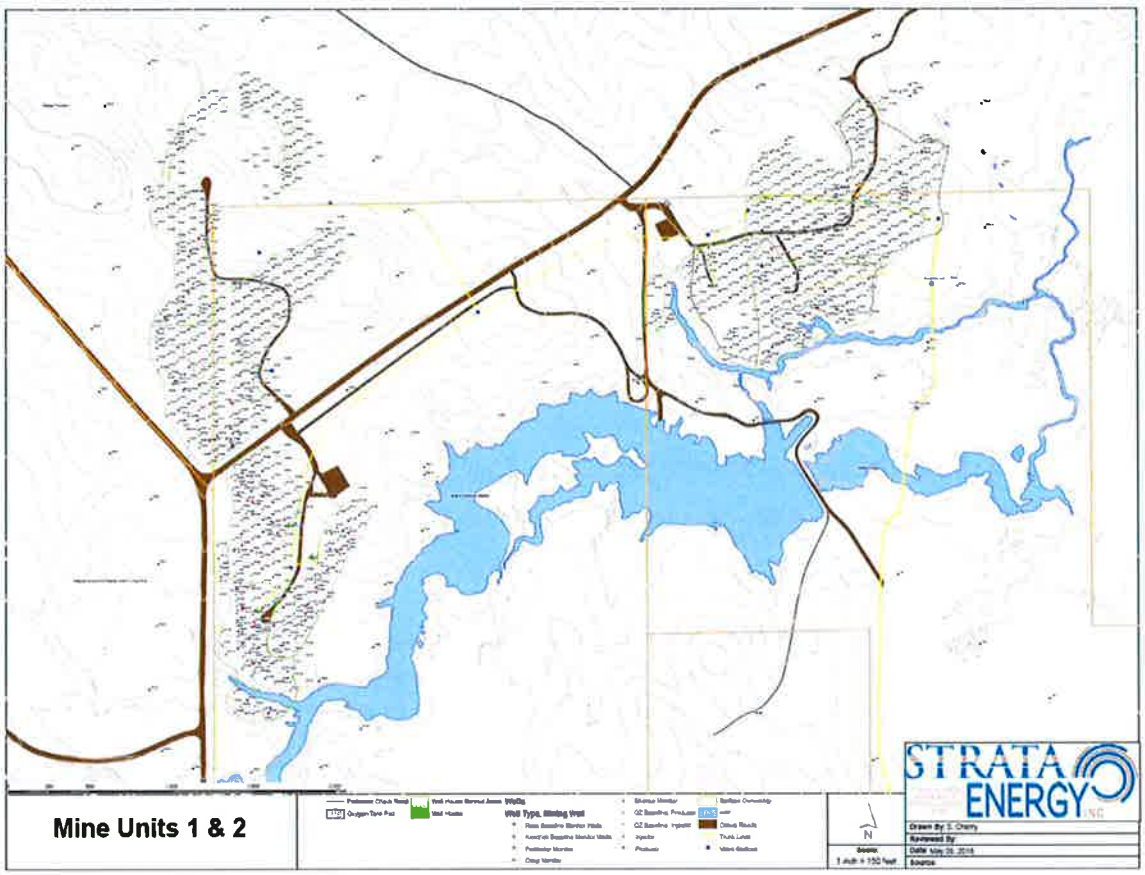


Figure 4-12: Lance Project ISR Wellfield at MU-1 and MU-2

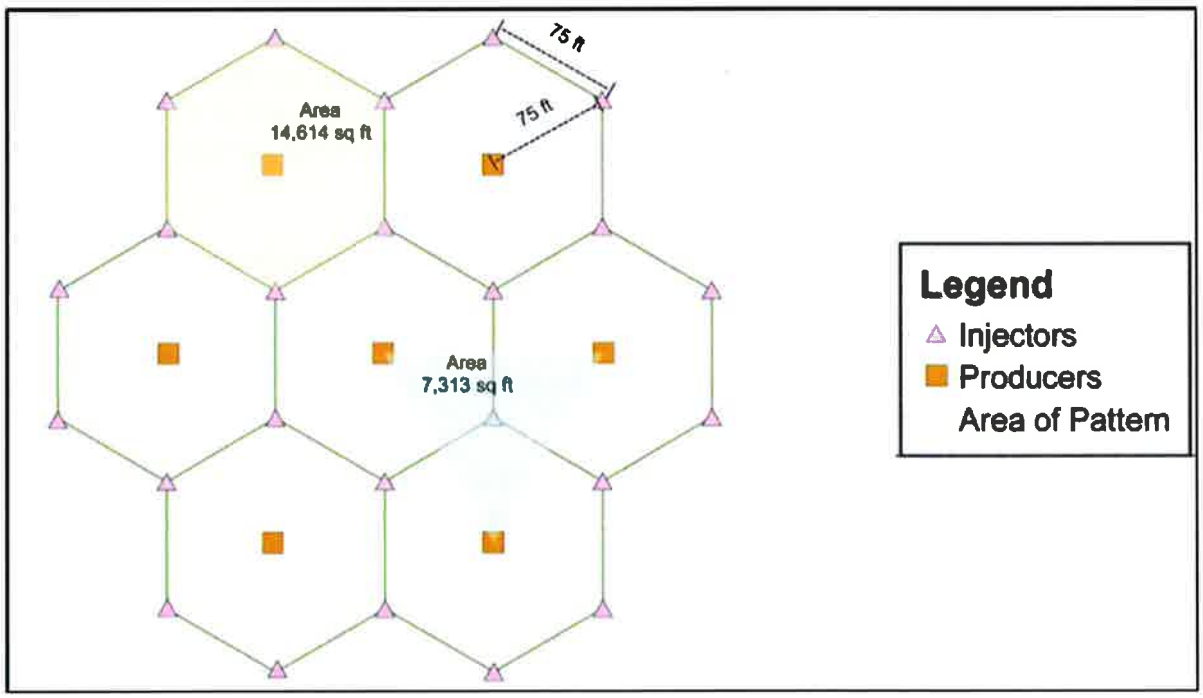


Figure 4-13: General Outline of Proposed Hexagonal Pattern

Typical well completion of installed ISR mining and monitoring wells is shown in Figure 4-14.

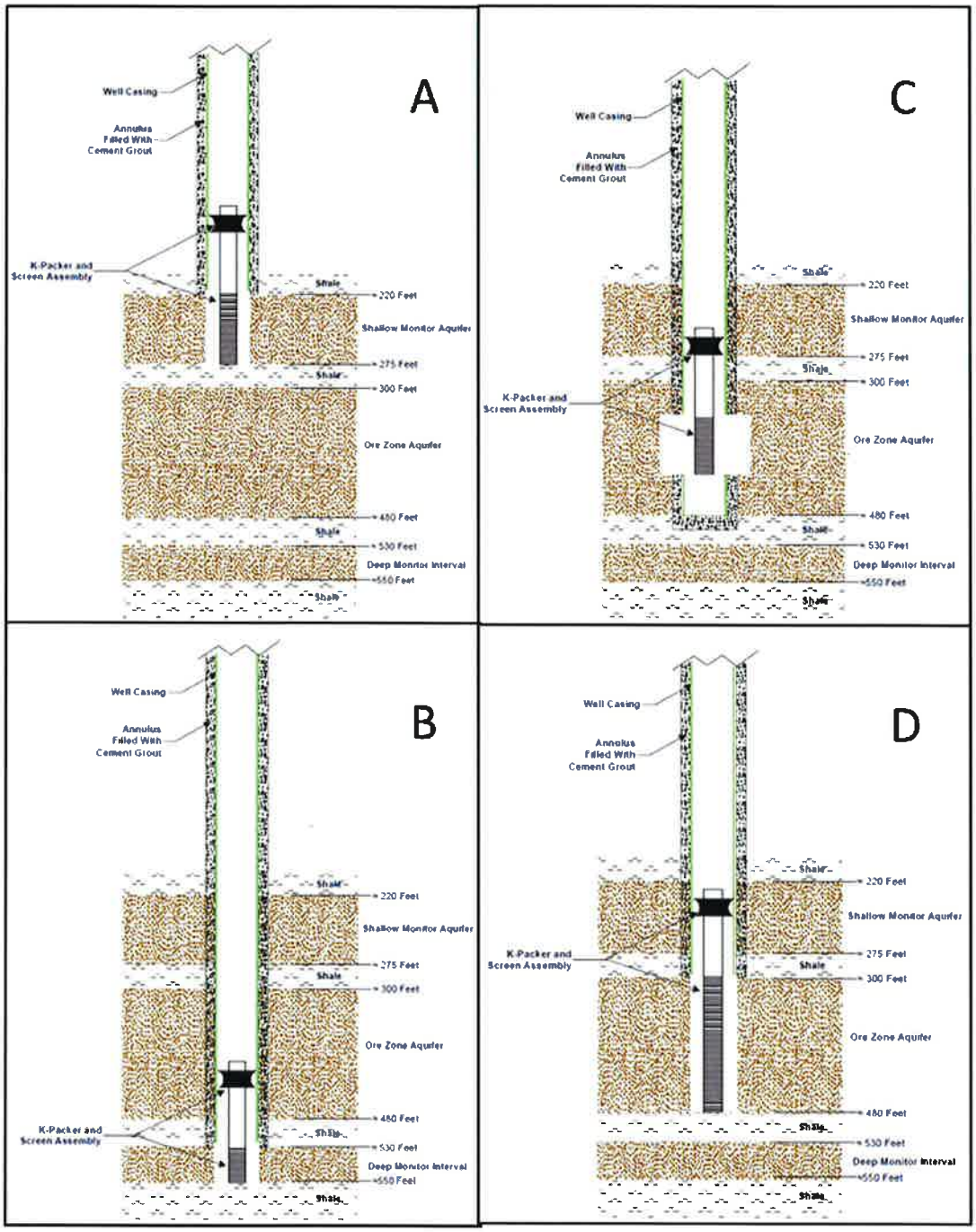


Figure 4-14: Typical Well Completion for Shallow Monitor (A), Deep Monitor (B), Mining OZ (C) and Perimeter Monitor (D) Wells

In SRK's opinion, the wellfield design and proposed mining and monitor wells are appropriate and conform to best practice applied in uranium ISR projects. None of these parameters will change with the conversion to acid based leaching.

4.8.2 Extraction

The proposed Ross Area Central Processing Plant (CPP) presented in the original alkaline Feasibility Study was designed using site specific information of the ore leaching properties and predicted wellfield performance and hydrogeology. This site-specific information appears to have been obtained mainly from a review of historical testing reports and from current metallurgical test work results.

Several studies have been completed on the potential for uranium to be extracted from sandstone hosted ores on the Lance project utilising alkaline based reagents under passive leaching conditions consistent with standard operating practices in Wyoming.

4.8.3 Material Characterisation

Limited mineralogical work has been completed on the Ross area ore. One reported analysis indicated high clay content in the ore material (60%, Table 4-7).

Table 4-7: Reported X-Ray Diffraction mineralogy, Ross area sandstone hosted U-V ore

Clay (Undifferentiated)	60%
Quartz/Feldspar	38%
Mica	1%
Organics	1%
V Mineralogy	<1%
U Mineralogy	<1%
Pyrite	<1%
Magnetite	<1%

Source: Lyntek 2011 Table 7.3-11: Summary of observed mineralogy for sample RMRD 0015 442.2 2100 CPS

This sample has high clay content and the scanning electron microscope (SEM) analysis indicates that the clay may be a mix of smectite and illite, with some pockets of kaolin present. Uranium and vanadium mineralogy is reported associated with the clay however the majority is present with aggregates and bands of the quartz/feldspar (DCM Science Laboratory, Jan 2011). Although no discrete uranium grains could be differentiated they were identified as being fine grains (less than 10 µm) and comprised of various calcium uranyl phosphates or silicates such as Autunite or Uranophane. These will have slower leaching kinetics than uranyl oxides such as pitchblende.

This sample may not be representative and further work is warranted particularly in determining clay distribution in the uranium bearing horizons.

Trace elements with the bulk ore material includes vanadium, molybdenum and selenium. Of these, vanadium is present in similar concentrations to uranium.

4.9 Alkaline Leach Testwork

4.9.1 Extraction Testwork

The historical and current testwork show that uranium is extractable and an average uranium recovery of 72.5% (termed 'pattern recovery' in the Strata financial model) was proposed in the original alkaline Feasibility Study reflecting a head grade of 25 mg/L (Lyntek, 2011). It has, however, been raised by Strata in discussion that this information may be flawed due to errors in sampling, analysis and calculations. Consequently, SRK has relied instead on the data provided by Energy Labs and R&D in this evaluation.

Similar head grades of vanadium were also observed in some leaching tests and this indicates the mineralogical distribution of both elements is heterogeneous and not well characterised. While the solution head grade of the recoverable V_2O_5 was close to the head grade of U_3O_8 at around 25 ppm, the recovery of V_2O_5 was relatively low at an average of 32%. The tests showed that for several samples, vanadium extraction was negligible. The particle size of the samples did not affect vanadium recovery. (R&D, 2013).

The Energy Labs agitation leach test results showed that the Ross Area uranium leaches with relatively low concentrations of bicarbonate and oxidant in the lixiviant. However, these tests are not necessarily representative of field conditions and are only used to determine leaching amenability and to optimize lixiviant concentrations.

SRK understands that the NuBeth pilot plant operation failed due to a number of reasons, but one of the key issues was swelling clays reducing fluid flow. The pilot operators did not know if the swelling clay was simply in the well completion material or if it was also in the formation and recommended further work to evaluate this, however, SRK understands that this further work was not completed.

During the R&D test work, the first phase of bottle roll tests failed due to swelling clay in the test material (i.e. they could not get beyond 30 pore volumes before the bottles plugged up). Strata management has indicated that the NuBeth pilot failure was due to improper pH control (too high pH) on the mining solution. However, reviewing the R&D work, the pH of the failed tests is indicated as being neutral to mildly alkaline and this would not cause the failure observed. SRK considers there is insufficient information to quantify how much this may impact the Project or if it can be managed however this is a risk factor that needs to be acknowledged. If this does transpire to be an issue it could cause lower well field recovery due to loss of hydraulic conductivity as well as issues with restoration due to the inability to rinse residual lixiviant during well field restoration.

Based on the testwork undertaken at Energy Labs in 2011, in the original Feasibility Study Strata proposed a leaching efficiency (or 'pattern recovery') of 72.5% with an average head grade of 25 mg/L uranium based on an average extraction in agitated testwork of 74% (Table 4-8). However, these tests utilise higher reagent grades than proposed in the field application and are the result of agitation tests which typically report higher (typically in the order of 10 to 20%) extraction than passive leaching in the field.

Based on pore volume leaching it is reasonable to assume it will take on the order of 30 or more pore volumes to attain such a high recovery rate. A limitation to this, is that, while MU-1 and MU-2 have sufficient permeability to obtain this, the other fields are unlikely to reach this rate of extraction, particularly Kendrick.

Table 4-8: Summary of 2009-2011 Energy Laboratories Agitation Leach Testing

Date of Test	Energy Lab Sample Number	Hole Number	Area	Bicarb Conc. (mg/l)	Oxidant Conc. (mg/l)	Core Grade (mg/kg) [1] U	Peak Solution Grd (mg/l) U_3O_8	Avg. Solution Grd (mg/l) U_3O_8	Recovery (%) [2] U_3O_8
Aug., 2009	C09070889-001	RMRD 3	Ross Permit	2000	500	1020.0	112.3	43.8	80.9
August, 2009	C09070889-003	RMRD 4	Ross Permit	2000	500	208.0	14.9	9.2	73.1
March, 2010	C10020448	RMRD 7C	Ross Permit	1000	500	496.0	54.6	23.1	80.3
March, 2010	C10020450	RMRD 7C	Ross Permit	1000	1000	515.0	54.5	23.4	81.9
March, 2010	C10020452	RMRD 7C	Ross Permit	2000	500	518.0	58.2	23.8	79.9
March, 2010	C10020453	RMRD 7C	Ross Permit	2000	1000	504.0	58.4	23.6	83.2
March, 2010	C10020454	RMRD 7C	Ross Permit	3000	500	490.0	61.1	23.2	81.2
March, 2010	C10020455	RMRD 7C	Ross Permit	3000	1000	487.0	60.6	21.2	79.2
May, 2011	C11040867-002	RMRD 15	Ross Permit	2000	1000	638.0	73.9	26.6	79.6
May, 2011	C11040867-003	RMRD 16	Ross Permit	2000	1000	1340.0	136.7	57.2	83.3
May, 2011	C11040867-004	RMRD 17	Ross Permit	2000	1000	243.0	27.1	10.2	77.1
May, 2011	C11040867-005	RMRD 14,1	Ross Permit	2000	1000	487.0	56.3	20.8	80.7
		Average	**Ross Permit**			**578.8**	**64.1**	**25.5**	**80.0**
Dec., 2011	C11100950-004	RMRD 22	Ross Amend	1000	1000	1395.0	142.0	64.2	76.4
Dec., 2011	C11100950-005	RMRD 22		2000	1000	1316.1	157.0	68.6	83.0
Dec., 2011	C11100950-006	RMRD 22	Ross Amend	1000	1000	208.6	19.0	6.7	49.5
Dec., 2011	C11100950-007	RMRD 22	Ross Amend	2000	1000	203.5	20.0	6.8	50.0
Dec., 2011	C11100950-008	RMRD 22	Ross Amend	1000	1000	682.7	92.0	36.5	76.4
Dec., 2011	C11100950-009	RMRD 22	Ross Amend	2000	1000	680.1	81.0	33.7	77.1
Dec., 2011	C11100950-054	RMRD 22	Ross Amend	1000	1000	552.9	48.3	18.4	72.1
Dec., 2011	C11100950-054	RMRD 22	Ross Amend	2000	1000	552.1	51.7	19.5	74.1
		Average	**Ross Amend**			**698.9**	**76.4**	**31.8**	**69.8**
April, 2012	C12030047-007	RMRD 25	Kendrick	2000	1000	438.4	38.4	15.8	68.1
April, 2012	C12030047-008	RMRD 28	Kendrick	2000	1000	345.1	13.4	8.5	50.2
April, 2012	C12030047-009	RMRD 28	Kendrick	2000	1000	690.3	84.7	34.8	83.0
April, 2012	C12030047-010	RMRD 28	Kendrick	2000	1000	483.4	41.0	17.9	65.2
		Average	**Kendrick**			**489.3**	**44.4**	**19.3**	**66.6**
	TOTAL	**AVERAGE**				**603.9**	**64.9**	**26.6**	**74.4**

Source: Lyntek (2011) DFS Study section 7.3.10

Due to concerns regarding the original alkaline Feasibility Study findings, an additional review of the testwork results was completed by R&D engineering in 2013. Two reports were completed that included comments on additional agitation leach studies at Inter-Mountain Laboratories (IML).

These studies were conducted to evaluate uranium and vanadium extraction rates and efficiencies from the Project using *in situ* alkaline leach chemistry. Four separate core samples were tested using different combinations of bicarbonate-carbonate based lixiviates.

The results for natural groundwater indicate that recoveries up to 37% uranium can be achieved without additional carbonate in 75 or less pore volumes and with a higher average solution grade at 37.5 mg/L (R&D, 2013).

The addition of sodium bicarbonate significantly improved uranium recovery to 55 to 60% in less than 60 pore volumes with overall recovery increasing as more pore volumes are passed through the sample but resulting in a lower average head grade (typically 20-25 mg/L for recoveries up to 80%). However, vanadium recovery also increases with increasing pore volumes averaging 29% in a similar number of pore volumes. Given the limited vanadium extraction it is unlikely to make a viable by-product and can be excluded from the uranium product by use of chemically selective precipitation.

Table 4-9: Recovery of uranium in R&D Agitation testwork (R&D, 2013)

Test Sample	% Uranium Recovery	Pore Volume Recovery	% Uranium Recovery per Pore Volume	Average Solution Uranium mg/L
RMRD 0030A	53.8	75	0.72	22.5
RMRD 0030B	62.6	60	1.04	32.8
RMRD 0033A	42.6	75	0.57	24.3
RMRD 0033B	63.0	60	1.05	45.0
RMRD 0034A	30.7	30	1.02	61.7
RMRD 0034B	25.3	30	0.84	50.8
RMRD 0034C	39.7	30	1.32	79.2
RMRD 0034D	55.5	30	1.85	111.5
RMRD 0035A	34.2	75	0.46	28.0
RMRD 0035B	44.4	60	0.74	45.4

In a second batch of tests, naturally occurring bicarbonate present in the ore zone groundwater was fortified with sodium bicarbonate to generate the standard 2 g/L bicarbonate solutions with 250 mg/L O2 addition as 0.5 g/L hydrogen peroxide. This enhanced leaching produced a recovery of 65% uranium with an average solution grade of 67.8 mg/L, the majority (50 to 55%) within 30 pore volumes and the balance in 60-75 pore volumes. Based on the results of this testwork, Strata increased its pattern recovery expectations to 80% post-Feasibility Study and increased its head grade expectations to an average of 38 mg/L uranium. This *might* be reasonable for MU-1 where the ore zone has been demonstrated to have sufficient sand that clay choking is unlikely to be an issue, so 70 pore volumes could be passed through the wells. However, in the other fields there is still uncertainty over clay content and as such SRK sees no reason to increase the overall Ross alkaline pattern recovery above 65%.

The R&D testwork is considered by SRK to be more representative of uranium recovery from the Lance ISR than previous testwork. However, based on initial production observations even this may have a measure of over-estimation of efficiency and average solution uranium.

Although the deposit continues to appear to be amenable to the alkaline *in situ* leach process, it appears critical that enhancement of pH through additional carbonate and oxidation is essential to reach an extraction rate of 65% ('pattern recovery'). Given the experience of Strata's team, SRK accepts that a recovery above 70% is plausible for MU1 but recommends downgrading Strata's expected pattern recovery level from 80% to 65% in the Ross area for MU2 (MU1 remains at 80%) and 55%% for the remainder of the operation, due to uncertainty in clay content of these other areas and performance of the ore to alkaline leaching.

4.9.2 Recovery from Alkaline Solution

In the original alkaline Feasibility Study, the design of the uranium recovery system for the Ross Area comprised interlocking systems of varying capacities. The Ross Area wellfield is designed to provide solution containing 750,000 lb U_3O_8 annually to a suitably sized Ion Exchange (IX) circuit in the Central Process Plant (CPP). The rest of the CPP has a capacity of 1,500,000 lb U_3O_8 annual production, assuming that resin will come from satellite locations other than the Ross Area to provide the remaining pounds. Using a modular approach would allow further expansion with only minimal equipment requirements.

Very little work has been done to date on uranium recovery. Two phases of IX testing have been conducted by J.K. Litz and Associates. The first phase was to test uranium loading from solutions generated by the leach testing described above. The second phase studied the effect of significant levels of vanadium on the loading of uranium and vanadium from similar solutions. While Ion-Exchange (IX) recovery of uranium from ISR leach solutions is a well-developed and proven process, there are variations in performance, usually caused by interference or competition for the active sites

in the resin. For example, very high sulfate levels are known to limit the uranium loading capacity of common resins including the Dowex 21K resin.

The testwork undertaken is considered flawed by Strata, although they offer no alternative testing at present. The results of Litz showed a low resin loading of 3.5 pounds of U_3O_8 per cubic foot of resin. After some research, SRK concurs with Strata that 6 to 8 pounds of U_3O_8 per cubic foot of resin is more common in Wyoming operations and as such support Strata's proposed estimate of 6 pounds of U_3O_8 per cubic foot of resin for resin loading.

In the second phase of testing by Litz, the IX feed solution was made up to match that used in the latter stages of the first test, then three variants were made with different amounts of vanadium being added to the solution. The vanadium concentrations used were 15, 25 and 35 mg/L of Vanadium added to the solution already containing 25 mg/l Uranium. The results indicated that should the vanadium concentration increase above a ratio to uranium of 1:1, then the higher concentrations of vanadium will reduce the efficiency of the resin to recover uranium.

In response to the draft report Strata objected to this concern stating that it is not an issue and on 25 September 2015, Mr Ralph Knode provided an excerpt from an email reportedly from Roger Garling, a principal in R & D Enterprises, relative to comments in the draft. It provides his view on leaching efficiency as follows:

"There is no question that there is plenty of vanadium in the ore, but as the leach tests demonstrated, recovery of the metal by alkaline leach was highly inefficient. The presence of vanadium or other dissolved solids, which will increase as chemicals are added to the leach circuit and pyritic species are converted (oxidised) to sulfate in the ore zone, should not affect the ion exchange efficiency. What will be affected is the loading capacity of the resin. For 21K XLT or comparable Lanxess products, starting the project in the ~10 lbU/ft^3 with subsequent decreases as TDS rises to ~6-7 lbU/ft^3 should be expected. Uranium loading should remain constant at ~99+%.

Vanadium has reportedly been known to refuse to elute using standard chemistry which can result in diminished loading of uranium due to a reduced number of active exchange sites. It was the Irigaray operation that observed this and they developed a post elution acid regeneration step to remove the vanadium. I would imagine they would follow this procedure with your resin, however you may wish to confirm this."

No evidence is provided to support this opinion and there is still a residual issue of vanadium that requires further investigation. SRK does not accept Mr Garling's assertion that uranium loading will be constant at +99% and considers this to be optimistic. SRK considers it is extremely rare to observe this in any operations, let alone one with a potential competing ion to the resin. Given this, SRK suggests it would be more prudent to assume a recovery of 97% from solution but notes that is by no means certain and further work is essential on this aspect.

4.10 Acid Leach Testwork

Acid leach testwork has been undertaken using agitated leach test in 2017.

Laboratory scale tests were conducted to screen representative Lance Project core samples for amenability to alternative leach solutions, notably both mild sulfuric and citric acid. The results of these tests were very encouraging and indicate that the uranium bound within the host rock during the secondary alteration event can be released into solution. The initial laboratory tests returned greatly increased solution grades averaging 295 mg/L with uranium recovery averages at 95% through 25 pore volumes treated.

By way of comparison the uranium recoveries of recent comparable tests using alkaline solution on Lance core averaged 35% recovery through 25 pore volumes (40% recovery achieved after 25 pore volumes during project to date operations). To obtain further confidence in the indicative results, the initial laboratory tests were duplicated and refined. Further test work also simulated post-leach groundwater restoration efforts.

The laboratory test results indicate that the operating performance of the Lance Projects could be dramatically improved through the use of the alternate lower pH leach solutions similar to those employed at ISR projects in Australia, Kazakhstan and elsewhere. Initial test results also have been described as demonstrating that groundwater restoration can be achieved following low pH solution mining. This work requires further evaluation and demonstration of long term stability.

4.11 Performance

4.11.1 MU-1 and MU-2 over the period 2016 to 2018

The wellfield at MU-1 has four header houses and is has been in operation since December 2015. Measured total flow and U_3O_8 concentration is shown in Figure 4-15. The wellfield at MU-2 has five operating header houses and is has been in operation since January 2017. Measured total flow and U_3O_8 concentration is shown in Figure 4-16.

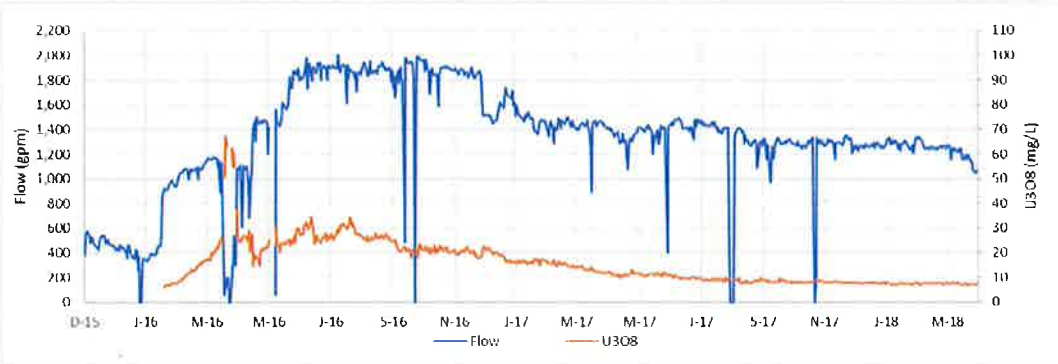


Figure 4-15: MU-1 Flow and U_3O_8 Concentration

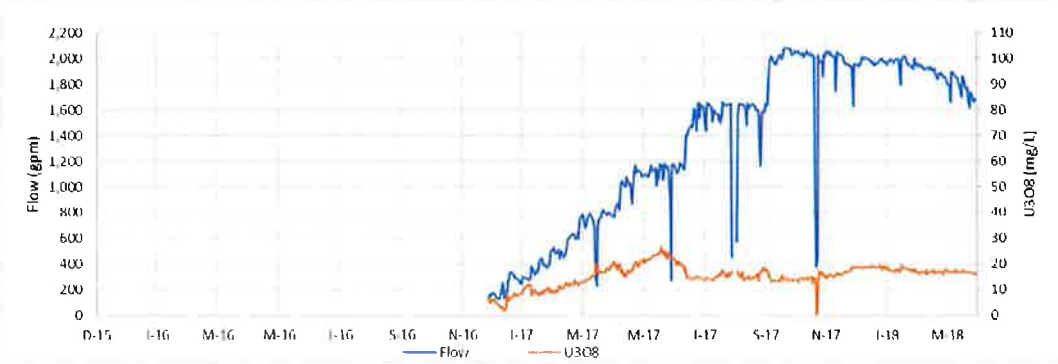


Figure 4-16: MU-2 Flow and U_3O_8 Concentration

Measured pumping rates from recovery wells are shown in Table 4-10.

Table 4-10: Average Measured Pumping Rates from Recovery Wells

Mine Unit	Number of Header Houses	Number of Recovery Wells	Average Pumping Rate (gpm)	
			Since ISR Began	Q1 2018
MU1	4	133	14.0 (from 6.5 to 18.2)	12.2 (from 3.2 to 14. 6)
MU2	5	133	16.8 (from 12.8 to 28.2)	17.8 (from13.7 to 31.2)
Average			15.4	15

Note: Variation in concentration between header houses are shown.

Table 4-10 indicates that average pumping rate is about 15 gallons per minute (gpm) or 75% of projected rate due to presence relatively low permeable sands within ore zone. The pumping rates generally decline in time.

Reduction in pumping rate in time as result of alkaline leaching of uranium not very well understood. In SRK opinion this is due to decreasing of hydraulic conductivity in time in the process of the leaching. Essentially the mineralogy of the sandstone contains Mg- swelling clays. With the addition of a high Na-Ca-solution (the soda ash leaching solution) there is an imbalance in the chemistry and Na and Ca are exchanged for Mg. This leads to an increase in the volume of the clay (swelling) and as such the clay possibly blinds exposed uranium minerals by encapsulation and also reduces porosity of the sandstone leading to a fall in hydraulic conductivity. As the solution volume falls it appears uranium concentration actually increases this is possibly due to displacement of previously adsorbed uranium and the lower volume showing less dilution.

By contrast although the same mechanism happens when sulfuric acid is added the exchange of H^+ for Mg reduces clay volume and fractures the clay matrix increasing porosity. This process has been exploited for decades in uranium processing through the mechanism of acid pugging (Merrit, 1971).

Very low pumping rates were achieved in one of header houses at MU-1 where hydraulic conductivity values of ore zone were found significantly lower than average.

Measured U_3O_8 concentrations in pregnant leach solution (PLS) in MU-1 and MU-2 are shown in Figure 4-15 and Figure 4-16, respectively. MU-1 U_3O_8 concentrations in PLS reached maximum concentration of about 35 mg/L in July of 2016 and continuously decline after that, this is well below predicted design capacity for MU-1. It was reduced to 10 mg/L in July 2017 and further to 7 mg/L at the end of April 2018. Due to low uranium concentration in PLS, Strata Energy made decision to shut down MU-1 on May 2010.

MU-2 U_3O_8 concentrations in PLS reached maximum concentration of about 25 mg/L in June of 2017 and decline after that. It was measured at the range from 13 to 19 mg/L during July 2017 through April 2018.

Average measured U_3O_8 concentrations per mine units are shown in Table 4-11.

Table 4-11: Average Measured U_3O_8 Concentrations in PLS

Mine Unit	Number of Header Houses	Number of Recovery Wells	Average U3O8 Concentration (mg/L)	
			Since ISR Began	Q1 2018
MU1	4	133	14.2 (from 7.4 to 20.0)	6.9 (from 4.3 to 8.7)
MU2	5	133	16.0 (from 13.2 to 18.7)	17.4 (from12.5 to 26.9)
Average			15.2	13.1

Note: Variation in concentration between header houses are shown.

These concentrations are less than average head grade of 25 mg/L used for Feasibility Study.

Strata demonstrated ability to manage pregnant leach solution (PLS) – no lixiviant excursion has been observed in perimeter and vertical monitoring wells during 2.5 years of ISR mining.

- Strata Energy demonstrated ability recirculate lixiviant via used hexagonal ISR wellfield but average pumping rates are 25% lower than expected (or at 75% of original expectations);
- Significant reduction of pumping rates in time (up to 33 to 46%) is observed most likely due to decrease hydraulic conductivity as result of leaching;
- Strata Energy should plan lower pumping rates for proposed acid ISR (currently achieved pumping rates for existing header houses) and about 15 gpm for non-existing header houses; and
- Average measured U_3O_8 concentrations since ISR mining begun are in the range from 7.4 to 20 mg/l and below 25 mg/L used in the alkaline Feasibility Study.

SRK concur that acid leaching of the uranium mineralisation will be a more efficient means of extraction than the current alkali circuit. Testwork completed to date by Strata support this and the operators are experienced with this type of operation so should not be a challenge to make the transfer. However, there is a need to irrigate the fields prior to acid leaching with water to remove as much "free" carbonate as possible and ensure the groundwater carbonate concentration is taken into account when determining required acid loading for efficient leaching.

4.12 Acid Leach Costs

4.12.1 Capital Costs

Peninsula considers the transfer costs from alkaline to acid leach are likely to be in the order of USD$3.5 million for MU1 and MU2 with the majority of cost coming in 2019, with a further US$14.4 million for ongoing development of MU3 and MU-4 (predominantly from 2021 onwards) assuming permits are granted in the same year. Based on SRK's understanding of the works to be completed these costs appear reasonable for the wellfield conversion.

SRK notes that the capital costs associated with a low pH recovery route are currently the subject of a Feasibility Study (the outcomes of which remain pending at the time of writing) due for delivery in August 2018.

4.12.2 Operating Costs

There is very limited information available in the public domain relating to acid leach uranium costs. SRK has completed a review of global operating costs for an acid leach uranium mine and notes the following:

Country	Recovery (%)	PLS Conc (mg/L)	Acid (t H_2SO_4/t U)	OPEX (US$/lb U_3O_8	Commentary
Kazakhstan	55 to 68	15 to 80 (max 240)	34 – 155	22 to 41	High alkalinity groundwater (>250 mg/L as per Lance project)
	50 to 80	25 to 120 (max 400)	11-30	16 to 26	Low alkalinity groundwater (less than 250 mg/L)
Australia	65	25	13	24	Low alkalinity groundwaters

The operating costs associated with a low pH recovery route are currently the subject of a Feasibility Study (the outcomes of which remain pending at the time of writing) due for delivery in August 2018.

4.13 Key risks

Strata has acknowledged additional work is required prior to start and some of the significant risk issues that still need to be addressed are summarised in Table 4-12.

Table 4-12: Summary of Key Risks

Rank	Key Risks	Consequence	Mitigation
1	Lack of funding	Transition delayed	Minimise cash outflow defer capex halt MU1 production
2	Plugging of ore body following acid injection	Lose ability to mine in that particular mine unit.	Column leach tests and geochemical modelling both indicate no problems from plugging due to gypsum precipitation or other geochemical reactions However, clay-plugging could occur and needs to be assessed especially from swelling clays, unlikely but needs testing
3	Timing of approval of permit a delayed	Schedule slippage; acid leach production not available for contract deliveries	Regular meetings with WDEQ; ongoing community / stakeholder engagement and communications; WYO counsel engaged to defend possible intervenor legal action in contact with staff of Senate Energy & Public Works Oversight Committee
4	Actual head grade and recovery rates materially less	Slower recovery, increased costs due to more pore volumes required. Overall recovery % is less	Performed column leach tests to better replicate in-situ conditions; Used results from column leach tests only to develop head grade curve. Still requires further evaluation, especially for MU3+4
5	Actual acid consumption rate higher	Higher operating costs	Review of geology data confirmed that average carbonate content across the mineral resource is <2%; modelled acid consumption rate is greater than theoretical and in line with similar deposits elsewhere. Continued assessment of total alkalinity including groundwater in leach fields

Rank	Key Risks	Consequence	Mitigation
6	Low pH transition schedule slippage	Higher costs; deferred production	Sequencing work to utilise existing construction staff; flow rates limited which enables progressive conversions of HHs and IX columns
7	Use of acid mobilizes unexpected quantities of trace minerals	Potential CAPEX for secondary process to remove impurities; additional operating costs	Column leach tests indicate many mineral concentrations will increase with low pH, but stay solubilized until pH returns to above 5 during restoration. Further evaluation needed
8	Resin loading rates lower	Higher costs- more resin, higher transport costs for same Uranium production	Currently testing different resins but expect lower loading than alkaline leaching

This is a very pragmatic approach and reflects the experience of the team in developing acid leach ISR projects.

SRK consider additional work is still required to demonstrate compliance and that acid addition to overcome groundwater alkalinity throughout all mining units as well as residual alkaline reagent in MU1 and MU2 will not be excessive or uneconomic.

In addition, hydraulic containment and the ability to manage acid solutions and importantly mitigate will be required for the water permit. Strata are aware of these challenges and plan to address them in 2018.

Applying acid leach at Ross will have some technical challenges but in SRK's opinion the plan proposed by the project team is reasonable and should be able to overcome the potential challenges.

5 Karoo Project

Peninsula's Karoo Project covers several uranium–molybdenum bearing sandstone palaeo-channel horizons in the Karoo Basin of the Beaufort West region in the Western, Eastern and Northern Cape Provinces of South Africa (Figure 5-1).

5.1 Topography

Central Karoo region is characterised by wide open plains with hills and ridges formed by dolerite dykes. The project area straddles the Great Escarpment which crosses the length of South Africa and which forms the boundary between the two physiographic provinces of the Great Karoo and the High Interior Plateau.

The Western and Eastern Cape prospects lie below the escarpment and the Northern Cape prospects above the escarpment. Most of the prospecting areas are generally flat lying, with the exception of those that are located along the escarpment itself.

5.2 Climate and operating season

The Karoo has an arid climate with an annual rainfall of 200 to 400 mm in the Great Karoo and up to 700 mm on the High Interior Plateau. Rain occurs mainly as thunderstorms in summer. Summer daytime temperatures average between 25°C and 35°C and occasionally up to 40°C. The winter (June and July) is generally cold and dry, with daytime temperatures between 10°C and 20°C. Overnight temperatures regularly fall below freezing.

Operations are conducted year-round, with only occasional work-stoppages in times of bad weather.

5.3 Access

The Karoo is generally well serviced with good tarred and secondary roads between major towns. The main national highway (N1) between Cape Town and Johannesburg passes through Beaufort West. Another national highway (N12) between Kimberley and the coastal city of George also passes through Beaufort West (Figure 5-1). Beaufort West has a small airport, but there are no regular commercial flights.

The electricity grid is well established and several high capacity transmission power lines traverse the area. There is mobile phone coverage and mains electricity in most small communities. Local towns are relatively small and will only provide basic provisions; therefore, most provisions and equipment will need to be sourced from Beaufort West, Cape Town or further afield.

5.4 Tenure

5.4.1 South African Mining Law

The primary legislation regulating mining in South Africa is the Mineral and Petroleum Resources Act, 28 of 2002 (MPRDA) which came into force on 1 May 2004. Other important pieces of legislation include the Mining Titles Registration Act 1967, Mine Health and Safety Act 1967, the Diamonds Act 1986, National Environment Management Act 1998, the Precious Metals Act 2005, and the Mineral and Petroleum Resources Royalty Act 2008.

The mining industry in South Africa is administered by the Department of Mineral Resources (DMR), which is responsible for overseeing the implementation of all mining laws and regulations in South Africa.

In South African law, there is a distinction between prospecting and exploration. A Prospecting Right enables the holder to undertake prospecting operations in respect of minerals, while an Exploration Right enables the holder to undertake exploration operations in respect of petroleum and gas.

A Prospecting Right is valid for a period specified in the right, which may not exceed five years and is renewable once for a period not exceeding three years. The holding of a Prospecting Right grants exclusivity to the holder in regard to an application for a Mining Right.

In order to conduct mining for minerals (other than petroleum) a Mining Right under the terms of the MPRDA must be held by an applicant. Mining Rights are valid for a period specified in the right, which may not exceed 30 years and is renewable for further periods, each of which may not exceed 30 years.

5.4.2 Project tenure

Peninsula is the sole shareholder in Tasman Pacific Minerals Limited, which through its wholly owned subsidiary, Tasman RSA Holdings, holds 74% of the issued share capital in Tasman-Mmakau JV Company (Pty) Ltd ("TM JVCo") and Lukisa JV Company (Pty) Ltd (subsequently renamed Tasman-Lukisa JV Company (Pty) Ltd ("TL JVCo")). The remaining 26% of each company's issued share capital is independently held Black Economic Empowerment (BEE) entities.

Comparison of Figure 5-1 against Figure 5-2 demonstrates that Peninsula's tenure holdings in the Beaufort West area have significantly decreased over time. The current status of Prospecting Rights held by the Tasman Lukisa JV Company (Pty) Ltd (tenements) is outlined in Table 5-1, while Prospecting Rights held by Tasman Pacific Minerals Ltd is outlined in Table 5-2. The current status of Mining Right applications is presented in Table 5-3 and Prospecting Right applications is presented in Table 5-4.

From these tables, it is evident that in keeping with Peninsula's decision to withdraw from its Karoo Project (refer ASX Announcement 27 April 2018), the Company's granted Prospecting Rights have either expired (in certain cases, awaiting grant of Mining Right or Prospecting Right applications) or have been relinquished. Closure applications have been submitted for several tenements and the issue of closure certificates is awaited. At the time of writing, closure certificates had been issued for fourteen Prospecting Rights (covering 126,201 ha) with a further 34 Prospecting Rights (385,189 ha) either awaiting the issue of closure certificates or in the process of drafting closure applications.

Two Mining Right applications (for combined area of 103,374 ha) and four Prospecting Right (175,738 ha) remain in progress.

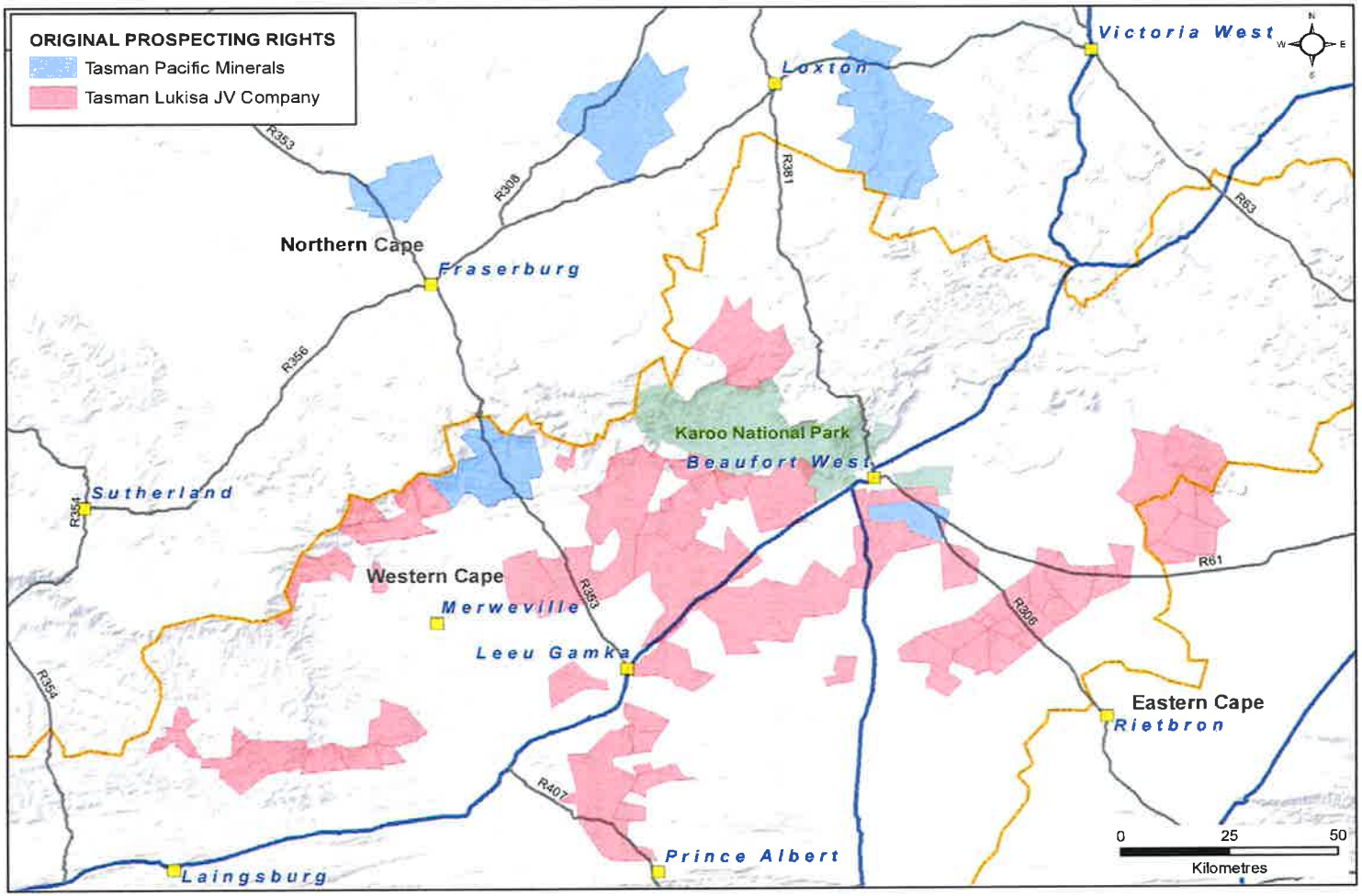


Figure 5-1: Locality plan indicating Peninsula's original Prospecting Rights in the Beaufort West region (excluding Cradock, Eastern Cape)

Source: Peninsula Energy, 2018

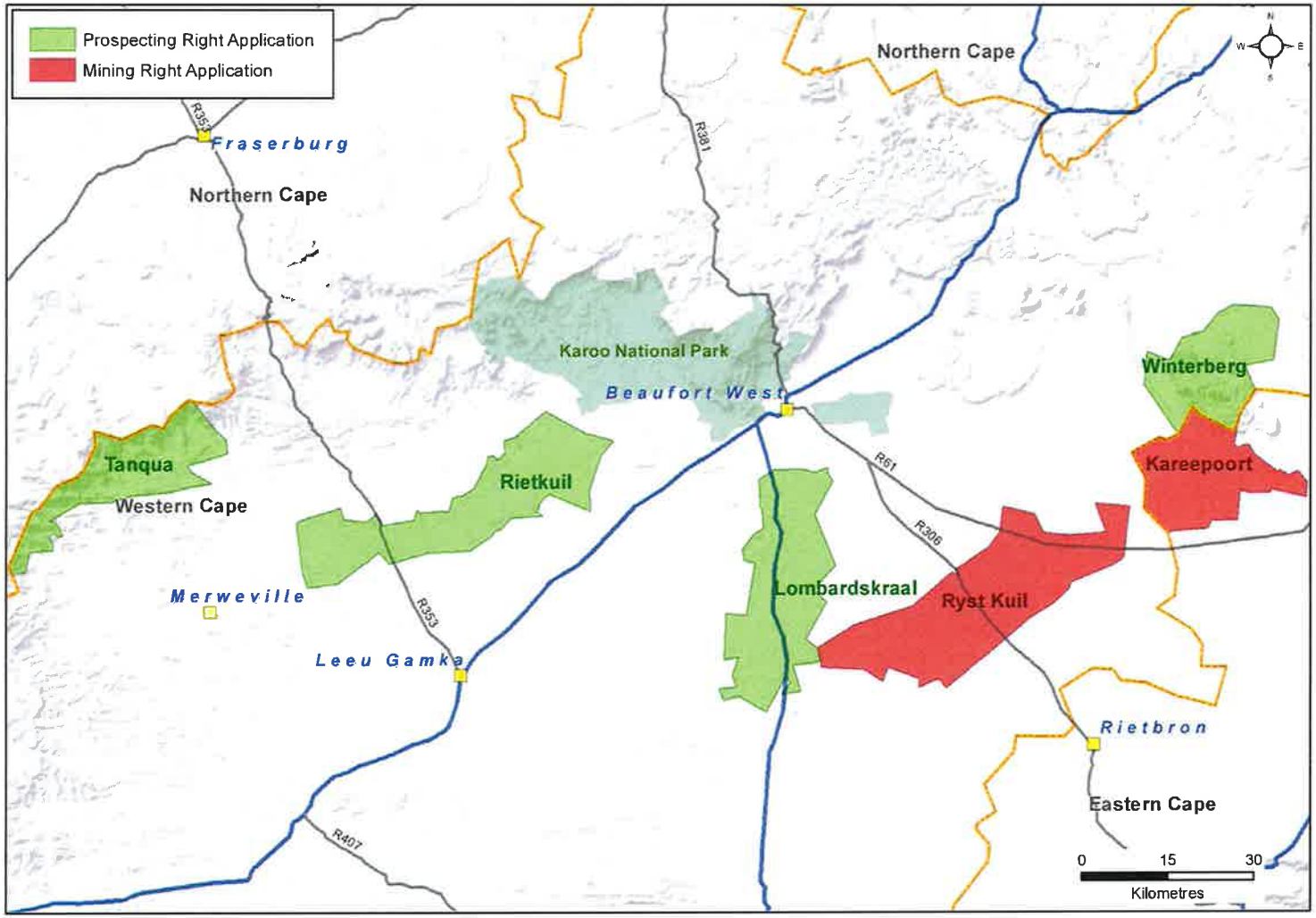


Figure 5-2: Locality plan indicating Peninsula's current Prospecting and Mining Right Applications in the Beaufort West region

Source: Peninsula Energy, 2018

Table 5-1: Schedule of Prospecting Rights and renewals held by the Tasman Lukisa JV Company (Pty) Ltd (tenements)

Tasman Lukisa JV Company (Pty) Ltd				Original Prospecting Right			Renewed Prospecting Right			
DMR Ref No	Property Description	Extent (ha)	Original Applicant	Date Granted	Duration	Expiry	Date Granted	Duration	Renewal Expiry	Current Status
EC 07 PR	Remainder of Portion 1 and Portion 2 (a portion of Portion 1) of Bokvlei 78	4761.4	Mago Resources (Pty) Ltd	14/11/2006	4 years	13/11/2010	11/06/2012	3 years	10/06/2015	Expired. Part of Mining Right application EC10029MR.
EC 08 PR	Remainder of Oorlogspoort 85	4720.5	Mago Resources (Pty) Ltd	14/11/2006	4 years	13/11/2010	11/06/2012	3 years	10/06/2015	Expired. Part of Mining Right application EC10029MR.
EC 09 PR	Kareepoort 80	9425.2	Mago Resources (Pty) Ltd	14/11/2006	4 years	13/11/2010	11/06/2012	3 years	10/06/2015	Expired. Part of Mining Right application EC10029MR.
EC 12 PR	Remainder of Klein Tavel Kop 163	3622.7	JP Smit Testamentary Trust	14/11/2006	4 years	13/11/2010	11/06/2012	3 years	10/06/2015	Expired. Part of Mining Right application EC10029MR.
EC 13 PR	Remainder and Portion 1 of De Pannen 79	6853.4	Dawie Swart Familie Trust	14/11/2006	4 years	13/11/2010	11/06/2012	3 years	10/06/2015	Expired. Part of Mining Right application EC10029MR.
WC 25 PR	Portion 2 of Ryst Kuil 351	698.2	Beaufort West Minerals	17/10/2007	3 years	10/10/2008	13/11/2012	2 years	12/11/2014	Expired. Part of Mining Right application WC10085MR
WC 33 PR	Plaas 394 (Neverset)	6846.5	Mago Resources (Pty) Ltd	01/12/2006	4 years	30/11/2010	05/07/2013	3 years	04/07/2016	Expired. Part of Mining Right application WC10085MR
WC 34 PR	Portion 1 of Vlakplaats 350	3426.1	Mago Resources (Pty) Ltd	01/12/2006	4 years	30/11/2010	02/08/2012	3 years	01/08/2015	Expired. Part of Mining Right application WC10085MR
WC 35 PR	Kantkraal 360	6905.8	Mago Resources (Pty) Ltd	01/12/2006	4 years	30/11/2010	02/08/2012	3 years	01/08/2015	Expired. Part of Mining Right application WC10085MR
WC 47 PR	Portion 1 of Nieuw Jaars Fontein 340	3642.6	Leon Eybers Trust	04/09/2008	3 years	30/09/2011	05/07/2013	2 years	04/07/2015	Expired. Part of Mining Right application WC10085MR
WC 59 PR	Remaining Extent of Portion 1 and Portion 4 of Haane Kuil 335	4004.2	Blydskap Trust	01/12/2006	4 years	30/11/2010	02/08/2012	3 years	01/08/2015	Expired. Part of Mining Right application WC10085MR
WC 60 PR	Remainder and Portion 7 of Haanekuil 335	5572.1	DJ Pickard-Cambridge	01/12/2006	4 years	30/11/2010	02/08/2012	3 years	01/08/2015	Expired. Part of Mining Right application WC10085MR
WC 61 PR	Kat Doorn Kuil 359	6905.8	Ngondo Mono Seuns Boerdery Trust	01/12/2006	4 years	30/11/2010	02/08/2012	3 years	01/08/2015	Expired. Part of Mining Right application WC10085MR
WC 80 PR	Remaining Extent of Portion 0, Portion 2, Portion 3 and Portion 4 of Rondom 247	5774.3	MJ Koorts	01/12/2006	4 years	30/11/2010	18/07/2012	3 years	17/07/2015	Expired. Closure certificate issued
WC 81 PR	Remainder of Overse Fontein 249	4697.4	Mago Resources (Pty) Ltd	25/04/2008	2 years	24/04/2010	05/07/2013	3 years	04/07/2016	Expired. Closure certificate issued
WC 95 PR	Portion 1 of Rooiberg 258	531.4	Mago Resources (Pty) Ltd	17/04/2007	3 years	16/04/2009	24/03/2010	3 years	23/03/2013	Expired. Closure application submitted.
WC 127 PR	Klipgat 362	5889.3	Beaufort West Minerals	30/11/2006	3 years	29/11/2009	11/01/2014	3 years	10/01/2017	Expired. Part of Mining Right application WC10085MR
WC 137 PR	Remaining Extent of Ryst Kuil 351	7251.9	Beaufort West Minerals	30/11/2006	3 years	29/11/2009	05/07/2013	3 years	04/07/2016	Expired. Part of Mining Right application WC10085MR
WC 151 PR	Remainder of Portion 1, Portions 2, 3 and 4 of Palmietfontein 370; Remainder of Veldmans Rivier 9; Portion 1 (Combrink's Kraal) and Portion 2 (Virginia) of Klipfontein 93	27911.0	Mago Resources (Pty) Ltd	01/12/2006	4 years	30/11/2010	02/08/2012	3 years	01/08/2015	Expired. Closure certificate issued.
WC 152 PR	Remainder of Portions 1, 2 and 5, Remainder and Portions 6, 7, 9 and 10 of Rietkuil 307; Portions 1 and 3 of Lang Leegte 304; Farm 403	18906.6	Mago Resources (Pty) Ltd	01/12/2006	4 years	30/11/2010	05/07/2013	3 years	04/07/2016	Expired. Closure application submitted.
WC 153 PR	Portion 1 of Schiethokies 140, Portions 1, 2 and Remainder of Jury Fontein 141, Portions 1, 2, 3, 4 and Remainder of Drie Bosch Kuil 142, Farm 144, Portions 3, 10 and 12 of Vogelfontein 149, Alexanderkraal 150, Farm 157	29785.5	Mago Resources (Pty) Ltd	01/12/2006	4 years	30/11/2010	18/07/2012	3 years	17/07/2015	Expired. Closure application issued.

Tasman Lukisa JV Company (Pty) Ltd				Original Prospecting Right			Renewed Prospecting Right			
DMR Ref No	Property Description	Extent (ha)	Original Applicant	Date Granted	Duration	Expiry	Date Granted	Duration	Renewal Expiry	Current Status
WC 154 PR	Portions 1, 2 and 3 of Kweekraal 92, Portion 0 of Wolwekraal 211, Portion 0 of Swartbult 212, Portions 2, 3, 4, 5, 10, 11 and 15 of Abrahamskraal 29.	40966.3	Mago Resources (Pty) Ltd	01/12/2006	4 years	30/11/2010	02/08/2012	2 years	01/08/2014	Expired. Closure certificate issued.
WC 156 PR	Remaining Extent of Portion 3 and Portion 4 (a portion of Portion 3) of Eerste Water 349	6880.7	Willem Barnard	30/11/2006	3 years	29/11/2009	05/07/2013	1 year	04/07/2014	Expired. Part of Mining Right application WC10085MR
WC 158 PR	Remaining Extent of Klipstavels 361	5708.3	Klipstawel Trust	23/01/2007	3 years	22/01/2010	13/11/2012	2 years	12/11/2014	Expired. Part of Mining Right application WC10085MR
WC 162 PR	Portion 4 of Rietkuil 307, Portion 1 of Banks Gaten 250, Portion 1 of Rondom 247, Portions 0, 1, 2, 3 and 4 of Bullekraal 251, Portions 0, 1, 2, 3 and 4 of Vindragersfontein 280	24585.5	Mago Resources (Pty) Ltd	01/12/2006	4 years	30/11/2010	02/08/2012	3 years	01/08/2015	Expired. Closure certificate issued.
WC 167 PR	Remaining Extent of Portion 1 of Eerste Water 349	2050.4	Scheun Family Trust	30/11/2006	3 years	29/11/2009	13/11/2012	3 years	12/11/2015	Expired. Part of Mining Right application WC10085MR
WC 177 PR	Portion 7 of Bushmans Kop 302; Portions 0, 1, 2, 3, 4, 5, 6, 7 & 8 of Flagfontein 308; Portions 0, 1, 8, 9, 11, 14, 15 & 16 of Leeuwkraal 309; Portions 0 (Remainder of Portion 5), 2 & 5 of Klein Koedoes Kop 310; Portions 0 & 2 of Bushmans Rivier 312; Portions 0, 1, 2, 4, 5, 7, 8 & 9 of Putfontein 320; Portions 0, 1, 2, 3 & 5 of Honing Kops Fontein 321; Portions 0, 1, 2, 3, 4, 5, 6, 7 & 8 of Dale Ajalon 322; Portions 0, 2, 5, 6, 7, 8 & 11 of Lombards Kraal 330; Portions 0 & 1 of Groot Pan 331; Portion 0 of Farm 397; Portion 0 of Farm 427 (Bushmans Kop); Portion 0 of Farm 429; Portions 0, 1 & 2 of Wilgerfontein 59.	114937.2	Mago Resources (Pty) Ltd	01/12/2006	4 years	30/11/2010	13/11/2012	3 years	12/11/2015	Expired. Closure certificate issued.
WC 178 PR	Remainder of Bastardspoort 94, Portion 2 and Remainder of La-De-Da 178, Remainder of Portion 1 and Portion 2 of Grootfontein 180, Remainder of Portion 1 of Tierhoek 228, Rietvalley 259, Portion 2 and Remainder of Saucy's Kuil 353, Matjesfontein 412.	69686.8	Mago Resources (Pty) Ltd	01/12/2006	4 years	30/11/2010	02/08/2012	3 years	01/08/2015	Expired. Closure application submitted.
WC 179 PR	Zeekoevalley 282 Portions 0(R/E),1, 2 & 3; Kranskraal 283 Portions 0(R/E) & 1; Die Bad 286 Portions 0(R/E), 1 & 2; Vlak Kraal 292 Portions 0(R/E), 4, 5 & 6; Bushmans Leegte 294 Portions 0(R/E) & 1; De Cypher 295 Portions 0(R/E), 2 & 3; Hottentots Rivier 296 Portions 0(R/E), 1, 2, 3(R/E), 4(R/E), 6, 7, 8 & 9 and Hendriks Kraal 298 Portions 1(R/E), 2, 3, 6, 7 & 9	58262.1	Mago Resources (Pty) Ltd	01/12/2006	4 years	30/11/2010	05/07/2013	3 years	04/07/2016	Expired. Closure certificate issued.
WC 180 PR	Portions 0(R/E) and 2 of Oude Volks Kraal 164; Portion 4(R/E) of Hans Rivier 169; Portion 0(R/E) of Farm 423; Portion 3 of Steenrotsfountain 168; Portion 5 of Hans Rivier 169	11733.2	Mago Resources (Pty) Ltd	01/12/2006	4 years	30/11/2010	18/07/2012	3 years	17/07/2015	Expired. Closure certificate issued.

Tasman Lukisa JV Company (Pty) Ltd				Original Prospecting Right			Renewed Prospecting Right			
DMR Ref No	Property Description	Extent (ha)	Original Applicant	Date Granted	Duration	Expiry	Date Granted	Duration	Renewal Expiry	Current Status
WC 187 PR	Remaining Extent of Abrahams Kraal 29	2425.7	Mago Resources (Pty) Ltd	01/12/2006	4 years	30/11/2010	02/08/2012	2 years	01/08/2014	Expired. Closure application submitted.
WC 188 PR	Portions 1, 2 and 3 of Allemans Hoek 1; Portion 1 of Wilgebosch Kloof 2; Remaining Extent of Farm 279; Farm 280	6484.1	Mago Resources (Pty) Ltd	01/12/2006	4 years	30/11/2010	02/08/2012	2 years	01/08/2014	Expired. Closure certificate issued.
WC 207 PR	Gats Berg 26 Portion 0(R/E); Cambro Hoek 37 Portion 0(R/E); Spitze Kop 42 Portion 3; Farm 45 Portion 1; Farm 48 Portions 0(R/E) and 1; Leeuwenvalley 50 Portions 1(R/E) & 5; Deesweezfontein 51 Portion 0(R/E) & 6; Dikboome 53 Portion 0; Schoppelmaay Kraal 54 Portion1 & 2 and Koegelfontein 59 Portion 0	42739.8	Uramin-Lukisa JV Co	01/12/2006	4 years	06/02/2011	05/07/2013	3 years	04/07/2016	Expired. Closure certificate issued.
WC 208 PR	Portion 3 of Ongelukfontein 261; Remaining Extent and Portion 1 of Schimmel Kop 303	10196.2	Mago Resources (Pty) Ltd	07/02/2007	4 years	06/02/2011	05/07/2013	3 years	04/07/2016	Expired. Closure certificate issued.
WC 228 PR	Droogeheuvel 55; Remaining Extent of Springfontein 60	6933.2	Mago Resources (Pty) Ltd	07/02/2007	4 years	06/02/2011	11/01/2014	3 years	10/01/2017	Relinquished. Closure certificate issued.
WC 257 PR	Remainder of Vaal Kuil 368	3751.8	Uramin-Lukisa JV Co	18/11/2008	4 years	17/11/2012	05/07/2013	3 years	04/07/2016	Expired. Closure certificate issued.

Source: Peninsula, May/June 2018

*SRK notes under the terms of the MPRDA, the Prospecting Right contains standard terms and conditions entitling the holder to abandon the right wholly or partially of the relevant area. Upon abandonment, written notification with details of the relinquishment must be submitted by the holder to the DMR and the holder must apply for a closure certificate.

SRK has been advised by Peninsula that closure certificates have been issued for the tenure shaded in blue. A closure certificate is confirmation from the Department of Mineral Resources that the company has complied with its closure obligations and is the final step in the abandonment / relinquishment process.

Table 5-2: Schedule of Prospecting Rights and renewals held by the Tasman Pacific Minerals Ltd (tenements)

Tasman Pacific Minerals Ltd				Original Prospecting Right			Renewed Prospecting Right			
DMR Ref No	Property Description	Extent (ha)	Original Applicant	Date Granted	Duration	Expiry	Date Granted	Duration	Renewal Expiry	Current Status
WC 168 PR	Remainder of Kalkfontein 230; Portions 1, 2, 4, 6 and 7 of Slingersfontein 232; Remainder of Matjeskloof 235; Portion 1 and Remainder of Farm 236; Portion 3 and Remainder of Groot Tafel Bergsfontein 237; Portion 2 of Mechaus Request 242; Portion 1 and Remainder of Rietfontein 241; Remainder of Prins Hoek 244; Portion 2 of Botmas Bad 288; Remainder of Farm 398; Portion 1 and Remainder of Farm 404	33156.8	Tasman Pacific Minerals Ltd	13/12/2006	3 years	12/12/2009	06/05/2011	3 years	05/05/2014	Expired. Closure application submitted.
WC 170 PR	Portion 3 of Steenrotsfountain 168; Remainder of Quaggasfontein 166; Remainder and Portion 3 of Oude Volks Kraal 164; Remainder of Blaauw Bosch Kuil 165	10826.4	Tasman Pacific Minerals Limited	13/12/2006	3 years	12/12/2009	06/05/2011	3 years	05/05/2014	Expired. Closure application submitted.
NC 330 PR	Remainder and Portion 1 of Vischgat 223; Remainder and Portion 1 of Slingersfontein 491; Kooker's Grafs Vlakte 221; Vertoonvlakte 222; Remainder and Portion 1 of Omkeer Kolk 235; Remainder and Portions 1 and 2 of Rietpoort 238	48073.9	Tasman Pacific Minerals Limited	8/6/2007	5 years	7/6/2012	20/04/2016	3 years	19/04/2019	Relinquished. Closure application submitted.
NC 331 PR	Remainder and Portion 1 of Blydevooruitzicht 299; Remainder and Portion1 of Hongerkloof 258	20496.1	Tasman Pacific Minerals Limited	8/6/2007	5 years	7/6/2012	18/11/2015	3 years	17/11/2018	Relinquished. Closure application submitted.
NC 347 PR	Portions 1 and 3 of Schimmelfontein 134; Remainder and Portion 2 of Slypfontein 199; Koot's Request 148; Farm 201; Remaining Extent of Portion 3 and Portion 4 (a portion of Portion 3) of Melton Wold 158; Remaining Extent of Portion 1, and Portions 2 and 3 of Piet Louw's Cyfer 200, Portion 1 of Quaggasfontein 250; Portion 2 of Taaiboschfontein 204; Remainder and Portions 2 and 3 of Grootfontein 205; Farm 261; Farm 262; Portion 11 (Rietfontein) of Farm 572	63386.6	Tasman Pacific Minerals Limited	8/6/2007	5 years	7/6/2012	18/11/2015	3 years	17/11/2018	Relinquished. Closure application submitted.
EC 28 PR	Farm 585; Remainder and Portion 1 of Oskom 116; Farm 115, Farm 118; Farm 73; Portion 4 of Doornfontein 113; Portion 2 of Roode Heuvel 74; Remainder and Portion 1 of Denmark 119; Farm 120; Farm 590; Portion 1 of Farm 117; Portions 1, 2 and Remainder of Groene Vallei 226; Geers Kraal 223; De Geers Kraal Uitspan 222; Portion 1 and Remainder of River Glen 221	22533.2	Tasman Pacific Minerals Limited	15/11/2006	5 years	14/11/2011	27/03/2012	3 years	26/03/2015	Relinquished. Closure application submitted.

Source: Peninsula, May 2018

*SRK notes under the terms of the MPRDA the Prospecting right and Mining Right contains standard terms and conditions entitling the hold to abandon the right wholly or partially of the relevant area. Upon abandonment, written notification with details of the relinquishment must be submitted by the holder to the Department of Mineral Resources and the holder must apply for a closure certificate.

The Mining Right Applications for the Karoo Project, comprising 16 individual applications in the Western, Eastern and Northern Cape provinces, were originally submitted to the DMR in mid-2014. The majority of these were subsequently withdrawn and replaced such that now only two Mining Right and four Prospecting Right applications remain in progress.

Table 5-3: Current Mining Right applications

Mining Right Applications				Application Status		
DMR Ref No	Project Name	Applicant	Extent (ha)	Date Submitted	Date Accepted	Current Status
WC 10085 MR	Ryst Kuil	Tasman-Lukisa JV Company (Pty) Ltd	68926	20/06/2016	04/07/2016	In progress
EC 10029 MR	Kareepoort	Tasman-Lukisa JV Company (Pty) Ltd	34448	18/05/2015	26/05/2015	In progress

Source: Peninsula, May 2018

Table 5-4: Current Prospecting Right applications

Prospecting Right Applications				Application Status		
DMR Ref No	Project Name	Applicant	Extent (ha)	Date Submitted	Date Accepted	Current Status
WC 10248 PR	Lombardskraal	Beaufort West Minerals	50896	21/06/2016	04/07/2016	In progress
WC 10249 PR	Winterberg	Beaufort West Minerals	29775	21/06/2016	04/07/2016	In progress
WC 10250 PR	Rietkuil	Beaufort West Minerals	60348	04/07/2016	18/07/2016	In progress
WC 10251 PR	Tanqua	Beaufort West Minerals	34718	04/07/2016	18/07/2016	In progress

Source: Peninsula, May 2018

SRK has been advised by Peninsula that it is engaged in discussions with its South African Black Economic Empowerment Partner, Lukisa, and will advise withdrawing all pending Mining Right and Prospecting Right applications.

Surface rights in the Karoo region are almost exclusively held under private ownership for commercial sheep farming. Access to such farming areas for prospecting is in the ordinary course agreed upon with the surface owner. Peninsula (via Lukisa) previously purchased a number of freehold interests in the Beaufort West area totalling approximately 32,176 hectares. SRK has been advised by Peninsula that it intends to dispose of all freehold land in order to fund its rehabilitation obligations.

5.4.3 Other permits and approvals

Peninsula holds Certificates of Registration from the National Nuclear Regulator (NNR) of South Africa, which regulates the handling and storage of nuclear material in terms of the National Nuclear Regulatory Act, 1999 (Act No. 47 of 1999). Monitoring is administered by the national office of the NNR and regular inspections and reporting are required.

TL JVCo also holds a current authorisation (Number: 13/2/1/1/DEPARTMENT OF ENERGY/TASMAN LUKISA JV COMPANY (PTY) LTD/003/2018) from the Department of Energy of South Africa to acquire, possess, use or transport radioactive source material (uranium oxide).

5.5 Exploration history

Uranium–molybdenum mineralisation was initially discovered in the Karoo by Union Carbide in 1969 on the farm, Grootfontein, 20 km west of Beaufort West. This was followed by a phase of intense exploration by 13 or more exploration companies over the following decade (Table 5-5). The majority of exploration was completed by means of vehicle-borne and airborne radiometric geophysical surveys followed by percussion and diamond drilling, which lead to the discovery of about 130 uranium occurrences (Cole, 1998). It is estimated that a total of about 1.6 million metres were drilled by Esso Minerals Africa (Esso), JCI Limited, Union Carbide Exploration Corporation (UCEX) and others between 1969 and 1985, from which historic mineral estimates were derived and trial open-cut and trial decline mining programs completed. The largest of the deposits was discovered on the farm, Ryst Kuil, where Esso in the later part of the 1970s sank a decline to collect underground bulk samples and test stoping methods. With new legislation, namely the *Mineral and Petroleum Resources Development Act 28* of 2002, all privately owned mineral rights were converted to new order mineral rights or reverted to the State.

Table 5-5: Discovery of major uranium deposits in the Southern Karoo

Year	Deposit Name
1972	Rietkuil
1974	Vindragersfontein
1975	Damsfontein, Kaffersfontein
1976	Ryst Kuil
1977	Tierhok, Suurkop, Eselfontein, Sandgat, Quaggasfontein
1978	Banksgaten, Bok Se Plaas, Swartkop, Blaauwhoogte, Klipbankskraal
1979	Kareepoort, De Pannen, Rondom, Plathoek, Dassieskloof, DR-3, GT-7, Agtersteland, Driefontein, De Goedehoop, Kraaifontein, Pauls Sypher
1980	Nieuwveldsfontein, Combrinckskraal
1981	Haanekuil, Davidskolk

Source: after van der Merwe, 1986

Uramin Inc. was granted the mineral rights over the majority of the Ryst Kuil Channel on 1 December 2006. The company subsequently conducted an intensive drilling program to investigate and confirm the historically reported mineralisation figures.

In July 2007, ARSA acquired Uramin and, by default, its properties. Between 2006 and 2010, a total of 2,624 holes (235,000 m) were drilled and about 550,000 m subjected to downhole geophysical probe analysis or re-analysis along with geochemical analyses to confirm the historic uranium mineralisation at the main brownfield targets. Exploration work at other greenfields targets was mainly restricted to desktop studies and limited field work, with probing of open historic holes in some instances.

In 2006, Peninsula's wholly owned subsidiary Tasman Pacific Minerals Limited (Tasman) commenced exploration activities in South Africa at six prospecting areas in the Western, Northern and Eastern Cape Provinces. The aim of initial exploration work was to compile and evaluate historic exploration activities and develop new targets throughout the Karoo. An airborne radiometric and magnetic geophysical survey was conducted in September 2008 over all six properties. Drilling and downhole geophysical probe analysis was completed at four of the properties between 2011 and 2012.

In December 2012, Peninsula acquired the uranium assets of Areva Resources South Africa (ARSA) comprising prospecting rights over a 5,600 km^2 area, which was complementary to the Company's existing tenure over the main uranium and molybdenum bearing sandstone palaeo-channels in the south-western Karoo Basin.

New data acquired from ARSA was then analysed to produce a three-dimensional geological model, further exploration drilling and a maiden resource estimate in February 2013. In September 2013, Peninsula announced an initial scoping study outcome for the Eastern Sector of the Karoo Project and its intent to commence a Pre-Feasibility Study in late 2013. The transfer of ARSA's assets was finalised in December 2013.

In March 2014, Peninsula announced an updated Mineral Resource estimate for the Karoo Projects followed shortly thereafter by the results of a trade-off study to determine the optimal metallurgical treatment solution for the projects. In mid-2014, the Mining Right Application process was initiated with the DMR for the Karoo Projects, comprising 16 individual applications in the Western, Eastern and Northern Cape Provinces. Activities over the remainder of the year focussed on additional metallurgical testwork, the Social and Labour Plan and Environmental Scoping Reports.

Over 2015-17, development activities comprised preliminary mining and process engineering and enhanced metallurgical testwork to support the Pre-Feasibility Study (PFS) for the Quaggasfontein, Ryst Kuil and Kareepoort mining right application areas at the Karoo Projects. Key activities included drafting of mine designs, production schedules, metallurgical testwork and operating cost and capital cost estimates. During 2017, Environmental Impact Assessments (EIA) and Environmental Management Plans were completed and submitted to the DMR for the Kareepoort, Quaggasfontein and Ryst Kuil Mining Right Applications.

In mid-2017, Peninsula concluded the major activities in support of its PFS which indicated that the Karoo Project would be economic at a uranium price above US$65 per pound. Following an internal review, Peninsula announced in October 2017, that it intended to complete a divestment of its 74% interest in the Karoo Projects in order to facilitate the transition of its Lance Projects from an alkaline leach to a low pH operation.

Despite reaching out to various industry participants and approaching three investment banks, Peninsula was unable to secure an acceptable offer for its Karoo assets. General feedback received by the Company indicated that a combination of market and regulatory factors were major impediments to completion of a transaction.

In April 2018, Peninsula announced that it had decided to fully withdraw from any further development activities for the Karoo Projects, including progression of mining and prospecting right applications while continuing discussions with joint venture partners. Over the remainder of 2018, Peninsula expected to carry out works supporting the necessary rehabilitation of exploration and historical trial mining sites.

To date, no uranium has been produced from the Karoo Project.

5.6 Geological setting

Peninsula's Karoo uranium assets are hosted within a succession of sedimentary rocks belonging to the Karoo Supergroup (Figure 5-3). These sediments were deposited in a continental basin prior to the break-up of the Gondwana supercontinent and similar sedimentary deposits are also found in South America, the Falkland Islands, Madagascar, India, Antarctica and Australia. The Karoo Supergroup contains extensive coal deposits near its base and relatively small uranium deposits towards the centre of the succession, within the Beaufort Group.

The Karoo uranium deposits occur within the Late Permian Adelaide Subgroup (Abrahamskraal and Teekloof Formations), which is characterised by a succession of generally upwardly fining cycles of fluvial sandstone and mudstone units. In the Beaufort West area, the paleo-current directions are generally from the southwest (Johnson et al., 2006, Figure 5-3 and Figure 5-4).

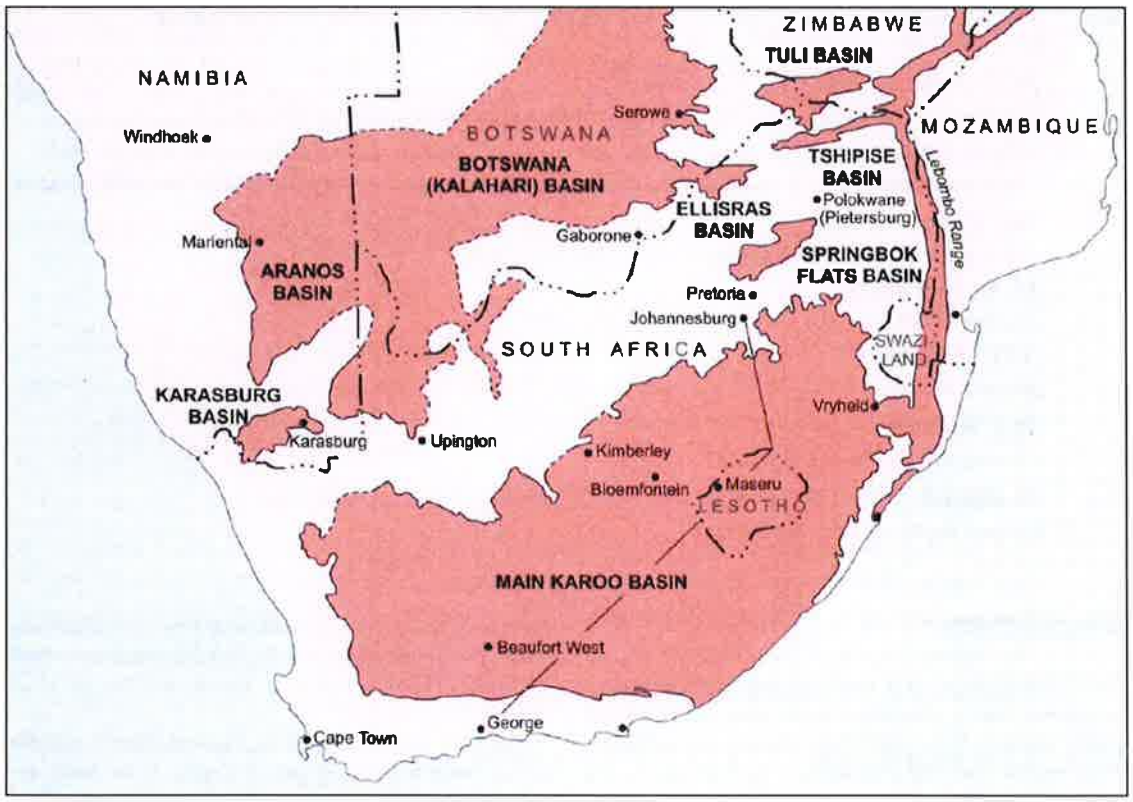


Figure 5-3: Karoo Province

Source: Johnson et al., 2006

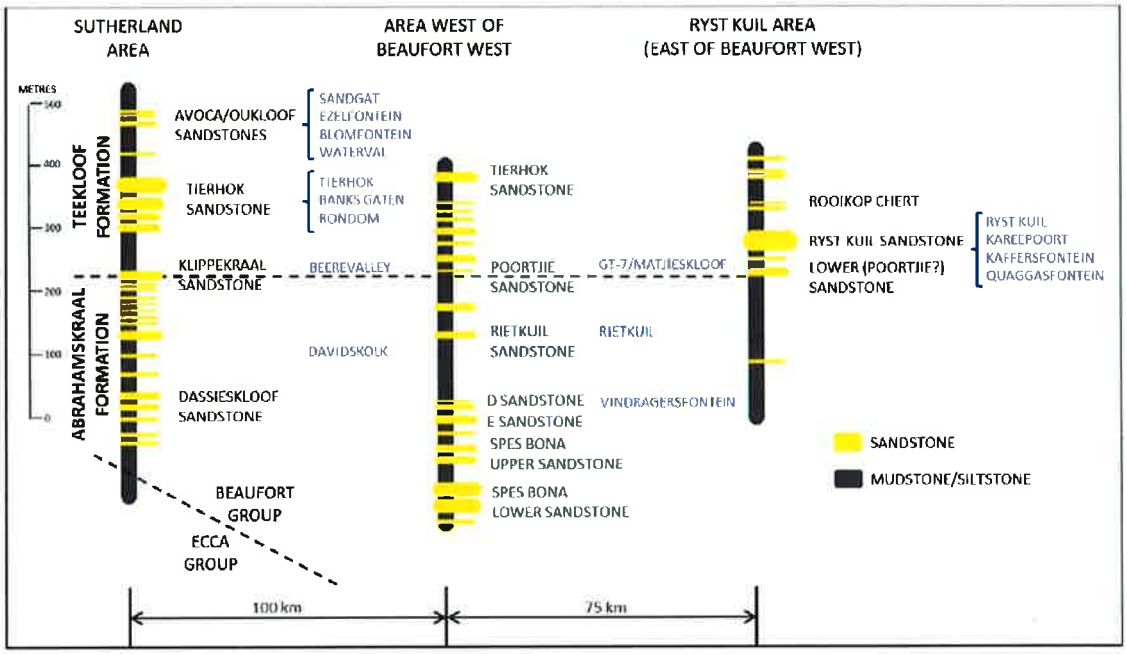


Figure 5-4: Regional stratigraphy of the southwestern Karoo Basin showing the relative levels of various uranium deposits

Source: Glacken, et al., 2014

The disseminated uranium mineralisation is sandstone hosted and occurs as tabular mineralised zones which are confined to palaeo-river channels. An illustration of such a channel and the distribution of the uranium mineralisation within it are shown in Figure 5-5.

5.7 Beaufort West uranium–molybdenum deposits

Peninsula previously held a significant ground holding of approximately 7,800 km² within the Beaufort West area, where there are a number of identified uranium–molybdenum deposits and prospective Karoo stratigraphy. More recently, Peninsula has significantly reduced its tenure holdings to comprise two Mining Right applications and four Prospecting Right applications. Closure applications have been lodged or are in process for all other tenure.

5.7.1 Ryst Kuil Trend

The Ryst Kuil Trend is located approximately 50 km southeast of Beaufort West and extends over a known length in excess of 70 km (Figure 5-1 and Figure 5-5). The Ryst Kuil Trend includes a number of identified deposits, namely the Ryst Kuil (comprising Ryst Kuil South, Ryst Kuil Extension, Ryst Kuil Central, Ryst Kuil Main, Ryst Kuil Abante), Haanekuil, De Pannen, Kareepoort and Bokvlei deposits with additional known and potential mineralisation occurrences between these deposits.

The main Ryst Kuil deposit has a strike length of over 16 km and the uranium–molybdenum mineralisation is hosted within a thick sandstone unit of the Poortjie Member, near the base of the Teekloof Formation. Mineralised stratigraphy terminates at the north-eastern end against a normal fault along the southern limb of an anticlinal fold structure, which is has a displacement of about 30 m. Most of the uranium mineralisation at this position is located on its downthrown side.

The Ryst Kuil sandstone units contain two main members, namely the Ryst Kuil sandstone, which hosts the main uranium mineralisation and the lower unmineralised "green" sandstone. The Ryst Kuil sandstone averages 18 m in thickness, but may be up to 60 m thick and is up to 3 km wide. Sedimentary structures such as point-bars, abandoned channels, channel lag conglomerates (comprised of rip-up clasts from the underlying mudstone) suggest deposition in a fluvial environment flowing towards the north-east. Deposition of the uranium mineralisation is interpreted to have occurred during sedimentation or as a result of the migration of oxidised groundwater and interaction with a reduction–oxidation (redox) boundary.

Uranium is mainly concentrated the older (lowermost) depositional cycles of the main sandstone, with the depth to the mineralised stratigraphy for the greater trend ranging from <20 m to >150 m and the average depth to mineralisation in the Ryst Kuil Main and Abante areas being 82 m and in the Ryst Kuil Extension and South areas is 62 m (Optiro, 2014).

Although uranium mineralisation is not generally visible to the naked eye, it can readily be confirmed with a scintillometer (Figure 5-6). Uranium-bearing minerals identified include coffinite (76%), arapovite (0.3%), renardite (22.4%), cleusonite (2.2%), Ce-davidite (0.3%), hallimondite (0.1%) and uraninite. The gangue minerals include plagioclase (27.1%), quartz (25.3%), calcite (18.7%), Fe-oxides (13.2%), pyroxene (9.9%), microcline (3.6%), biotite (0.4%), pyrite (0.3%), chlorite (0.21%), and talc (0.01%) (Optiro, 2014).

The mineralisation is exposed on the side of an anticlinal structure at the so-called Discovery Hill on Ryst Kuil, where the mineralised sandstone has a distinct black (carbonate and iron manganese oxides) weathered surface known as "koffieklip". Although the individual unit is only to 3 m thick, it can be followed for more than 60 m in a strike direction perpendicular to the dip, where the lens pinches out and another similar size lens is encountered above a barren sandstone of approximately 3 m in thickness.

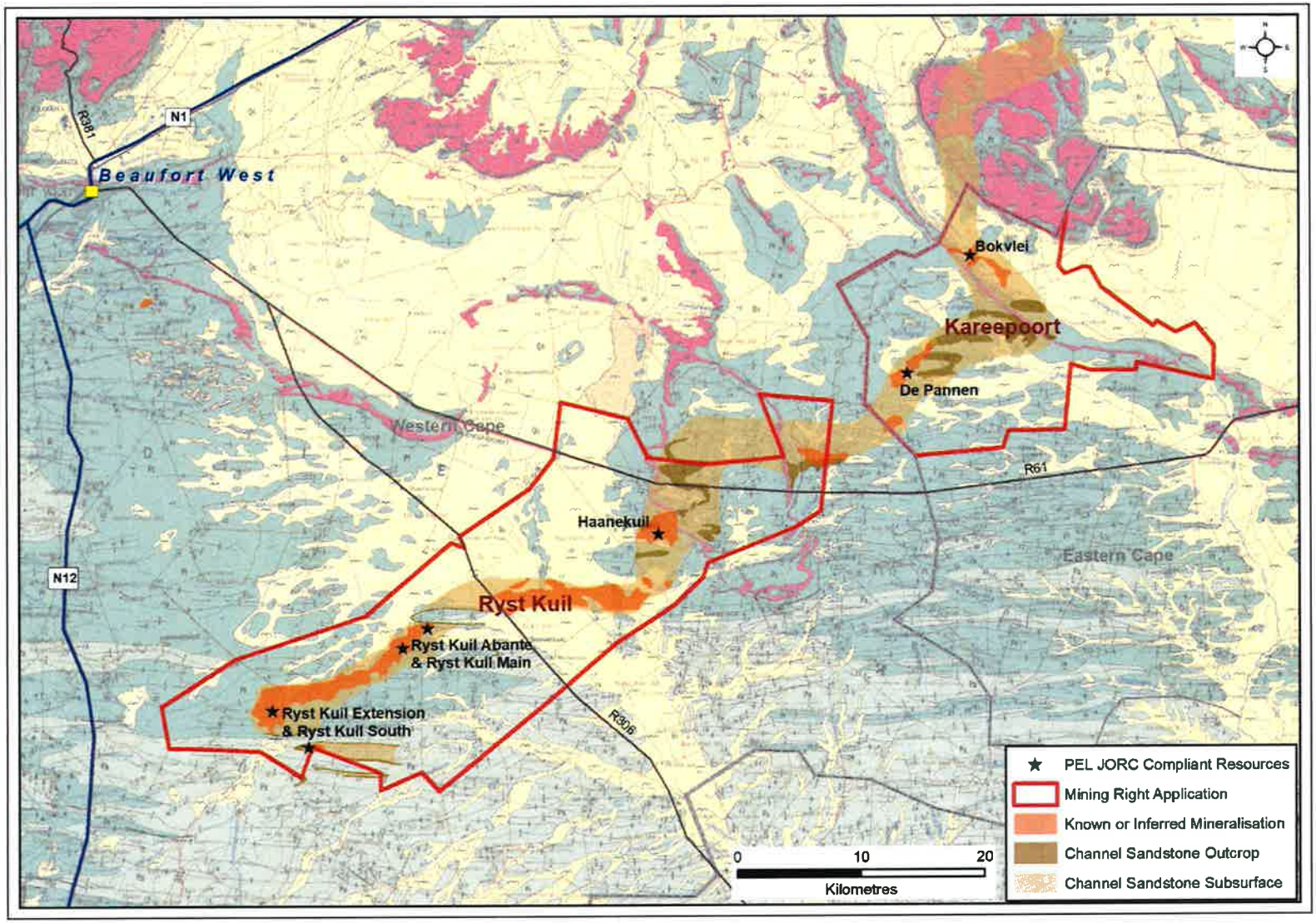


Figure 5-5: Ryst Kuil palaeo-channel with mining right applications indicated, Beaufort West district

The host rock is light to dark grey, fine-grained sandstone (arkosic greywacke) composed of quartz, feldspar and rock fragments in equal proportions. Low level uranium mineralisation occurs continuously over a wide area; however, high-grade mineralisation is localised and of varying thickness, lateral extent and grade. The highest-grade mineralisation is found in organic-rich tabular zones in the thickest parts of the channel. It can be seen that grade thickness products of above 500 ppm per metre are largely concentrated in the thickest channel portions (>20 m).

Ryst Kuil South

The Ryst Kuil South deposit is located 1.5 km south of the Ryst Kuil Trend and outcrops in an area with very tight folds bounded by a fault is developed on the western end of the southern limb of the northern syncline. Direct stratigraphic correlation is somewhat uncertain, but it is likely that Ryst Kuil South stratigraphy is a lateral equivalent to main Ryst Kuil Trend. Drilling by Esso in the 1970s indicated the Ryst Kuil South uranium–molybdenum mineralisation is hosted by the same sandstone units of the main Ryst Kuil Trend, but it is also underlain (50 m) by another sandstone unit, which is only weakly mineralised.

More than 8,000 boreholes have been drilled in the greater Ryst Kuil Trend area during the various campaigns.

Figure 5-6: Outcropping ore zone at Ryst Kuil

Location of drill hole collars noted in the field from the PVC casing visible above the surface (Figure 5-7).

Figure 5-7: Drill hole casing of a borehole at Ryst Kuil

Haanekuil

The Haanekuil block is located at a prominent bend in the main Ryst Kuil Trend to the north-east of the Ryst Kuil area. In this area, the mineralised sandstone is complexly folded with dolerite intrusion deformed by a series of west-plunging folds. Uranium–molybdenum mineralisation is up to 19 m thick and extends over 3 km along strike. The uranium–molybdenum mineralisation is similar to that of Ryst Kuil where mineralisation is localised near the basal sandstone units and the basal mud-chip conglomerates (Optiro, 2014).

Kareepoort

The Kareepoort deposits were discovered while evaluating extensions to the mineralised channels, which proved to be a highly successful strategy. In this area, the channel is up to 4 km in width and the sandstone has an average thickness of 17 m. The mineralisation ranges from near-surface (outcrop) to depths in excess of 350 m in the far north-eastern (Bokvlei) area. Esso defined the Kareepoort Prospect at the far north-eastern extension of the main channel system comprising the Nieuw Jaars Fontein, Karee Poort, De Pannen, Klein Tavel Kop and Bokvlei deposits. At this stage, only the De Pannen and Bokvlei areas have been evaluated with further work required to enable the other historic resources to be reported in compliance with the JORC Code (2012) (Optiro, 2014).

5.8 Resource estimation

SRK's review of the geological model and resource estimate for the Karoo project is based on Optiro's report, *Karoo Mineral Resource Estimation Report, February 2014*.

Table 5-6: Reported Mineral Resources for the Karoo Project (February 2014, at a 600 ppm eU3O8 cut-off)

Category	Deposit	Tonnes (million)	e U_3O_8 (ppm)	e U_3O_8 (million pounds)
Indicated	De Pannen	0.1	767	0.1
	Matjeskloof	0.9	1657	3.2
	Quaggasfontein	0.2	1158	0.5
	Ryst Kuil	6.8	1214	18.1
	Total Indicated	**8.0**	**1242**	**21.9**
Inferred	Bokvlei	5.4	1020	12.1
	De Pannen	1.6	1159	4.3
	Hanne Kuil	1.4	1130	3.4
	Matjeskloof	0.8	1220	2.1
	Quaggasfontein	0.2	1158	0.5
	Ryst Kuil	3.2	990	6.9
	Davidskolk/ Slingersfontein	2.7	960	5.7
	Total Inferred	**15.3**	**1038**	**35.0**
Total Indicated and Inferred		**23.3**	**1108**	**56.9**

Source: Peninsula, ASX Announcement 11/03/2014

SRK notes that deposits at Quaggasfontein, Davidskolk and Matjeskloof were held within Prospecting Rights which have now either expired or been relinquished. Removal of these deposits from the publicly reported Mineral Resource statement results in a combined Indicated and Inferred Resource of 18.5 Mt at 1,105 ppm eU_3O_8 for 44.9 Mlbs of eU_3O_8.

Category	Deposit	Tonnes (million)	e U_3O_8 (ppm)	e U_3O_8 (million pounds)
Indicated	De Pannen	0.1	767	0.1
	Ryst Kuil	6.8	1214	18.1
	Total Indicated	**6.9**	**1196**	**18.2**
Inferred	Bokvlei	5.4	1020	12.1
	De Pannen	1.6	1159	4.3
	Hanne Kuil	1.4	1130	3.4
	Ryst Kuil	3.2	990	6.9
	Total Inferred	**11.6**	**1044**	**26.7**
Total Indicated and Inferred		**18.5**	**1105**	**44.9**

Source: Modified from Peninsula, ASX Announcement 11/03/2014

5.8.1 Data, sampling and QA/QC

Drilling included reverse circulation (RC) and a limited number of percussion (PC) and diamond cores (DD). In assessing historic information, it should be noted that most estimates of grade are based on radiometric total count in downhole scans. The results were recorded in analogue format and calculated for 5 cm sections. The eU_3O_8 grades were calculated based on a probe-specific calibration factor, and sometimes expressed as percentage or else in parts per million. The chemically analysed samples were also expressed in percentage (%) or parts per million (ppm), but sometimes as U_3O_8 or as U. The actual depth measurement between the probe and the sample interval was sometimes problematic (calibration issues).

Optiro's report compares chemical assay results and eU_3O_8 grades for Ryst Kuil; the results for GT and T (mineralised intersections) are rather good, with a slight bias towards chemical assays.

Existing studies conclude that there is no or very little disequilibrium in the Karoo deposits, which facilitates the use of eU_3O_8. Sampling and assaying procedures for chemical grades are acceptable.

Bulk density is determined by several hundreds of measurements using weight in air/ weight in water approach. A constant value of 2.67 t/m^3, representing the average of values for the sandstones of the Beaufort Group is used in the estimation, and this appears reasonable.

Historical QA/QC results for chemical grades (Blanks, certified reference material (CRM), repeat assays) are analysed in Optiro (2014) and are generally acceptable.

SRK previously recommended that the database be carefully inspected to remove all inconsistencies. The datasets supplied to SRK contained a number of issues, mainly due to a mix-up of the downhole gamma values. Furthermore, twin holes should be drilled at pre-selected localities to verify the historic information. The twin holes should be probed with a recently calibrated digital gamma probe and samples should be collected for chemical analyses. Care should be taken with depth measurements to ensure that the sampling interval and composite probe measurement intervals correspond. The samples should be analysed at an ISO 17025 accredited laboratory and be subjected to verification by way of an independent QA/QC exercise.

5.8.2 Estimation methodology:

The method used for the estimation included the following steps for each deposit:

- Definition of high-grade domains based on Leapfrog 3D contours at a nominal 200 ppm eU_3O_8 cut-off.
- Definition of a low-grade envelope through a closed polygon in plan-view and an upper and lower bounding surface.
- Creation of 0.20 m composites.
- Top cutting, which affects a very small number of composites, and has a negligible impact on the resources.
- Geostatistical analysis: variography, followed by Ordinary Kriging of 20 m by 20 m by 1 m blocks (sub-celling down to 5 m by 5 m by 0.5 m was allowed to better reproduce the geometry of the domains). For the estimation of the high-grade domains, the domain boundary is considered as hard, whereas for the estimation of the low-grade domains, all data from both high-grade and low-grade domains was used. A very detailed analysis of the kriging neighbourhood is conducted prior to kriging.
- The kriging results are validated visually, statistically and by swath plots.
- Classification of the resources: this is essentially based on the drill spacing. No Measured Resources were defined, and Resources were classified as Indicated when the drill spacing was below 50 m.

- Post-processing: for the deposits where Indicated Resources exist in order to allow for engineering studies at selective mining unit (SMU) scale; the method used is localised uniform conditioning (LUC) and SMUs of 5 m by 5 m by 0.5 m are estimated within the original kriged blocks.

This approach to the resource estimation is reasonable, but the separation high-grade/ low-grade domains is somewhat problematic, particularly where the drilling density is low.

The deterministic contours obtained by Leapfrog give a "spotted dog" image of the high-grade domains, which is not meaningful. SRK recommends using a more probabilistic approach where the drilling density is low, for instance indicator kriging. The Leapfrog approach is more valid in densely drilled zones, but even then, the indicator method is more flexible and takes better account of the grade variability through the indicator variography.

SRK performed global checks at Ryst Kuil and found resources which agree reasonably well with those established by Optiro.

6 Raki Raki Project

In addition to its uranium ISR Projects, Peninsula holds (via a subsidiary company) a 50% interest in the Raki Raki Gold Project located in the northeast of Viti Levu in the Fijian Islands. The remaining 50% interest is held by Geopacific Resources Limited (Geopacific), who is the operator and manager of the joint venture. Peninsula's interests in Raki Raki are a legacy from the period before it became a uranium focussed company more than a decade ago.

The Raki Raki Project consists of three granted Special Prospecting Licences (SPLs 1231, 1371 and 1436) covering an area totalling 137.3 km^2 and located approximately 100 km northeast of Nadi. The Project is located on a regional northeast trending structural zone considered prospective for epithermal and porphyry gold mineralisation, similar to the third party owned Vatukoula deposit some 35 km to the southwest.

The Project area is underlain by a suite of potassium-rich basaltic volcanic units (shoshonitic) and volcaniclastic rocks interbedded with sandstone and conglomerates deposited in a shallow marine environment, collectively comprising the Ba Series.

Previous exploration has identified a number of gold prospects (locally with associated copper) in veins or vein stockworks (quartz and quartz-carbonate) associated with localised areas of brecciation, shearing and faulting.

Gold was first reported from the area in 1936 and intermittent modern exploration has been completed since the 1970s resulting in detailed geological mapping, stream and grid soil geochemical sampling, costeaning, ground magnetic geophysical surveying and limited drilling over parts of the project tenure. The main prospects include Tataiya Ridge, Qalau, Bitu and 4300E.

No work has been completed on the Project since drilling (four diamond holes for 1,620 m) to test the depth extent of the Tataiya Vein along a 1.4 km strike at the Tataiya Prospect in early 2016. No significant results were returned from this programme.

SRK has been advised by Peninsula that it is currently awaiting receipt of a report from Geopacific recommending the relinquishment of all three tenements due to a lack of viable targets and low perceived prospectivity. Peninsula's carrying value of these assets has been fully impaired to nil.

7 Other considerations

7.1 Markets

7.1.1 Uranium market and prices

Unlike most other commodities, the uranium price does not trade on an open, liquid market. As such buyers and sellers negotiate contracts privately so prices are published by independent market consultants. Contract pricing is mostly common on long term supply basis among energy companies who require the long-term security of supply to justify development of new nuclear power plants, for example. Given this security, the long-term supply contracts are priced at a premium to spot pricing. The variation in both spot and contracted uranium prices in US$/lb terms is provided in Figure 7-1 for the period 2004 to 2018.

Uranium spot prices appear to have entered a period of relative stability following years of declines. The most recent major uranium price spike was in January 2011 when prices peaked above US$70/lb. The price then fell almost as steeply, dropping below US$50/lb in August 2011, to around US$40/lb from November 2012 to June 2013, to between US$35/lb to US$40/lb from August 2013 to 2015, between US$19/lb to US$32/lb in 2016, US$20/lb to US$26/lb in 2017 and US$20.50/lb to US$24/lb in 2018 (YTD). On 23 May 2018, uranium spot was trading at US$21.70/lb.

Although prices have turned slightly, they remain historically low and well below production costs for most mines. Price pressures on producers are expected to also increase as legacy contracts expire over the next four to five years, placing downward pressure on contract prices and narrowing the gap between contract and spot prices.

Noting the variability in uranium price over the past five years highlights the importance of normalising implied purchase prices in order to make reasonable comparison between transactions conducted at different times.

Figure 7-1: Uranium price (US$/lb U3O8), 2004 - 2018
Source: UXC Market Outlook, Uranium Market Outlook, Q1 2018

Demand is expected to have more effect on price movements than supply over the next few years, with 50,000 MW of nuclear reactor capacity currently under construction across Asia (REQ, 2018).

The Australian Office of the Chief Economist expects spot prices to rise to around US$35/lb (in real terms) by 2023 – a high enough level to encourage new exploration and additional primary supply to enter the market. Contract prices are expected to lift at a slower pace, broadly tracking the spot market but subject to additional drag, due to the expiry of legacy contracts (REQ, 2018).

7.1.2 Gold market and prices

Gold has benefited from safe haven demand over the past year as tensions rise between Western nations and North Korea and investors remain cautious about the outlook for the global economy, equity prices and the political environment. The gold price steadily outperformed the inflation-adjusted US bond yield averaging about US$1,259 per troy ounce over 2017.

Global gold consumption is forecast to rise by 2.0 percent annually reaching 4,265 t in 2019 supported by increased jewellery purchases and higher use in industrial fabrication.

Total world gold supply is forecast to increase by 0.3 percent annually rising to 4,630 t in 2019 on the back of increased mine production and stead scrap production.

The gold price is expected to average US$1,250 a troy ounce in 2018 and to decline to US$1,205 per ounce in 2019 drive by rising US Treasury bond yields on the back of tightening monetary policy in the US.

Figure 7-2: Gold price (US$/oz) history

Source: S&P Global Market Intelligence (accessed 28 May 2018).

7.2 Transition to low pH recovery system

7.2.1 Relative features

Globally acid based in-situ leaching from sandstone uranium ores is more actively applied than alkaline leaching as it has better leaching kinetics providing higher grade pregnant leach solution (PLS) this in turn improves project economics and allows for more efficient use of the mineral resource.

In 2016, 48% of the world's mined uranium (or some 30,062 tU) was from ISR operations, with most uranium mining in the US, Kazakhstan and Uzbekistan by in situ leach methods (WNA, 2017).

As noted previously there are two operating regimes for ISR, determined by geology and groundwater. If there is significant (>2%) calcium in the deposit (as limestone or gypsum), alkaline (carbonate) leaching must be used. Otherwise, acid (sulfate) leaching is generally better. In this case the leach solution is at a pH of 2.5 to 3.0.

In 2015, 96% of the uranium recovered by ISR methods globally was from facilities using low pH (acidic) solutions.

Relative features of Acid and Alkaline In-situ Leaching is outlined in Table 7-1.

Table 7-1: Comparison of Acid versus alkaline leaching

Acid Leaching	Alkaline Leaching
Acid leaching achieves a higher uranium extraction, typically 70 to 90%	Extraction from alkaline leaching is low(er), typically 60 to 70%
Acid leaching yields faster dissolution of uranium (at 80% recovery, the number of pore volumes of leach solution circulated is 3 to 4)	Slower kinetics of uranium dissolution. Alkaline leaching requires typically more pore volumes (i.e. 10 to 12 at 80% recovery)
Increased concentration of dissolved solids (TDS) in recycled leach solutions (10 to 25 g/L)	Insignificant increase in groundwater TDS.
High acid consumption for carbonate bearing ores	Potential to treat ores containing high levels of carbonate (i.e. CO_2 content over 1.5 to 2.0%)
Mandatory use of corrosion resistant materials, equipment (pumps) and pipelines	Common material and equipment can be used
Addition of oxidant not always required because of presence of iron in recycled solutions	Addition of oxidant always required
Possibility of recovering by-products	Leaching chemistry is very selective for uranium
Additional processing on surface may be required to produce "contaminant free" product	Product solution from ion exchange should produce product of required quality
Risk of deterioration of permeability due to chemical and gaseous plugging	Formation of carbonate and sulphate precipitates also a concern that can lead to plugging of the formation
Restoration to baseline levels requires an extended treatment period. To date, only limited experience in such restoration in the US.	Restoration of water to pre-mining baseline water quality has been demonstrated at a number of sites
Seepage beyond the borefield is unlikely due to formation of chemical precipitates that reduce porosity and given natural attenuation due to reaction of contaminants with adjacent barren rock and unaffected groundwater.	Potential for residual solutions to spread beyond the contours of areas being treated.

Source: Riles, 2010

In the US, the production life of an individual ISR well pattern is typically one to three years. Most of the uranium is recovered during the first six months of the operation. The most successful operations have achieved a total overall recovery of about 80% of the ore, the minimum is about 60%.

Acid consumption in acid leach environments is variable depending on the operating philosophy and geological conditions. In general, the acid consumption in Australian ISL mines is only a fraction of that used in Kazakh mines (per kilogram of uranium produced). A general figure for Kazakh ISR is about 40 kg acid per kgU, though other figures of up to twice that are quoted and some mines are a bit lower. Beverley in Australia in 2007 was 7.7 kg/kgU. Unit power consumption is about 19 kWh/kgU (16 kWh/kg U3O8) in Australia and around 33 kWh/kgU in Kazakhstan.

7.2.2 Analogues

There are currently no operating acid leach ISR uranium mines in the US, with all current operations using an alkali leach due to the presence of acid-consuming minerals (such as gypsum and limestone) in the host aquifers. Lance is the only US ISR mine currently planning to transition to an acid leach recovery path. However, the use of acid leach in the US is not without precedent or contemporary analogues.

Historically, a number of different operations have experimented with acid leach recovery as listed in Table 7-2.

Table 7-2: Pilot Scale ISR Uranium Mines using Acid Leaching Chemistry

Project / Site	Company	Period
Shirley Basin, Wyoming	Utah Construction and Mining Company	1961 – 1963: Initial development 1963 – 1970: Mining using sulphuric acid chemistry producing 577 MTU
Nine Mile Lake, Wyoming	Rocky Mountain Energy Co.	Nov 1976 – Nov 1980: Mining Feb 1982: Restoration suspended
Reno Ranch, Wyoming	Rocky Mountain Energy Co.	Feb 1979 – Nov 1979: Mining Mar 1981: Restoration suspended
Irigary, Wyoming	Wyoming Minerals	Unclear – acid trial
Jackpile Paguate, New Mexico	Anaconda	Early 1970: acid trial
Dunderstadt, Texas	Cities Service	1969 – 1971: acid trial
Besar Creek, Texas	Rocky Mountain Energy Co.	Early 1970: acid trial, plant used at Nine Mile Lake

Source: Mudd (2000)

Currently and historically, there are a number of copper mines in Arizona using acid leach recovery techniques as listed in Table 7-3.

Table 7-3: Arizona ISR Copper Mines using Acid Leaching Chemistry

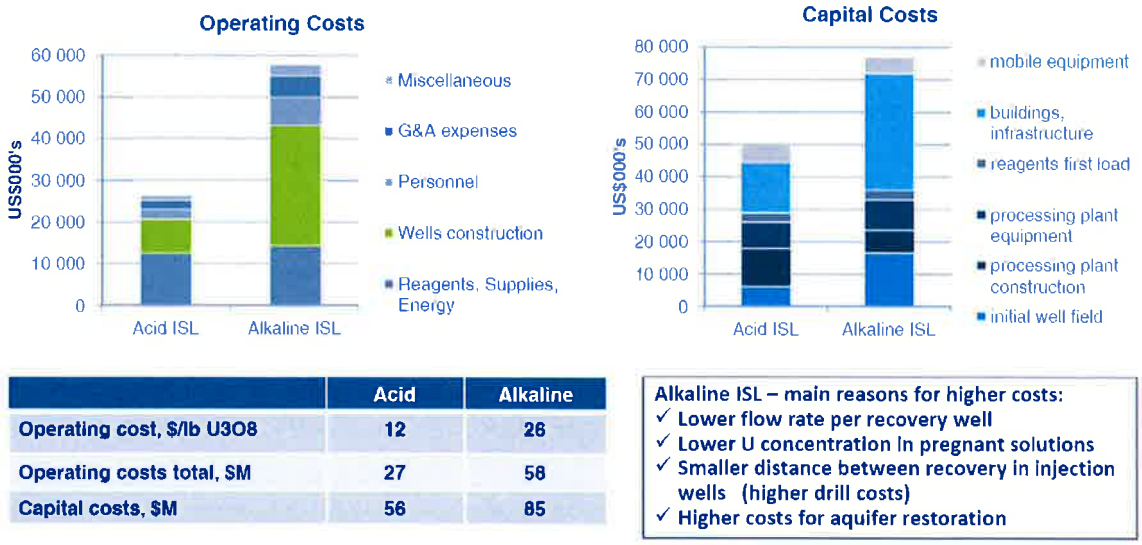
Project / Site	Rock type	Acid in solution (g/L)	Acid* Consumption (kg/kg)	Flow rate (l/min)
Excelsior	Skarn	15	8.2	257
Santa Cruz	Granite/ Granodiorite	20	24.4	49 – 80
San Manuel	Monzonite / Granodiorite	55	19.6	30,000
Florence	Monzonite / Granodiorite	36	20.9	68
Tohono	Granodiorite	50	24.3	49
Mineral Park	Monzonite	50	28	66
Safford	Andesite volcanics	40	16	100

Source: SRK (UK) analysis
*sulphuric acid

In addition, acid leach is used in Australian ISR uranium mines (Beverly, Four Mile and Honeymoon) with the complexing agent being sulphuric acid and the oxidant being hydrogen peroxide. Similarly, Russian, Kazakhstan and Uzbekistan ISR uranium mines generally do not use an oxidant but use much higher acid concentrations in circulating fluids. China uses both alkaline and acidic lixiviants.

7.2.3 Cost implications

By way of example, UxC (2013) compare the relative capital and operating costs associated with an acid leach versus an alkaline ISR uranium mine based on a 1,000 tonne annual capacity mine as presented below in Figure 7-3. This shows that the operating costs are approximately 55% lower and the capital costs some 33% for an acid leach ISR relative to an alkaline leach ISL uranium operation.



	Acid	Alkaline
Operating cost, $/lb U3O8	12	26
Operating costs total, $M	27	58
Capital costs, $M	56	85

Alkaline ISL – main reasons for higher costs:
- ✓ Lower flow rate per recovery well
- ✓ Lower U concentration in pregnant solutions
- ✓ Smaller distance between recovery in injection wells (higher drill costs)
- ✓ Higher costs for aquifer restoration

Figure 7-3: Cost comparison – Acid versus Alkaline ISR Costs for a 1000 t annual capacity mine

Source: UxC Production cost study, August 2013, Uranium One, 2016

Globally, all first quartile cost uranium operations are all ISR facilities using a low pH (acidic) lixiviant. Application of potential cost reductions of a similar quantum to Lance upon a successful implementation of an acid leach recovery system would significantly improve the project economics and move Lance down the current cost curve as shown in Figure 7-4.

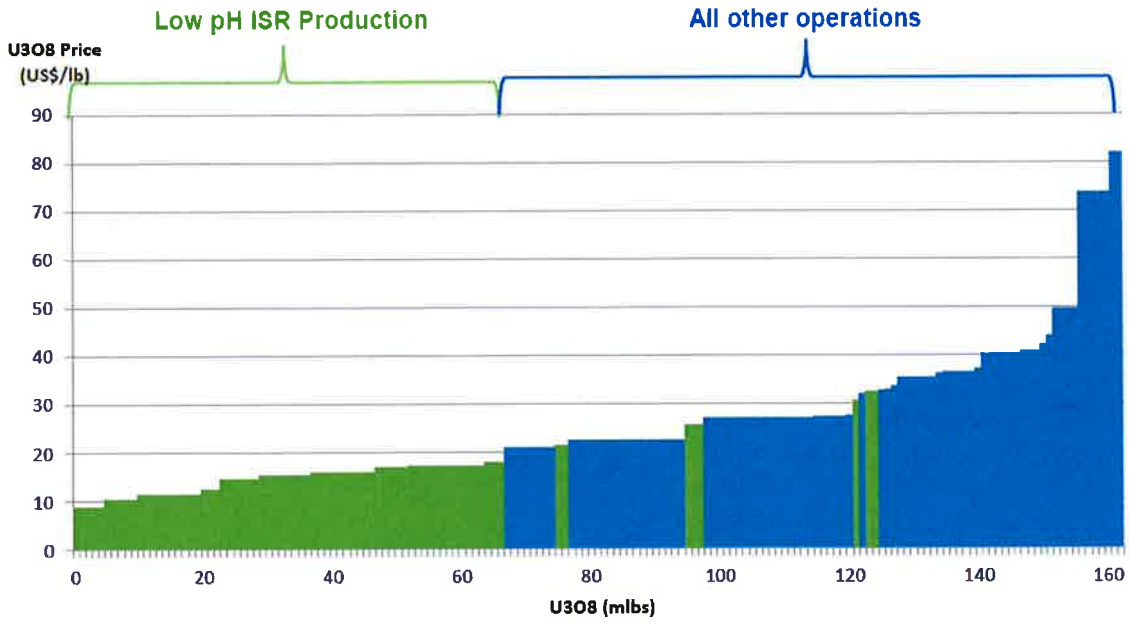


Figure 7-4: 2017 Uranium cost curve
Source: UXC 2017

Changing from an alkaline based ISR solution to a low pH solution is not expected to require substantial changes to the current processing plant and / or other infrastructure. It is Peninsula's expectation that minimal capital expenditures are required for the transition to low pH in-situ recovery with only minor modifications anticipated. Unit operating costs using a low pH ISR solution are expected to be considerably lower than those for an alkaline ISR solution.

Peninsula has engaged an independent engineering firm to prepare a detailed capital and operating cost forecast for the project which considers the impact of a transition to low pH operations. Detailed work on these forecasts and other estimates will be included in a feasibility study which is expected to be completed in late July to early August 2018 (post completion of this valuation report).

7.3 Previous valuations

The VALMIN Code (2015) requires that an Independent Valuation report should refer to other recent valuations or Expert Reports undertaken on the mineral properties being assessed.

In October 2016, SRK completed a valuation of Peninsula's mineral asset portfolio. Using market transaction multiples and multiples of exploration expenditure, SRK estimated the value of the Lance Mineral Resource at Ross, Kendrick and Barber) to have a preferred value of US$85.0 M in the range US$51.5 M to US$159.2 M. In the same valuation exercise, RSM considered the Lance financial model incorporating SRK's recommended technical modifications to input parameters which derived a value of between US$71.7 M to US$78.9 M.

SRK notes that its values derived in October 2016 are broadly similar to SRK's currently estimated value of Peninsula's Lance Mineral Resources. Furthermore, SRK notes that the valuation methodologies were consistent between both valuations.

Based on comparable transactions and multiples of exploration expenditure valuation methods, Peninsula's Karoo assets were valued at between US$24.4 M and US$96.0 M with a preferred value of US$32.4 M by SRK in its October 2016 report. SRK notes its values derived in October 2016 are significantly higher than those currently estimated for the following reasons:

- Subsequent technical studies completed by Peninsula have demonstrated the project would not be economically viable unless uranium prices remain above US$60 to US$65/lb over the longer term.
- Majority of tenure has either expired or been relinquished with Peninsula holding a small number of Mining Right applications and Prospecting Right applications. Pending successful negotiations with joint venture partners, it is Peninsula's intent to withdraw these applications.
- Having completed a 6-month divestment process, no firm bids acceptable to Peninsula were received
- High costs of holding retention tenure in South Africa has downgraded the option value associated with retaining the current tenure thereby precipitating Peninsula to exit the current holdings

Peninsula's Fiji mineral assets were not considered in SRK's October 2016 report.

8 Valuation

8.1 Introduction

All exploration projects can be classified according to the Development Stage Categories as defined in the VALMIN Code (2015):

- **Exploration Areas** – tenure holdings where mineralisation may or may not have been identified, but where a Mineral or Petroleum Resource has not been identified.
- **Advanced Exploration Areas** – tenure holdings where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A resource estimate may or may not have been made but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the resource category.
- **Pre-Development Projects** – tenure holdings where Mineral or Petroleum Resources have been identified and their extent estimated (possibly incompletely) but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral or Petroleum Resources have been identified, even if no further Valuation, Technical Assessment, delineation or advanced exploration is being undertaken.
- **Development Projects** – tenure holdings for which a decision has been made to proceed with construction and/or production, but which are not yet commissioned or are not yet operating at design levels.
- **Production Projects** – mineral projects, particularly mines and processing plants that have been commissioned and are in production.

Peninsula's Lance Project is an operating Production stage ISR mine and includes the adjacent Barber development area, whereas the Karoo and Fiji Projects relate to exploration areas, advanced exploration areas and pre-development projects according to the VALMIN Code definitions above.

While the VALMIN Code (2015) states that decisions as to which valuation methodology is used are the responsibility of the Expert or Specialist, where possible, SRK considers a number of methods from the various valuation approaches of Market, Income and Cost.

The aim of this approach is to compare the results achieved using different methods to select a preferred value within a valuation range. This reflects the uncertainty in the data and interaction of the various assumptions inherent in the valuation. An overview of a number of methods traditionally used to value exploration properties includes:

- Comparable Market Value Method (real estate-based)
- Joint Venture Terms Method (expenditure-based)
- Multiples of Exploration Expenditure (MEE)
- Geoscience Ratings Methods (e.g. Kilburn – area-based and Geological Risk Method)
- Metal Transaction Ratio (MTR) Analysis (ratio of the transaction value to the gross dollar metal content, expressed as a percentage - real estate-based)
- Yardstick/ Rule of Thumb Method (e.g. $/Resource or production unit, % of an *in situ* value).

8.2 Valuation approaches

The three generally accepted Valuation approaches, as listed and defined in the VALMIN Code (2015) are:

- Income Approach
- Market Approach
- Cost Approach.

The **Market Approach** is based primarily on the principle of substitution and is also called the Sales Comparison Approach. The Mineral Asset being valued is compared with the transaction value of similar Mineral Assets, transacted in an open market (VALMIN Code, 2015). Methods include comparable transactions, MTR and option or farm-in agreement terms analysis.

The **Income Approach** is based on the principle of anticipation of benefits and includes all methods that are based on the income or cashflow generation potential of the Mineral Asset (VALMIN Code, 2015). Valuation methods that follow this approach include Discounted Cashflow (DCF) modelling, Monte Carlo Analysis, Option Pricing and Probabilistic methods. The Geological Risk Method also falls within this category.

The **Cost Approach** is based on the principle of contribution to value (VALMIN Code, 2015). Methods include the appraised value method and multiples of exploration expenditure, where expenditures are analysed for their contribution to the exploration potential of the Mineral Asset. Geoscience ratings methods are also considered to fall within this category, as the state of knowledge of an area is often a factor of the effort expended on exploration.

The applicability of the various valuation approaches and methods vary depending on the stage of exploration or development of the property, and hence the amount and quality of the information available on the mineral potential of the property. Table 8-1 presents the VALMIN Code (2015) guide on the applicability of the various valuation approaches for the valuation of mineral properties at the various stages of exploration and development.

Table 8-1: Suggested valuation approaches for different types of Mineral Properties

Valuation approach	Exploration properties	Mineral Resource properties	Development properties	Production properties
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

Source: VALMIN Code, 2015

The Market approach to valuation is accepted as the most suitable approach for valuation of an Exploration Asset, a Mineral Resource Asset or a Pre-Development Asset.

The use of income-based methods, such as DCF modelling, is not generally accepted in situations where Ore Reserves, supported by suitably detailed mining studies, have not been declared. Although Ore Reserves have not currently been declared for any of the projects subject to this valuation, the Lance Project is an operating mine and income-based methods of valuation are considered suitable as a secondary valuation method. However, SRK notes that the key input parameters are currently being evaluated by Peninsula and remain to be finalised. As such, SRK considered generic input parameters associated with similar low pH operations in Australia and Kazakhstan, as well as acid leach copper projects in the US. However, in SRK's opinion, these generic operating parameters are of little use in considering the Lance operation due to differences in the geological environment (such as higher carbonate levels) and jurisdictional issues.

The use of cost-based methods, such as considering suitable multiples of exploration expenditure is best suited to exploration properties, before Mineral Resources are reliably estimated. These methods are considered suitable for some of the mineral assets under consideration.

SRK favours the use of the Comparable Transaction and Peer Analysis methods of valuation, both market-based approaches, for the assessment of value of Peninsula's mineral assets.

In general, these methods are accepted valuation approaches that are in common use for determining Market Value (defined below) of mineral assets, using market derived data.

The **"Market Value"** is defined in the VALMIN Code (2015) as the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion

The **"Technical Value"** is defined in the VALMIN Code (2015) as an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Valuation methods are, in general, subsets of valuation approaches and for example the Income Based Approach comprises several methods. Furthermore, some methods can be considered to be primary methods for valuation while others are secondary methods or rules of thumb considered suitable only to benchmark valuations completed using primary methods.

In summary, however, the various recognised valuation methods are designed to provide an estimate of the mineral asset or property value in each of the various categories of development. In some instances, a particular mineral asset or property or project may comprise assets which logically fall under more than one of the previously discussed development categories.

8.3 Market approach

8.3.1 Comparable transactions

Uranium

SRK initially considered a total of 53 transactions occurring between January 2010 and May 2018 and involving a range of projects covering the spectrum from exploration to operation on a global basis. Of these transactions, 25 involved properties with declared uranium Resources at the time of the transaction and seven transactions involved operating uranium mines (including four ISR projects) that had taken place since February 2013.

The transactions were analysed in terms of the implied purchase price in US dollars and the reported uranium Resource pounds at the time of the transaction. All values are in US dollars, converted from the reported currency where necessary at the exchange rate prevailing at the time of the transaction. Share prices at the time of the announcement of the transactions were considered where shares formed a part of the consideration, and the timing of payments, as set out in the initial agreements, was also taken into account.

The uranium price at the time of the transaction was considered, and the implied US$/lb transaction price was normalised to the spot uranium price of US$21.70/lb as at 23 May 2018.

Analysis of African uranium exploration transactions

The exploration tenure for the Karoo Project covers a large area and is exclusively targeting sandstone-hosted uranium–molybdenum mineralisation in South Africa. In SRK's opinion, the Songea/ Lindi and Pinewood Portfolio transactions shown in Table 8-2 are the most comparable in terms of geology, jurisdiction and total area (km^2) to that of the Peninsula's Karoo project. These transactions are at the lower end of US$/$km^2$ multiples when compared to the more recent transaction (Mile 72) shown in Table 8-2, which involves a smaller area targeting granitic rocks (alsaskite) rather than sandstone hosted uranium mineralisation.

From its analysis, SRK has selected Low and High multipliers for the valuation of Peninsula's Karoo exploration tenures. The factors are US$13/$km^2$ for the Low and US$135/$km^2$ for the High multiplier.

Table 8-2: Uranium exploration property transactions

Project	Songea / Lindi	Pinewood portfolio	Claim S-107558	27 mineral claims	EL09/16 18	Mile 72
Announce date	Aug 2012	Jan 2015	Jan 2016	Feb 2016	April 2016	May 2018
Country	Tanzania	Tanzania	Canada	Canada	Australia	Namibia
Seller	Tanzania Minerals Corp	Kibo Mining Public Limited Company	CanAlaska Uranium Limited	ALX Uranium Corp.	Zeus Resources Limited	Metals Australia Ltd
Buyer	Karoo Exploration Corp	Metal Tiger plc	Denison Mines Corp.	Cameco Corporation	Segue Resources Limited	Marencia Energy Ltd
Geology	Sandstone hosted	Sandstone hosted	Unconformity	Unconformity	Alaskite	Hard rock Alaskite & schist
Total licence area (km^2)	2,606	9,033	27.80	70.60	19.32	27.80
US$/$km^2$	306.98	21.29	281.86	24.32	289.90	1,141.94
Normalised US$/$km^2$	135.26	12.79	176.66	15.70	228.05	1,141.94

Table 8-3: Analysis of African exploration properties

Analysis		US$/$km^2$	Normalised US$/$km^2$
Outliers removed	Number	3	3
	Minimum	21.29	12.79
	Maximum	1,141.94	1,1141.94
	Median	306.98	135.26
	Mean	490.07	430.00
	Weighted Average	87.64	42.69

Source: SRK Analysis

Analysis of uranium resource transactions

For its evaluation of Peninsula's Karoo uranium resources, SRK has considered transactions involving uranium resource projects located in similarly developed jurisdictions. Based on this, 12 transactions were identified.

Of these 12 transactions, one had an implied value of greater than US$6/lb U_3O_8 in resource and were considered to be an outlier. The outlier was not considered comparable to Peninsula's Karoo Project due to the size and grade of the deposit and the premium this has attracted during transactions, in addition to having a smaller portion of the total resource that is classified as Inferred.

From its analysis, SRK has adopted Low (US$0.06/lb) and High (US$2.14/lb) multipliers to define the range likely to be applied by the market in the valuation of contained U_3O_8 (equivalent) at Peninsula's Karoo Project.

Table 8-4: Analysis of properties with declared resources

Analysis		US$/lb U_3O_8	Normalised US$/lb U_3O_8
Declared resources (All)	Number	12	12
	Minimum	0.00	0.00
	Maximum	14.63	12.93
	Median	0.75	0.70
	Mean	2.84	2.14
	Weighted Average	1.90	1.18
Declared resources (outliers removed)	Number	10	10
	Minimum	0.00	0.00
	Maximum	4.93	4.13
	Median	0.75	0.70
	Mean	1.94	1.26
	Weighted Average	1.92	1.17

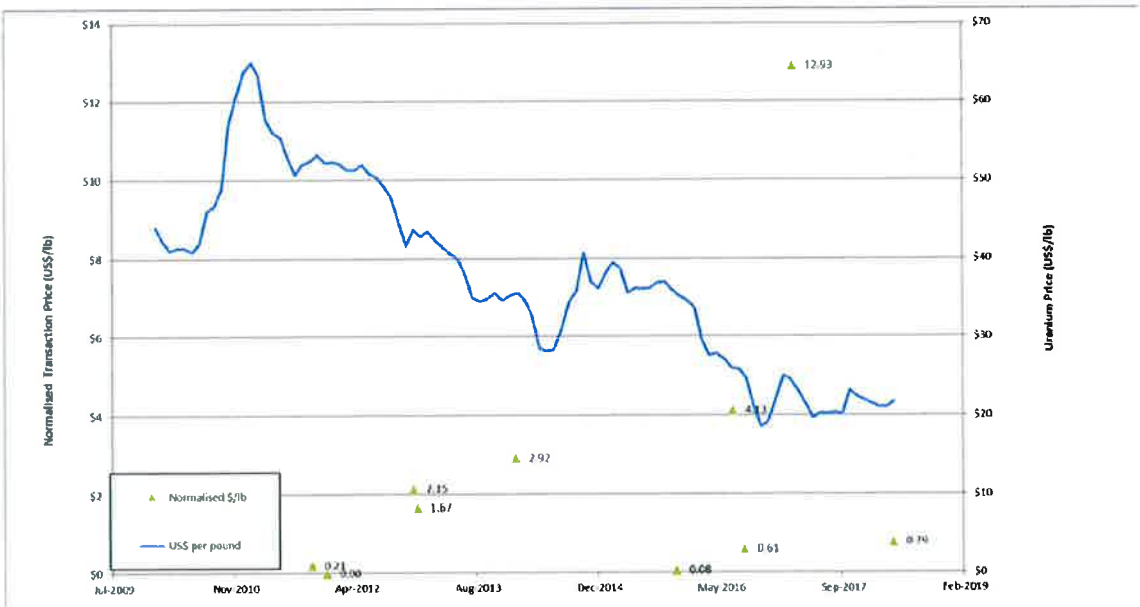


Figure 8-1: Transaction price (US$/lb U3O8) of properties with declared resources

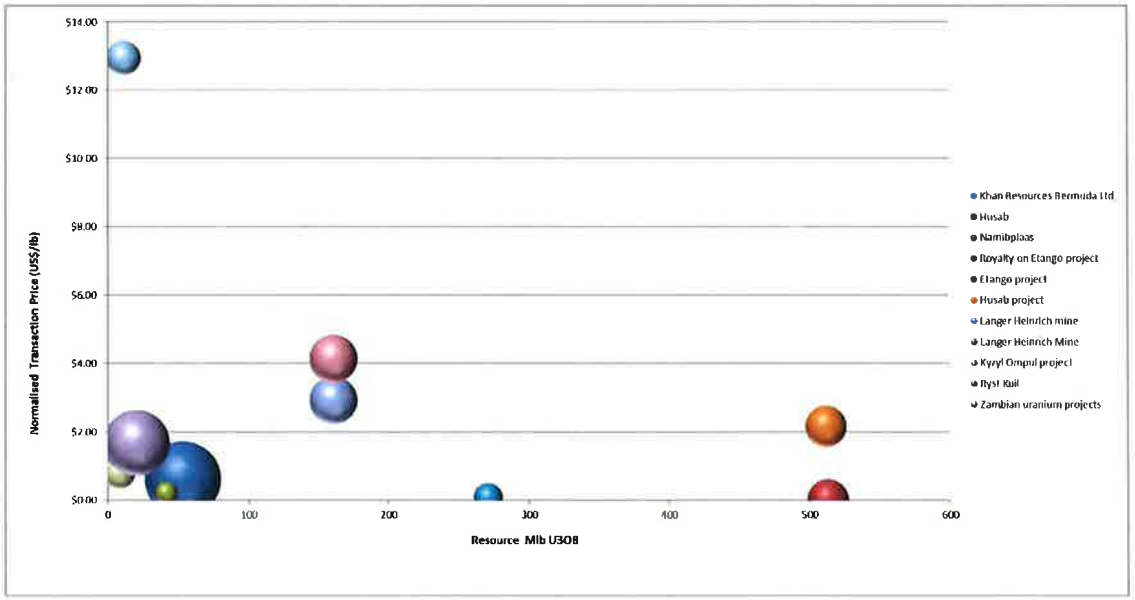


Figure 8-2: Transaction price (US$/lb U3O8) of similar projects with declared resources vs Mlb U3O8. Bubble size indicates relative U3O8 grade

Analysis of transactions for ISR uranium operations

SRK's analysed 10 transactions occurring since February 2013 and involving projects with declared resources which are either in development or production under an ISR recovery system. The analysis of these transactions in United States, Namibia, Australia, Kazakhstan and Turkey including ISR resources which have similar grades to the Lance deposits.

Table 8-5: Transaction analysis of ISR properties

Analysis		US$/lb U_3O_8	Normalised US$/lb U_3O_8
All	Number	10	10
	Minimum	0.03	0.03
	Maximum	5.69	3.20
	Median	0.77	0.66
	Mean	1.43	0.92
	Weighted Average	1.62	1.04
Operations	Number	5	5
	Minimum	0.24	0.22
	Maximum	5.69	3.20
	Median	1.88	0.94
	Mean	2.32	1.34
	Weighted Average	2.90	1.72

Source: SRK analysis

Table 8-6: Transactions involving uranium ISR operations

Project	Multiple assets	Churchrock & Crownpoint	Honeymoon Well	Four Mile	Alta Mesa	Nicole Ranch, Eagle & Cyclone Rim	Centennial	Temrezli	Multiple project	North Reno Creek
Announce date	Dec-16	Apr-16	Dec-17	Jul-15	Mar-16	Apr-15	Jul-13	Feb-13	May-18	Nov-17
Country	Australia	USA	Australia	Australia	USA	USA	USA	Turkey	USA	USA
Seller	Paladin Energy Ltd	Uranium Resources Inc	Private	Quasar Resources Pty Ltd	Investor Group	Uranerz Energy Corporation	Paladin Energy Ltd	Anatolia Energy	Azarga Uranium Corp	Paladin Energy Ltd
Buyer	Uranium Africa Ltd	Laramide Resources Ltd	Boss Resources Ltd	Alliance Resource Ltd	Energy Fuels Inc	Energy Fuels Inc.	Azarga Resources	Uranium Resources Inc.	URZ Energy Corp	Uranium Energy Corp
Geology	Sandstone hosted	Sandstone hosted	Sandstone hosted	Sandstone hosted	Uranate	Sandstone hosted	Sandstone hosted	Sandstone hosted	Sandstone hosted	Uranate
Status	PFS-Scoping	Pre-Develop	FS	ISL operation	ISL operation	ISL operation	Develop	ISL operation	Develop	ISL operation
U_3O_8 Grade ppm	1,270	960	660	370	1,190	820	900	1,160	670	390
Contained Mlb U_3O_8	73.69	56.26	63.24	120.40	20.46	28.68	16.35	13.28	10.66	22.78
% of Inferred Resources	100%	100%	73%	72.6%	82%	46%	16.6%	8%	25%	4%
US$/lb U_3O_8	0.03	0.22	1.02	1.96 -3.26	0.52	5.69	0.15	1.88	1.27	0.24
Normalised US$/lb U_3O_8	0.03	0.17	0.99	1.18 – 1.96	0.38	3.20	0.09	0.94	1.27	0.22

Figure 8-3: Transaction price (US$/lb U_3O_8) of properties with declared ISR resources

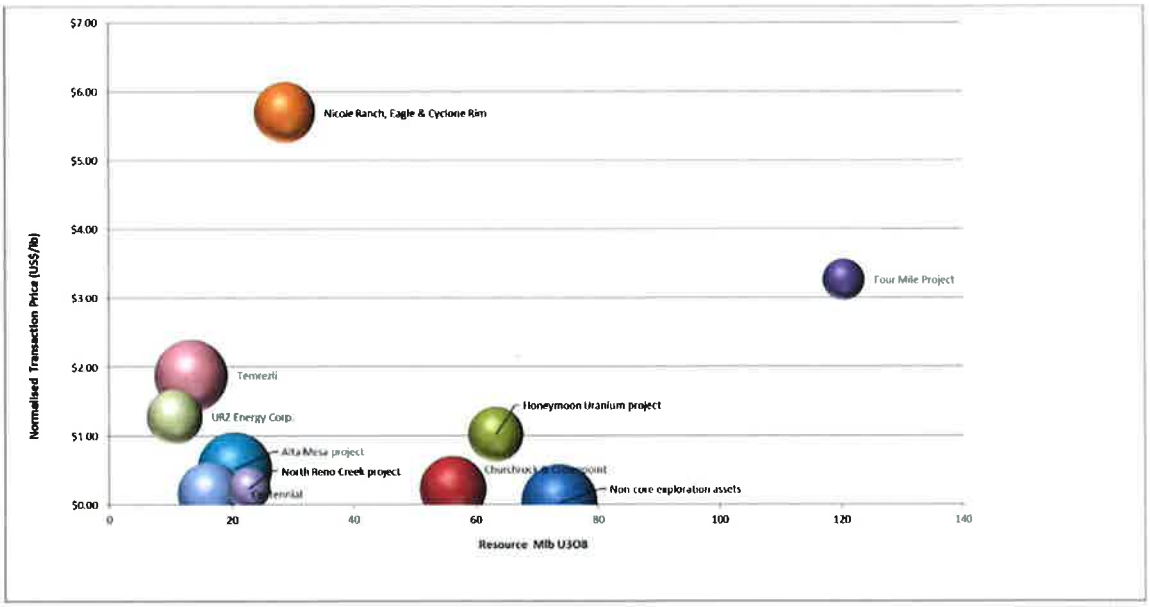


Figure 8-4: Transaction price (US$/lb U_3O_8) of active mining projects vs Mlb U_3O_8. Bubble size indicates relative U_3O_8 grade

From this analysis, SRK has adopted Low (US$0.94/lb) and High (US$3.20/lb) multipliers in terms of contained U_3O_8 (equivalent) to define the likely range that would be considered by the market for the valuation of Peninsula's Lance Project resources. These are based on the median and the maximum of the defined dataset for operational ISR mines.

In SRK's opinion, the Four Mile ISR project, which contains similar U_3O_8 grade and a large (73%) portion of Inferred Resource, is the most comparable to the Lance Project. However, SRK notes that some modification to the implied value for the Four Mile transaction is required to account for: i) the comparatively higher acid consumption (and hence operating costs) likely at Lance relative to Four Mile due for the higher alkalinity groundwaters at Lance relative to those in Australia, ii) the potentially lower overall recoveries (55-68% vs 65%) and iii) higher overall concentrations required (15-80 mg/L vs 25 mg/L).

Copper - Gold Transaction analysis

For the evaluation of Peninsula's Fijian gold assets, SRK conducted an analysis of transactions involving projects with similar characteristics (i.e. comparable geographic, commodity and development status), the results of which are presented in (Table 8-7) and details of the transactions are presented in Appendix A.

Further analysis of those transactions at the early exploration to advanced stage but without defined Mineral Resources highlights a large number of transactions executed as Joint Venture (JV) or earn-in deals. The majority of these were for considerable exploration commitments by major mining companies such as Vale, Barrick Gold, Anglo Gold etc. Consequently, these JV transactions tend to trade a much higher implied value (on a A$/km^2 basis) than transactions involving outright acquisition for cash or share considerations. SRK considers that the fair value of Peninsula's assets is more fairly represented by outright acquisitions.

Table 8-7: Area based multiple for early stage projects

Statistical analysis	Area Multiple (A$/km^2)	Normalised Area Multiple (A$/km^2)
All area based transaction multiples		
Minimum	282.76	272.08
Median	40,692.95	53,893.14
Average	129,460.84	151,709.73
Maximum	665,663.44	754,454.41
Weighted Average	91,179.43	106,737.20
Area based transaction multiples – JV deals with Exploration Expenditures		
Minimum	4,194.72	5,682.33
Median	50,112.16	57,877.41
Average	104,690.40	120,496.51
Maximum	417,533.57	485,302.79
Weighted Average	52,200.69	59,429.81
Area based transaction multiples – Cash and Scrip Deals		
Minimum	282.76	272.08
Median	18,838.74	19,660.81
Average	117,506.93	142,157.68
Maximum	665,663.44	754,454.41
Weighted Average	48,971.55	62,898.29
Preferred - Area based transaction multiples – Excluding outliers and small areas		
Minimum	635.15	759.90

Statistical analysis	Area Multiple (A$/km²)	Normalised Area Multiple (A$/km²)
Median	8,294.82	8,977.79
Average	9,968.22	10,587.96
Maximum	22,648.08	23,636.38
Weighted Average	11,785.31	12,390.57

Source: SRK Analysis

8.3.2 Peer multiples

To verify the multiples implied by recent comparable transaction analysis of Peninsula's uranium projects, SRK has reviewed the enterprise value per U_3O_8 resource pound of selected companies with comparable Mineral Resources considered to be their primary value driver (Table 8-8).

The enterprise value is based upon the respective foreign exchange rate and company share prices as at 31 May 2018 and the most recently reported financial and share registry information.

The Enterprise Values per pound of U_3O_8 display a large range of values but the most comparable companies are considered to be URZ Energy, Uranium Energy Corp and UR-Energy. These companies are trading at an EV per pound of U_3O_8 of US$0.91, US$2.06 and US$2.69 respectively.

Table 8-8: Analysis of Peer ISR Uranium Companies and implied multiples

Peer company	Exchange (Code)	EV* (US$ M)	Attributable Resources		EV/lb U_3O_8 (US$)
			Classification	Mlb U_3O_8 (Contained)	
Anfield Energy Inc	TVX:AEC	$3.9	M + Ind + Inf	22,039,580	0.18
Azarga Uranium Corp	TSX: AZZ	$18.4	M + Ind + Inf	26,739,278	0.69
Boss Resources Ltd	ASX:BOE	$72.4	M + Ind + Inf	63,260,000	1.14
Cauldron Energy Ltd	ASX: CXU	$5.7	Ind + Inf	30,900,000	0.18
Energy Fuels Inc	TSX:EFR	$171.4	M + Ind + Inf	131,559,778	1.30
Laramide Resources Ltd	ASX:LAM TSX:LAM	$34.4	M + Ind + Inf	166,916,503	0.21
Manhattan Corporation Ltd	ASX: MHC	$2.7	Inf	24,200,000	0.11
Ur-Energy Inc	TSX:URE	$112.8	M + Ind + Inf	41,925,904	2.69
Uranium Energy Corp	NYSE:UEC	$266.3	M + Ind + Inf	129,158,971	2.06
URZ Energy Corp	TVX:URZ	$9.7	M + Ind + Inf	10,657,008	0.91
Vimy Minerals Ltd	ASX:VMY	$27.4	M + Ind + Inf	115,975,000	0.24
Westwater Resources Inc	NAS:WWR	$14.9	M + Ind + Inf	38,460,100	0.39

*Enterprise Value (EV) as at 31 May 2018

Source: S&P Global Market Intelligence and Google Finance

In SRK's opinion, the assets held by Azarga and URZ are the most comparable to those of Peninsula under the low pH recovery route, given their location and development status.

The following table provides a brief overview of each company and their underlying assets.

Company	Description
Anfield Energy Inc	Anfield Energy Inc. is a uranium development and near-term production company, mainly engaged in mineral exploration, development and production in the United States. Key uranium projects include the Allemand-Ross, Red Rim ISR and Nine Mile development projects in Wyoming, the Velvet underground in Utah, YR Uranium project in Arizona; and the AMC Uranium project in Colorado. The company was formerly known as Anfield Resources Inc. and changed its name to Anfield Energy Inc. in December 2017. Anfield Energy Inc. was incorporated in 1989 and is headquartered in Burnaby, Canada.
Azarga Uranium Corp	Azarga Uranium Corp. (formerly Powertech Uranium Corp), together with its subsidiaries, operates as an integrated uranium exploration and development company in the United States and the Kyrgyz Republic. It holds a 100% interest in the Dewey Burdock ISR uranium development Project located in South Dakota; the Centennial ISR uranium development Project in northeastern Colorado; and the Aladdin Deposit in Wyoming. The company also owns a 70% interest in the Kyzyl Ompul project covering 42,379 hectares in the Kyrgyz Republic. In addition, it holds a 100% interest in the Dewey Terrace Project in south Dakota; and the Powder River Basin Prospect in Wyoming. Azarga Uranium Corp. was incorporated in 1984 and is based in White Rock, Canada.
Boss Resources Ltd	Boss Resources Limited explores for and develops mineral properties. It holds interests in the Honeymoon uranium project located in South Australia. The company also has interests in nickel-copper exploration projects in Scandinavia; and gold interests in Burkina Faso. Boss Resources Limited is based in Subiaco, Australia.
Cauldron Energy Ltd	Cauldron Energy Limited, a mineral resource development company, engages in the exploration of uranium projects in Australia and Argentina. It also explores for gold, copper, silver, and base metals. The company's projects in Australia include the Yanrey project that comprises 12 granted exploration licenses covering approximately 1.280km^2 and 7 applications for exploration licenses covering approximately 913 km^2 in Western Australia; and the Boolaloo project that includes 2 granted exploration licenses covering approximately 104 km^2 in Western Australia. It also holds an interest in the Rio Colorado project covering approximately 443 km^2 in Argentina. The company was formerly known as Scimitar Resources Limited and changed its name to Cauldron Energy Limited as a result of its merger with Jackson Minerals limited in June 2009. Cauldron Energy Limited is headquartered in West Leederville, Australia.
Energy Fuels Inc	Energy Fuels Inc., together with its subsidiaries, engages in conventional and ISR uranium extraction, recovery, exploration, and sale of uranium in the United States. It operates in two segments, Conventional Uranium and ISR Uranium. The company owns and operates the Nichols Ranch uranium recovery facility located in Wyoming; the Alta Mesa project located in Texas; and the White Mesa Mill located in Utah. It also holds interests in uranium and uranium/vanadium properties and projects in various stages of exploration, permitting, and evaluation located in Utah, Wyoming, Arizona, New Mexico, and Colorado. The company was formerly known as Volcanic Metals Exploration Inc. and changed its name to Energy Fuels Inc. in May 2006. Energy Fuels Inc. was incorporated in 1987 and is headquartered in Lakewood, Colorado.

Company	Description
Laramide Resources Ltd	Laramide Resources Ltd is a Canada based company engaged in the exploration and development of uranium assets in Australia and the United States. Its flagship project is the Westmoreland property located in Queensland, Australia as well as two development stage assets, including La Sal and La Jara Mesa in Utah and New Mexico, respectively. It also has joint ventures in Australia, equity positions and a portfolio of royalties in New Mexico. It also has investments in precious metal properties in Canada through its equity stake in Treasury Metals Inc. The company was incorporated in 1980 and is headquartered in Toronto, Canada.
Manhattan Corporation Ltd	Manhattan Corporation Limited is an Australian mineral exploration company focused on uranium development. The company's flagship project is the Ponton project targeting Tertiary palaeochannel sand hosted uranium mineralisation in Western Australia. Manhattan Corporation Limited is based in West Perth, Australia. Until recent the Company was evaluating a transaction for Trans Tasman Resources Limited, who owns interests in New Zealand off-shore iron sands projects.
Ur-Energy Inc	Ur-Energy Inc. is engaged in uranium mining, recovery and processing activities, including the acquisition, exploration, development and operation of uranium mineral properties in the United States. The Company's flagship property is the Lost Creek ISR Project in Wyoming. The Company's portfolio includes approximately 10 projects in Wyoming, including its flagship project, Lost Creek Project. The company was founded in 2004 and is headquartered in Littleton, Colorado.
Uranium Energy Corp	Uranium Energy Corp. operates as a uranium mining and exploration company. Its projects in South Texas include the Palangana ISR mine, the permitted Goliad ISR project, and the development-stage Burke Hollow ISR project; and project in Wyoming comprise the permitted Reno Creek ISR project. The company also controls a pipeline of advanced-stage uranium projects in Arizona, Colorado, New Mexico, and Paraguay, as well as a high-grade titanium project in Paraguay. The company was formerly known as Carlin Gold Inc. and changed its name to Uranium Energy Corp. in January 2005. Uranium Energy Corp. was incorporated in 2003 and is based in Corpus Christi, Texas.
URZ Energy Corp	URZ Energy Corp. engages in the acquisition, exploration, and development of ISR uranium mineral properties in the United States. The company owns the Gas Hills, Juniper Ridge and Shirley Basin properties in Wyoming as well as properties in Utah and Colorado. The company was formerly known as Summit Point Uranium Corp. and changed its name to URZ Energy Corp. in February 2017. URZ Energy Corp. was incorporated in 2008 and is headquartered in Vancouver, Canada.
Vimy Minerals Ltd	Vimy Resources Limited, a resource development company, explores and evaluates uranium properties in Australia. Its primary property is the Mulga Rock uranium project in Western Australia, as well as the Alligator River uranium project in the Northern Territory. The company was formerly known as Energy and Minerals Australia Limited and changed its name to Vimy Resources Limited in December 2014. Vimy Resources Limited was founded in 2006 and is based in West Perth, Australia.
Westwater Resources Inc	Westwater Resources Inc, formerly Uranium Resources, Inc., is engaged in developing energy-related metals. The Company holds two prospective lithium brine basins in Nevada and Utah. In addition, the Company remains focused on advancing the Temrezli in-situ recovery (ISR) development uranium project in Central Turkey and exploration properties in Turkey under nine exploration and operated licenses covering approximately 32,000 acres (over 13,000 hectares) with various exploration targets, including the satellite Sefaatli Project.

Source: Reuters, SNL, Bloomberg and Google Finance

Table 8-9: Analysis of peer companies

Analysis		US$/lb U_3O_8
All	Number	12
	Minimum	0.11
	Maximum	2.69
	Median	0.54
	Mean	0.84
	Weighted Average	0.92

Source: SRK analysis

8.3.3 Yardstick method

In the Yardstick method of valuation, specified percentages of the spot price of the metal is used to value the defined Resources and Reserves. Commonly used factors relative to resource classification are shown in Table 8-10.

Table 8-10: Yardstick factors and corresponding valuation factors based on 23 May 2018 spot uranium price

	% of Spot price		Valuation Factor (US$ lb U_3O_8)	
	Low	High	Low	High
Not in reported resource	0.1%	0.5%	0.02	0.11
Inferred Resources	0.5%	1.0%	0.11	0.22
Indicated Resources	1.0%	2.0%	0.22	0.43
Measured Resources	2.0%	5.0%	0.43	1.09
Reserves	5.0%	10.0%	1.09	2.17

Source: SRK analysis

Using the spot uranium price of 23 May 2018 (US$21.70/lb), the Yardstick valuation factor for Inferred Resources fall within the range of US$0.11/lb to US$0.22/lb, and Indicated Resources fall within a range of US$0.22/lb to US$0.43/lb, and Measured Resource US$0.43/lb to US$1.09/lb and Reserves US$1.09/lb to US$2.17/lb.

8.3.4 Actual Transaction

Peninsula's acquisition of the Ryst Kuil Project from AREVA SA

In November 2013, Peninsula announced its acquisition of a 74% interest in 36 PRs covering an area of 5,600 km^2 through its wholly owned subsidiary, Tasman RSA Holdings (Pty Ltd), from AREVA-SA (ARSA).

This transaction represents recent expenditure on these assets and includes a significant proportion (72%) of Peninsula's Karoo Project.

- Share Consideration – US$5,000,000 in fully paid ordinary Peninsula shares, the number of which shall be determined on the basis of the volume weighted average price of Peninsula shares over the 30 days immediately prior to the date of their issuance. US$1,000,000 of the Share Consideration is payable within 30 days of signing. The remaining US$4,000,000 is payable within 10 business days of the satisfaction of the conditions precedent to the Acquisition

- Share Consideration will be issued under existing LR 7.1/7.1A capacity. Deferred Consideration – US$45,000,000 upon completion of a Bankable Feasibility Study on the ARSA projects and the securing of financing for 50% of the funding required to develop the ARSA projects to production (Financing). Should Financing occur after 1 January 2016, an escalation factor will be applied. Peninsula, at its sole discretion, can elect to pay the Deferred Consideration in cash or Peninsula shares.

Peninsula's US$4 million consideration payable to AREVA-held mineral properties was met through the issue of 206,483,154 shares in December 2013 (ASX, 19 December 2013).

Analysis of transaction

The Ryst Kuil Project had significant previous exploration conducted by Esso on the projects during the late 1970s, including 8,966 drill holes (660,941 m), bulk sampling programs, identified resources, open-cut and underground trial mining (ASX, 11 December 2012).

Based on its analysis of the resource and area acquired as part of the transaction, the implied normalised multiples of the transaction are US$1.67/lb. of contained U_3O_8 (equivalent) as indicated in Table 8-11.

Table 8-11: Analysis of acquisition of Ryst Kuil project from AREVA SA

Project	Ryst Kuil
Announcement Date	Dec 2013
Interest acquired	74%
Country	South Africa
Seller	Areva NC
Buyer	Tasman RSA Holdings (Pty Ltd), (Peninsula Energy Ltd)
Geology	Sandstone hosted
Total Area	5,600
Total Value	US$ 50 M
Contained /lb U_3O_8	20,051,043
Grade U_3O_8 (ppm)	1,000
US$/lb	3.37
Normalised US$/lb	1.67

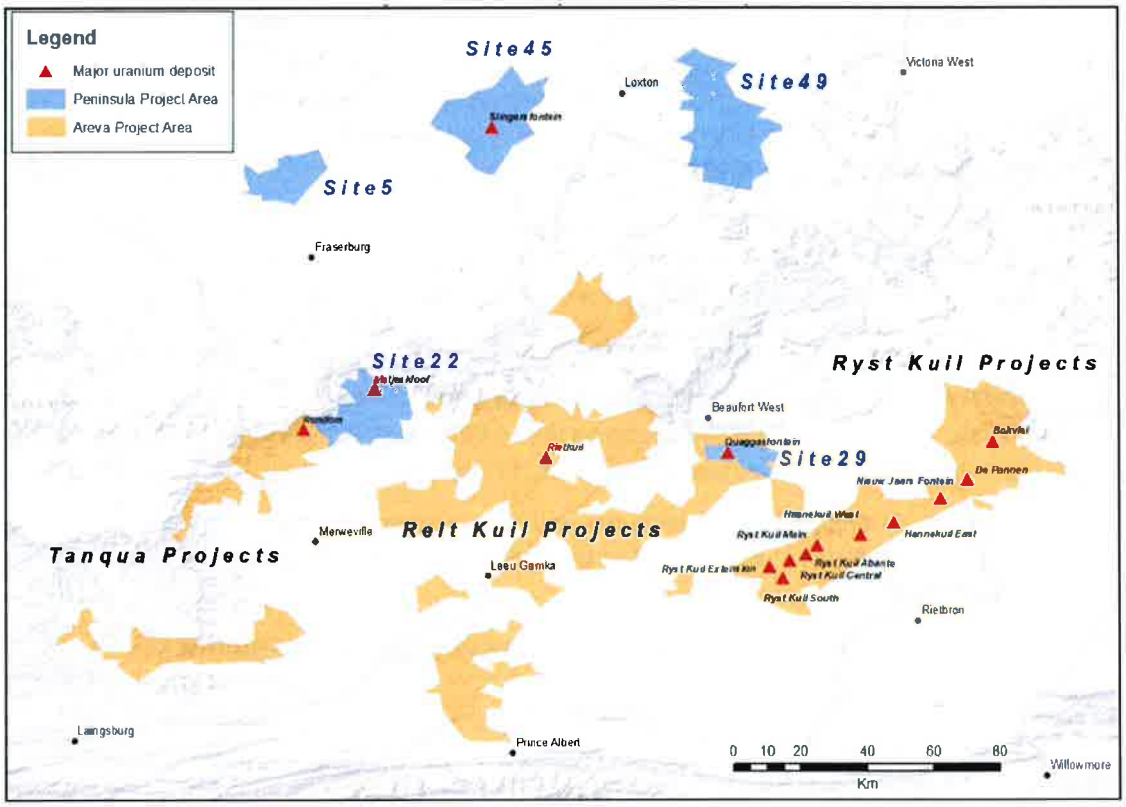


Figure 8-5: Location of the AREVA project areas
Source: Peninsula, December 2012

8.4 Valuation of Lance Project

8.4.1 Income approach

SRK did consider the income valuation approach but notes that the key input parameters are currently being evaluated by Peninsula and remain to be finalised. None of these outcomes have been publicly disclosed and remain confidential to Peninsula at this stage. SRK has reviewed the initial results and notes that while they are generally supportive of a transition to a low pH recovery route, further testwork is required in order to determine whether these results can be replicated at a commercial scale and optimisation/techno-economic modelling remains on-going.

As such, SRK considered generic input parameters from similar low pH operations in Australia and Kazakhstan, as well as acid leach copper projects in the US. However, in SRK's opinion, these generic operating parameters are of little use in considering the Lance operation due to differences in the geological environment and jurisdictional issues.

As such, SRK did not consider it appropriate to use the income approach for valuation until the input parameters are finalised.

8.4.2 Comparable Transaction Analysis

SRK has considered the value of the Lance Project using market-based methods to value both i) the Inferred Resource contained within the Barber area only, and ii) all declared resources across the entire Lance Project area (inclusive of Barber, Kendrick and Ross).

This valuation provides an alternate to the cash-flow method and is better suited to valuing the Inferred Resources, which are located within the Barber area and have a higher degree of geological uncertainty but are included in the current mine plan.

SRK considered a total of 10 transactions occurring between February 2013 and May 2018 involving global uranium projects in the pre-development to operational phases. Of these transactions, five involve uranium ISL operations, with the residual being ISL projects in pre-development to development (i.e. scoping to feasibility study).

From this analysis, SRK has selected Low and High valuation multiples as follows:

- For declared U_3O_8 equivalent resources (predominantly classified as Inferred), the multiples are US$0.66/lb for the Low, and US$1.72/lb for the High.
- For declared U_3O_8 equivalent resources (predominantly classified as Indicated or better), the multiples are US$0.94/lb for the Low and US$3.20/lb for the High.

Based on this, a summary of the Lance valuation range is provided in Table 8-12.

Table 8-12: Implied values for a 100% interest in the Lance Project – Comparable Transaction Analysis

Asset considered	Valuation basis	Contained U3O8* (lb) (million)	Low (US$ million)	High (US$ million)
Barber Area (Only)	Predominantly Inferred Resources	**31.86**	**21.03**	**54.8**
Entire Lance Project	Inferred (<50%), Indicated and Measured Resources	**53.38**	**41.26**	**123.66**

*based on depletion through production of 117,034 lbs U_3O_8 to 30 May 2018 from Peninsula's resource (as at 30 June 2017 as reported in the Company's Annual Report)

8.4.3 Peer Analysis

Based on recent trading multiples of peer companies to Peninsula holding assets akin to the Lance Project, SRK considers following multiples to be reasonable:

- For declared U_3O_8 equivalent resources (predominantly classified as Inferred), the multiples are US$0.54/lb for the Low, and US$0.92/lb for the High.
- For declared U_3O_8 equivalent resources (predominantly classified as Indicated or better), the multiples are US$0.84/lb for the Low and US$2.69/lb for the High.

Based on this, a summary of the Lance valuation ranges and Preferred Values are provided in Table 8-13.

Table 8-13: Implied values for a 100% interest in the Lance Project – Peer Analysis

Asset considered	Valuation basis	Contained U3O8* (lb) (million)	Low (US$ million)	High (US$ million)
Barber Area (Only)	Predominantly Inferred Resources	**31.86**	**17.20**	**29.3**
Entire Lance Project	Inferred (<50%), Indicated and Measured Resources	**53.38**	**37.0**	**87.2**

*based on depletion through production of 117,034 lbs U_3O_8 to 30 May 2018 from Peninsula's resource (as at 30 June 2017 as reported in the Company's Annual Report)

8.4.4 Yardstick

Based on common yardsticks plied by industry as set out in Section 8.3.3, the implied value of the Barber and Lance Projects in outlined in Table 8-14.

Table 8-14: Implied values for a 100% interest in the Lance Project – Yardstick

Asset considered	Valuation basis	Contained U3O8* (lb) (million)	Low (US$ million)	High (US$ million)
Barber Area (Only)	Predominantly Inferred Resources	**31.86**	**4.0**	**8.1**
Entire Lance Project	Inferred (<50%), Indicated and Measured Resources	**53.38**	**8.5**	**17.9**

*based on depletion through production of 117,034 lbs U_3O_8 to 30 May 2018 from Peninsula's resource (as at 30 June 2017 as reported in the Company's Annual Report)

8.4.5 Summary

SRK's recommended valuation ranges and preferred values for the Lance Project are summarised in Table 8-15.

Table 8-15: Valuation Summary – Lance Project

Project	Value Centre	Valuation type	Low (US$ M)	High (US$ M)	Preferred (US$ M)
Lance (100%)	Lance Project Resources	Comparable transaction analysis	41.3	123.7	
		Peer Analysis	37.0	87.2	
		Yardstick	8.5	17.9	
		Selected	**38.8**	**95.5**	**80.0**
	Barber Resources Only	Comparable transaction analysis	21.0	54.8	
		Peer Analysis	17.2	31.9	
		Yardstick	4.0	8.1	
		Selected	**18.4**	**39.2**	**35.0**

In selecting its overall value range and preferred value, SRK notes its preference towards the values implied through comparable transaction analysis and peer analysis, as:

- the drivers for the Yardstick Method are based only on the prevailing uranium spot price and the resource classification without consideration of other factors impacting on value (i.e., tenement status, level of technical study completed, operability, cost structure, etc)

However, SRK also notes that in considering the overall value range it has paid particular reference towards the values implied by the Honeymoon well and Four Mile transactions (i.e. US$0.99 to US$1.96/lb), as these are the only data points available for an acid-leach recovery route. The selected range is then based on a combination of the values implied by its comparable transaction analysis, peer analysis and the Four Mile/Honeymoon Well transactions.

Furthermore, SRK's preferred value for the Lance Project is positioned above the midpoint of the implied value range due to:

- in SRK's view the following are likely to place a positive bias on value:
    - the acid recovery route for uranium has been demonstrated and is currently in operation in other global jurisdictions (i.e. Australia, Kazakhstan, Russia, etc). Furthermore, acid-based leaching of uranium has previously been trialled in the US (including Wyoming) and the US state of Arizona currently permits acid based recovery of copper.

- the lower cost structure likely to be achievable under an acidic lixiviant route,
- the improved recovery likely to be achievable under an acidic lixiviant route,

- in SRK's view the following are likely to place a negative bias on value:
  - uncertainty associated with the likely timing and any conditions associated with Government approval of a transition to an acid-based recovery system
  - that acid leach metallurgical testwork conducted to date on the Lance ore has only be at bench-scale and is not proven at commercial rates.
  - A full feasibility study investigating the technical merits and associated costs of a transaction to an acid-based recovery route remains to be finalised.

As such, SRK considers the market would adopt a cautious yet broadly positive stance with respect to the Lance Project. On this basis, SRK has adopted preferred values above the midpoint of its valuation range.

8.5 Valuation of Karoo Project

SRK has considered the value of the Karoo Project using market-based methods for both the exploration property area (km^2) and declared resources U_3O_8 (equivalent).

Ryst Kuil represents a large portion of Peninsula's total Karoo Project area (72%) and resource (87%) of the contained U_3O_8 resources. When this purchase was completed (December 2013), the U_3O_8 price was significantly higher. It also represents a development project which is likely to incur significant costs if it proceeds to feasibility studies.

8.5.1 Valuation of Resources

Actual transaction

In considering the likely value of the defined Mineral Resources at Ryst Kuil, SRK has considered the value implied by Peninsula's acquisition of the project from Areva SA in 2015.

As outlined in Section 8.3.1, normalising to account for changes in the uranium price over the intervening period results in an implied value of US$1.67/lb. Application of this to Peninsula's current a combined Indicated and Inferred Resource of 18.5 Mt at 1,105 ppm eU_3O_8 for 44.9 Mlbs of eU_3O_8 results in an implied value of US$74.98 million.

Comparable transactions

As outlined in Section 5.8, Peninsula's Karoo Project contains a combined Indicated and Inferred Resource of 18.5 Mt at 1,105 ppm eU_3O_8 for 44.9 Mlbs of eU_3O_8. Application of the Market multiples (as outlined in Section 8.3.1) to the defined Karoo Mineral Resources results in a valuation range of US$2.69 to US$96.54 million.

Deposit	Contained eU_3O_8 (Mlbs)	Low (US$ M)	High (US$ M)
Total Indicated and Inferred	**44.9**	**2.69**	**96.54**

Yard stick

Application of the Yardstick multiples (as outlined in Section 8.3.3) to the defined Karoo Mineral Resources results in a valuation range of US$6.85 to US$13.69 million.

Deposit	Contained eU_3O_8 (Mlbs)	Low (US$ M)	High (US$ M)
Total Indicated	**18.2**	**3.95**	**7.90**
Total Inferred	**26.7**	**2.90**	**5.79**
Total Indicated and Inferred	**44.9**	**6.85**	**13.69**

SRK notes that the Yardstick method is not generally considered to be a suitable primary valuation method, but is considered an acceptable secondary valuation method (Lawrence, 2012). In this case, SRK notes that the Yardstick valuation method is towards the lower end of the valuation range derived from the analysis of comparable transactions.

Multiples of Exploration Expenditure

The Ryst Kuil area within the Karoo Project has a significant amount of historical exploration including drilling conducted during the 1970s and early 1980s and a recent scoping study (2014) (Peninsula, 2015). More recent drilling programs were carried out by Uramin, ARSA and Tasman since 2007 and comprise 3,296 holes for total of 281,084 m over the Ryst Kuil area. SRK has adopted an assumed drilling rate of US$50/m and a PEM of 1.5 as this drilling supports the currently defined resources.

Since its acquisition in 2013, Peninsula has spent US$0.4 million on scoping studies evaluating the Ryst Kuil Project. This has included the re-logging of historic drilling, establishment of a field office, resource drilling and scoping study.

Given the status of the tenure and Peninsula's recent focus on the currently defined Mineral Resources at Ryst Kuil, SRK has considered only exploration expenditures carried out as part of the resource definition phase and subsequent technical studies. These technical studies demonstrated that a uranium price of approximately US$0.65/lb U_3O_8 would be required over the longer term in order to support an economically viable project at Ryst Kuil. SRK has considers a PEM of 0.8 appropriate for this work, given this work has demonstrated the project is unlikely to be economically viable under current uranium market conditions.

Table 8-16: Summary of exploration work at Ryst Kuil

Exploration work	PEM	Value (US$ M)	Comment
Drilling over Ryst Kuil (since 2007) 3,296 holes for 281,084 m	1.5	21.1	Recent drilling has been used in the definition of resources in the Ryst Kuil area.
Pre-feasibility study	0.9	0.3	Has considered the available resource and options for mining. The recent techno-economic study concluded the hard rock mine became economically viable only above US$65/lb U_3O_8
Total		**21.4**	

8.5.2 Valuation of Exploration Properties

SRK notes that all granted Prospecting Rights have either expired or been relinquished, with the closure certification awaited.

Peninsula has applied for four Prospecting Licence applications covering a combined area of 175,738 ha (1,757.38 km^2). Based on its review of recent transactions involving early stage African uranium exploration projects, SRK considers the market would pay in the range US$13 to US$430/km^2 for a 100% interest in granted project tenure. For applications, SRK has elected to discount this by 20% given the uncertainties associated with likely timing of grant and any encumbrances on title.

On this basis, SRK considers the market would pay in the range US$18,300 to US$604,500 for a 100% interest in the Karoo Prospecting Right applications. On a pro-rata basis, a 74% interest would likely trade at between US$13,500 and US$447,400.

8.5.3 Summary

SRK's recommended valuation ranges and preferred values for each project are summarised in Table 8-17.

Table 8-17: Valuation Summary – Karoo Project

Project	Value Centre	Valuation type	Low (US$ M)	High (US$ M)	Preferred (US$ M)
Karoo	Defined Mineral Resource	Actual transaction	74.98		
		Comparable transaction analysis	2.69	96.54	
		Yardstick	6.85	13.69	
		Multiples of Exploration Expenditure	21.40		
		Selected	**2.70**	**13.70**	**4.50**
	Exploration Potential	Comparable transaction analysis	0.02	0.45	
		Selected	**0.02**	**0.45**	**0.06**
TOTAL - 100% Basis			**2.72**	**14.15**	**4.56**
TOTAL - Attributable 74% equity interest			**2.00**	**10.46**	**3.37**

Source: SRK Analysis

In selecting its overall value range and preferred value, SRK notes its preference towards the values implied through comparable transaction analysis with weighting given towards the lower end of the implied value range (towards values implied by the Yardstick Method and the Multiples of Exploration Expenditure), as:

- the actual transaction included a significant tenure portfolio (now largely expired or relinquished) and was completed under different corporate and market conditions to those currently prevailing (i.e. prior to technical studies were completed demonstrating the defined resources were not economic under prevailing conditions amongst other things - see below for examples),
- the drivers for the Yardstick Method are based on the prevailing uranium spot price and the resource classification without consideration of other factors impacting on value (i.e., tenement status, level of technical study completed, etc). In SRK's view this is the position largely being adopted by the current market for pre-development hardrock uranium projects.

Furthermore, SRK's preferred value for the Karoo Project is positioned towards the lower end of the implied value range due to:

- varying levels of technical and geological uncertainty, including but not limited to the expected difficulties in converting the currently defined resources into reserves

- uncertainty associated with the likely timing of grant associated with the Mining Right applications and the fact that the underlying Prospecting Rights have expired or are in the process of being relinquished.
- Peninsula is in negotiations with its joint venture partners in relation to its Mining Right applications and Prospecting Right applications. SRK has been advised by Peninsula that the joint venture partners do not want to withdraw these applications but do not have sufficient funding to either acquire or maintain the tenure in their own right
- lack of firm offers received by Peninsula during its sales process extending from October 2017 to April 2018
- lack of interest from investment banks in facilitating a transaction (despite reaching out to Asian counterparts) and statement that hard rock uranium "*was too difficult to deal with from a merger and acquisition perspective in current market conditions*".
- feedback received by Peninsula during its sales process including:
    - general lack of confidence in South Africa as an investment destination due to regulatory and policy uncertainty
    - security of tenure due to the limited duration and high cost structure associated with holding South African mineral retention rights
    - challenges in financing the further development of a hard rock uranium project in pre-feasibility stage
    - difficulty for hard rock uranium projects to compete with less expensive in situ leach operations and other moth-balled projects over the longer term
- Peninsula has written down its carrying value for the Karoo Project to nil value (excluding the value of freehold farm land).

SRK considers that these factors have a *negative* impact on preferred value.

As such, SRK has elected to assign a value at the lower end of the range to reflect these factors. SRK's selected High and Low values are based on the low value of the comparable transaction data set and High of the Yardstick method respectively, while SRK's overall preferred value is based on the low ends of both the comparable transaction data and Yardstick methods, reflecting recent feedback received by Peninsula in relation to its Karoo Projects.

8.6 Valuation of Raki Raki Project

SRK notes the exploration tenure held by the Geopacific/Peninsula Joint Venture at Raki Raki covers a combined area of approximately 137.3 km².

Based on its review of the available technical data and the multiples implied for early stage gold exploration projects in the Asia Pacific region (refer Section 8.3.1), SRK considers the current market would likely pay in the range A$4,500/km^2 and A$10,500/km^2 (US$3,415 to US$7,865 / km^2 based on A$:US$ exchange rate of 0.75848:1 as at 23 May 2018) for a 100% interest in the Raki Raki Project.

Based on advice from Peninsula that Geopacific (as the JV manager) will be recommending the relinquishment of the tenements due to a perceived lack of prospectivity (despite more than 10 years of exploration), as well as its review of the available technical data, SRK considers Peninsula's 50% interest in the Raki Raki Gold Project is likely to reside towards the lower end of this range as outlined in Table 8-18.

Table 8-18: Valuation Summary – Raki Raki Project

Project	Value Centre	Valuation type	Low (US$ M)	High (US$ M)	Preferred (US$ M)
Raki Raki	Exploration Potential	Comparable transaction analysis	0.47	1.08	
TOTAL - 100% Basis			**0.47**	**1.08**	**0.5**
TOTAL - Attributable 50% equity interest			**0.24**	**0.54**	**0.25**

9 Valuation Summary

RSM Corporate Australia Pty Ltd (RSM) commissioned SRK Consulting Australia Pty Ltd (SRK) to prepare an Independent Specialist Report incorporating a technical assessment and valuation of the mineral assets held by Peninsula Energy Limited (Peninsula). This Report has been prepared under the guidelines of the VALMIN Code (2015), which incorporates the JORC Code (2012).

For this valuation, SRK conducted a high-level review of the available Mineral Resources at both Peninsula's Lance and Karoo Projects, for the purpose of determining their validity from a valuation perspective. In SRK's opinion, the Mineral Resource estimates for Lance and Karoo Projects do not present any fatal flaws and the stated Mineral Resource are acceptable as a representation of global grades and likely recoveries. Thus, for the purposes of this valuation, the global resource estimates were considered.

While the VALMIN Code (2015) states that decisions as to which valuation methodology is used are the responsibility of the Expert or Specialist, where possible, SRK considers a number of methods. The aim of this approach is to compare the results achieved using different methods to select a preferred value within a valuation range. This reflects the uncertainty in the data and interaction of the various assumptions inherent in the valuation.

SRK has recommended preferred values and value ranges for Peninsula's mineral assets on the basis of declared Mineral Resources and the areal extent of tenure. SRK has recommended value ranges for Pre-Development, Advanced Exploration and Exploration areas on the basis of an analysis of recent comparable transactions involving global uranium projects.

SRK's preferred value was then determined within a range of possible values, considering all the available information provided by Peninsula.

SRK's recommended valuation ranges and preferred values for each project are summarised in Table 9-1. SRK has produced a Market Value as defined by the VALMIN Code (2015). In selecting its valuation range, SRK has placed greater weighting on the values implied by the comparable transactions. SRK preferred values are based on an evaluation of factors likely to be considered to impact positively or negatively on value as discussed in each respective section and outlined briefly below.

In selecting its overall preferred positioning for the Lance Project, SRK is cognisant of the following:

- The lower cost structure and higher uranium recovery likely to be achievable under an acidic lixiviant route. This is likely to have a positive impact on the value likely to be ascribed by the market.
- Previous (historical) acid leach uranium trials in the US have typically operated at higher acid consumption rates than initially predicted during trials. Furthermore, Peninsula's acid lixiviant recovery system remains as a concept with work completed to date undertaken only a bench scale. There is some risk in achieving commercial production rates and recoveries which is likely to have a negative impact on the value likely to be attributed by the market.

For the valuation of the Karoo Project, SRK considers the market is likely to pay towards the lower end of the range given Peninsula's recent decision to withdraw funding following an unsuccessful attempt to divest its interest in the Project. Having tested the recent market, Peninsula found that i) the prevailing uranium market conditions were unsupportive of the ongoing development of a hard rock uranium mining opportunity, ii) the limited duration and cost structure associated with holding South African mineral retention rights quickly becomes cost prohibitive thus negating any form of 'option value' (Peninsula, Q1 Report 2018). Reportedly these reasons deterred a number of prospective buyers from making firm offers acceptable to Peninsula.

Table 9-1: Valuation Summary of Peninsula's mineral assets as at 11 June 2018

Asset	Value Centre	Value Method	Low (US$ M)	High (US$ M)	Preferred (US$ M)
Lance (100%)	Lance Project Resources (Entire)	Comparable Transaction	41.3	123.7	
		Peer Analysis	37.0	87.2	
		Yardstick	8.5	17.9	
		Selected	**38.8**	**95.5**	**80.0**
	Barber Resources Only	Comparable Transaction	21.0	54.8	
		Peer Analysis	17.2	31.9	
		Yardstick	4.0	8.1	
		Selected	**18.4**	**39.2**	**35.0**
Karoo* (74%)	Mineral Resource	Actual transaction	74.98		
		Comparable transaction	2.69	96.54	
		Yardstick	6.85	13.69	
		MEE	21.4		
		Selected	**2.70**	**13.70**	**4.50**
	Exploration Potential	Comparable transaction	0.02	0.45	0.06
		Selected	**0.02**	**0.45**	**0.06**
	Overall	**100% basis**	**2.72**	**14.15**	**4.56**
		74% Basis	**2.00**	**10.46**	**3.37**
Raki Raki (50%)	Exploration Potential	Comparable transaction	0.47	1.08	
		Selected	**0.47**	**1.08**	**0.5**
	Overall	**100% basis**	**0.47**	**1.08**	**0.5**
		50% Basis	**0.24**	**0.54**	**0.25**

*does not include the value of 322 km^2 of freehold farmland (which remains to be determined through a separate valuation process).

Any discrepancies between values in the table are due to rounding.

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Appendices

Appendix A: Transaction Data

Table A-1: Uranium transactions between January 2011 and May 2018

Project	Country	Announce Date	Buyer	Seller	Equity	Synopsis
EL09/1618	Australia	Apr 2016	Segue Resources Limited	Zeus Resources Limited	50.00%	Segue Resources Ltd.to spend A$280,000 in exploration expenditure to acquire a 50% interest in EL09/1618 from Zeus Resources Ltd. If either Zeus or Segue's joint venture interest dilutes to less than 10% then that party's interest will convert to a 1% NSR royalty.
Nicole Ranch, Eagle & Cyclone Rim	USA	Apr 2015	Uranerz Energy	Energy Fuels Inc.	100%	Toronto-based Energy Fuels Inc. has acquired Uranerz Energy Corp. exchanged 0.255 shares of its common stock to acquire each outstanding share of Uranerz Energy Corp for a total of US$163 M.
Four Mile	Australia	July 2015	Quasar Resources Pty Ltd (Heathgate)	Alliance	25% (~19.5%)	Quasar Resources Pty Ltd. has acquired the remaining 25% interest in the Four Mile project, including ACE's share of uranium oxide concentrates already mined from Melbourne-based Alliance Resources Ltd. unit Australia-based Alliance Craton Explorer Pty Ltd. Four Mile is a uranium project located in Australia. It is noted that at the time of the transaction Alliance had not contributed to the exploration, due to this PPB Advisory had estimated their interest had been diluted to approximately 19.5%
Multiple sites	Kazakhstan USA, Australia and Tanzania	Sep 2013	Uranium One	Share Buy back	51.4%	Uranium One offered to purchase 51.4% of the common shares. Purchase the C$259,985,000 to delist company from TSX. The company holds projects in Kazakhstan, the United States, Australia and Tanzania
Langer Heinrich Mine	Namibia	Jun-14	China Uranium Corporation Limited	Paladin Energy Ltd	25.00%	Beijing-based China National Nuclear Corp. (CNNC) unit Hong Kong-based China Uranium Corp. paid US$190 M Ltd. has acquired a 25% stake in the Langer Heinrich mine from Subiaco, Australia-based Paladin Energy Ltd. Langer Heinrich mining operation is located in Namibia.
Langer Heinrich Mine	Namibia	Jul-16	China Uranium Corporation Limited	Paladin Energy Ltd	24.00%	Beijing-based China National Nuclear Corp. unit Central, Hong Kong-based CNNC Overseas Uranium Holding Ltd. has signed a non-binding letter of intent to acquire 24% interest in the Langer Heinrich mine from Perth, Australia-based Paladin Energy Ltd. The mine is located in Namibia.
Royalty on Etango project	Namibia	Nov 2015	Resource Capital Funds	Bannerman Resources Limited	1.50%	Resource Capital Funds paid approx. N$22.64 million (A$2 million) in cash and extinguished residual convertible notes held by it comprising of approx. N$45.28 million (A$4 million) to acquire a 1.5% royalty on Etango Project from Bannerrman Resources Ltd.
Husab	Namibia	Dec 2011	Taurus Mineral Limited	Extract Resources	57.26%	Taurus purchases Kalahari share to purchase Extract's 42.74% shareholding of Kalahari Minerals plc. in an off-market transaction. The cash offer price was A$8.65 per Extract share and Taurus lodged the unconditional cash offer for Extract in February 2012, and went on to compulsory acquisition of the remaining shares in April 2012.
Namibplaas	Namibia	Oct 2011	Forsys Metals Corp	Etherlin Management	30.00%	Forsys agreed to acquire Etherlin's indirect 30% interest in Namibplaas in exchange for 13 million Forsys shares and 2 million share purchase warrants allowing the holder to acquire one Forsys share at a price of US$1.10.

Project	Country	Announce Date	Buyer	Seller	Equity	Synopsis
Royalty on Etango project	Namibia	Nov 2015	Resource Capital Funds	Bannerman Resources Limited	16.83%	Resource Capital Funds converted A$8.0 million of notes into approx. 106,666,667 shares of Bannerman Resources Ltd through a shares-for-debt transaction. Denver-based Resource Capital Funds unit, Resource Capital Fund IV L.P. and Resource Capital Fund VI L.P. has acquired shares of Perth, Australia-based Bannerman Resources Ltd through a shares-for-debt transaction. Pursuant to the transaction the shareholdings of Resource Capital Fund IV and Resource Capital Fund VI moved to approx. 20.4% and 19.3% of Bannerman's issued share capital respectively.
Etango project	Namibia	Nov 2015	Bannerman Resources Limited	Private Investor - Clive Jones	20.00%	Bannerman Resources Ltd paid approx. N$11.32 million in cash and issued 123,424,534 shares of its common stock to acquire the remaining 20% interest in the Etango project from Mr Clive Jones. Perth, Australia-based Bannerman Resources Ltd has acquired the remaining 20% interest in the Etango project from Mr Clive Jones.
Husab project	Namibia	Nov 2012	Republic of Namibia/ Epangelo Mining Company (Pty) Limited)	Guangdong Nuclear Power Holding Co. Ltd.	10.00%	Epangelo Mining Co. (Pty) Ltd paid US$210.52 million to acquire a 10% stake in Husab project from China Guangdong Nuclear Power Holding Co. Ltd. Namibia-based Government of the Republic of Namibia unit Windhoek, Namibia-based Epangelo Mining Co. (Pty) Ltd has acquired a 10% stake in the Husab project from Shenzhen, China-based China Guangdong Nuclear Power Holding Co. Ltd. The Husab uranium project is located in Namibia.
Langer Heinrich mine	Namibia	Jan 2014	China National Nuclear Corporation	Paladin Energy Ltd	25.00%	China National Nuclear Corp. unit Hong Kong-based China Uranium Corp. Ltd paid US$190.0 million to acquire a 25% stake in Langer Heinrich uranium mine from Paladin Energy Ltd. Beijing-based China National Nuclear Corp. unit Hong Kong-based China Uranium Corp. Ltd has acquired a 25% stake in the Langer Heinrich mine from Subiaco, Australia-based Paladin Energy Ltd. The Langer Heinrich mining operation is located in Namibia.
Thatcher Soak, Bremer Basin Project, Alligators River Project	Australia	Aug 2011	Shangai Zhongfu Group	Uranex Ltd	100.00%	Uranex signed a Heads of Agreement for the sale of 100% of its Australian uranium projects to a Chinese investor for A$20 million. The projects included Bremer Basin, Thatcher Soak and Alligator Rivers. Uranex received notice from Shanghai Zhongfu Group that it would not be proceeding with the previously mentioned sales transaction.
Anderson	USA	Apr 2011	Global Met Coal	Concentric Energy Corp	100.00%	In April 2011, Uranium Energy Corp agreed to acquire Concentric Energy Corp and its 100% interest in the Anderson uranium property in a stock-for-stock merger. Concentric shareholders received 0.1075 new shares in UEC for every 1 share of Concentric common stock. In order to secure a portion of the rights that were subject to an option agreement, UEC paid to Global (i) an initial payment of US$150,000, (ii) a further US$200,000 payment releasing and assigning to the Company the security previously granted by Concentric to Global and (iii) 350,000 restricted shares of the Company's common stock along with a final payment of US$150,000.
Lake Maitland	WA	Aug 2013	Toro Energy Ltd	Mega Uranium	65.00%	In August 2013, Toro entered into a binding terms sheet to acquire the Lake Maitland project from Mega Uranium, for consideration of 415 million Toro shares.

Project	Country	Announce Date	Buyer	Seller	Equity	Synopsis
Treeline	USA	Sept 2011	Tigris Uranium Corp	Concordia Resource Corp	100.00%	In September 2011, Tigris entered into an Assignment Agreement with Western Energy, a subsidiary of Concordia, whereby the company would acquire the Treeline project in exchange for 200,000 common shares.
Workman Creek	USA	Nov 2011	Uranium Energy Corp	Cooper Minerals Inc	100.00%	Uranium Energy entered into a definitive property acquisition agreement with Cooper Minerals to acquire Workman Creek paying US$84,640 in cash payments and 300,000 common shares.
Temrezli, Anatolia	Turkey	June 2015	Uranium Resources Inc	Anatolia Energy Limited	100.00%	Uranium Resources and Anatolia Energy announced that they would merge, with Uranium Resources offering to purchase all of the issued and outstanding securities in Anatolia through the issue of new securities in Uranium Resources, at a rate of 0.06579 new Uranium Resources shares for every 1 Anatolia share.
Mangalisa	South Africa	Dec 2012	Ibhubesi Capital Pty Ltd	Superior Mining International Corp	67.00%	Ibhubesi entered into a two-stage, earn-in agreement with Superior Mining to earn up to 67% interest at Mangalisa. Under the agreement, Ibhubesi could earn 26.8% interest by paying US$1 million - conditional to the completion due diligence. Ibhubesi could earn an additional 40.2% interest by paying US$1.5 million in cash; spending US$5 million in exploration; and determining that mining operations at Mangalisa are commercially viable. Ibhubesi would have 24 months to conduct exploration. Upon completion of the acquisition, Superior and Ibhubesi would operate as a joint venture. In January 2013, Superior Mining received TSX-V and shareholder approval.
Songea/ Lindi	Tanzania	Aug 2012	Karoo Exploration Corp	Tanzania Minerals Corp	100.00%	On 9 August 2012, Tanzanian Minerals entered into a property option agreement with Karoo Exploration Corp, whereby Karoo can acquire a 100% interest in the Songea/ Lindi claims. Tanzania will grant to Karoo the option to acquire a 100% interest in the Property, by issuing 2,000,000 common shares to Tanzania, and incurring exploration expenditures on the Property totalling $750,000, over a 3-year period. Upon exercise of the Option, Karoo will grant to Tanzania a 2.0% NSR on the proceeds of any commercial production from the Property. One-half of the NSR and a right of first refusal on the other half can be purchased by Karoo for a cash payment of US$2,000,000. The other half of the NSR can be purchased by Karoo for a cash payment of US$5,000,000. During the term of the Option, Tanzania will have the right to nominate two individuals to the Board of Karoo.
Ryst Kuil	South Africa	Dec 2012	Peninsula Energy Ltd	AREVA NC	74.00%	Peninsula Energy Ltd unit Tasman RSA Holdings (Pty) Ltd paid $5 million in common stock and US$45 million in cash to acquire Ryst Kuil from AREVA NC. 26% owned by Lukisa Invest 100 Pty Ltd.
Pinewood portfolio	Tanzania	Jan 2015	Metal Tiger plc	Kibo Mining Public Limited Company	50.00%	Metal Tiger plc will pay TZs2655.06 to acquire a 50% stake in the Pinewood portfolio from Kibo Mining Plc., Metal Tiger is to pay licence renewal fees and other maintenance costs for a minimum of 1 year (approximately TZs175.00 million) and up to a maximum of 3 years. Metal Tiger is to expend the first TZs1.40 billion under the JV in expenses and exploration relating to the Pinewood portfolio. The portfolio consists of 43 licences, offers, applications and tenders with a combined surface area of approximately 9,033 km^2.

Project	Country	Announce Date	Buyer	Seller	Equity	Synopsis
Kuriskova, Novoveska Huta	Slovakia	June 2014	Forte Energy NL	European Uranium Resources	50.00%	Forte Energy agreed in June 2014 to acquire up to a 50% stake in Slovak uranium projects from European Uranium Resources Ltd. through an earn-in transaction. Forte will earn its ownership interest over a period of 10 years, by paying C$500,000 in cash and C$3.5M in exploration expenditure.
Claim S-107558	Canada	Jan 2016	Denison Mines Corp.	CanAlaska Uranium Limited	75.00%	Denison Mines Corp. will incur C$762,405 in exploration expenditures to acquire a 75% interest in the claim S-107558 from CanAlaska Uranium Ltd. Toronto-based Denison Mines Corp. has agreed to acquire a 75% interest in the claim S-107558 from Vancouver, British Columbia-based CanAlaska Uranium Ltd., through an earn-in and joint venture transaction. The claim S-107558 is a part of Moon uranium project which is located in Saskatchewan, Canada.
27 mineral claims	Canada	Feb 2016	Cameco Corporation	ALX Uranium Corp.	99.00%	Cameco Corp. will pay C$170,000 in cash to acquire 27 mineral claims (~ 7,064 hectares) from ALX Uranium Corp. According to the terms of the agreement certain mineral claims are subject to a 1% net refining returns royalty (NRR) subject to a reduction to 0.25% at any time upon payment of C$750,000 to ALX and a 2% NRR subject to a reduction to 1% at any time upon payment of C$500,000 to ALX. Saskatoon, Saskatchewan-based Cameco Corp. has agreed to acquire 27 mineral claims from Vancouver, British Columbia-based ALX Uranium Corp.
Key Lake package	Canada	Feb 2015	Aldrin Resource Corporation	Fission 3.0 Corp.	50.00%	To acquire up to a 50% interest in the Key Lake package (61 mineral claims covering approx. 18,392.7 hectares) from Fission 3.0 Corp, Aldrin Resource Corp. to spend C$6.9M on exploration by May 2019, C$100,000 in cash and issue 2,000,318 common stock. Aldrin will also make semi-annual payments to Fission 3.0 of C$100,000 during the earn-in period in cash or equivalent Aldrin shares. Fission 3.0 will be the operator of the projects and will be compensated with an Operator Fee equal to 10% of Key Lake expenditures.
Falea	Mali	Sep 2013	Denison Mines Corp	Rockgate Capital Corp	100.00%	In September 2013, Denison Mines made a takeover offer to acquire Rockgate Capital in exchange for shares in Denison. Each Rockgate share will be exchanged for 0.192 Denison shares for a total consideration of C$26.7M.
Multiple	Australia	Dec 2016	Uranium Africa Ltd	Paladin Energy Ltd	100.00%	Uranium Africa Ltd acquired the non-core Australian exploration assets of Paladin Energy Ltd comprising Oobagooma and Angela/Pamela projects located in Western Australia and Northern Territory respectively and Paladin Energy Ltd.'s interest in the Bigrlyi project located in the Northern Territory. It also includes a number of historic applications for tenements located in the Northern Territory.
Churchrock & Crownpoint	USA	Apr -2016	Laramide Resources Ltd	Uranium Resources Inc	100.00%	Laramide Resources Ltd. acquired the Churchrock and Crownpoint properties from Centennial, Colo.-based Uranium Resources Inc. through the acquisition of Hydro Resources, Inc. The properties are located in New Mexico, USA.
Honeymoon	Australia	Dec 2017	Boss Resources Ltd	Private Investor	20.00%	Boss Resources Ltd. acquired the remaining 20% interest in Honeymoon Uranium project from Mr. Grant Davey. The Honeymoon Uranium Project is located in South Australia, approximately 80 km north-west from the town of Broken Hill near the SA/NSW border.
Alta Mesa	USA	Mar-2016	Energy Fuels Inc	Investor Group	100.00%	Energy Fuels Inc. unit Lakewood, Colo.-based Energy Fuels Holdings Corp. acquired the Alta Mesa project from an investor group comprised of Mesteña, LLC, Jones Ranch Minerals Unproven, Ltd. and Mesteña Unproven, Ltd.

Project	Country	Announce Date	Buyer	Seller	Equity	Synopsis
Multiple	USA	May 2018	Azarga Uranium Corp.	URZ Energy Corp	100.00%	Azarga Uranium Corp. agreed to acquire all of the issued and outstanding common shares of Vancouver, British Columbia-based URZ Energy Corp.
North Reno Creek	USA	Dec - 2017	Uranium Energy Corp	Energy Fuels Inc	100.00%	Uranium Energy Corp. acquired a 100% interest in the North Reno Creek project from Energy Fuels Inc. unit, Uranerz Energy Corp.
Two Projects	USA	Jan-2017	Mesa Exploration Corp	State of Utah	100.00%	Mesa Exploration Corp. acquired two uranium projects from the State of Utah. These two projects are: mineral leases comprising of 1,923 acres in Montezuma Canyon Mining District; and 640 acres in the Browns Hole Mining District.
Three Claims	Canada	Aug-2016	Appia Energy Corp	Undisclosed	100.00%	Appia Energy Corp. acquired surface exploration rights for three claims from an undisclosed seller. The claims, covering approximately 5,970 hectares (14,752 acres) are contiguous to Appia Energy Corp.'s Loranger property in Athabasca Basin, northern Saskatchewan.
33 mining claims	USA	May-2016	Highlands Natural Resources plc	Undisclosed	100.00%	Highlands Natural Resources plc acquired 33 mining claims in Grand County, Utah which cover a total of 681.78 acres, from an undisclosed seller.
27 mineral claims	Canada	Feb-2016	Cameco Corporation	ALX Uranium Corp.	100.00%	Cameco Corp. has acquired 27 mineral claims (total of 7,064 hectares within the Hook-Carter property) from ALX Uranium Corp.
East Preston property	Canada		Azincourt Energy Corp.	Investor group	70.00%	Azincourt Energy Corp. has agreed to acquire up to a 70% interest in the East Preston property from investor group comprised of Skyharbour Resources Ltd. and Clean Commodities Corp., through an earn-in and joint venture agreement. The East Preston property totals 25,329 hectares, which represents the eastern region of the larger 121,148 ha Preston project located in Canada.
Portion of Preston project	Canada	Mar-2017	Orano SA	Investor group	70.00%	Orano SA unit, Orano Canada Inc. has agreed to acquire up to a 70% interest in a portion of the Preston project from investor group comprised of Skyharbour Resources Ltd. and Clean Commodities Corp. through an earn-in and joint venture agreement. The area of interest for this agreement is comprised of 49,635 hectares of the total 121,148 hectare Preston project.
Dufferin Lake property	Canada	Sep-2017	NexGen Energy Ltd.	Investor group	40.00%	NexGen Energy Ltd. acquired the remaining 40% interest in Dufferin Lake property from an investor group comprised of Rainmaker Resources Ltd. and Eagle Trail Properties Inc. The Dufferin Lake property comprises five contiguous mineral dispositions covering an area of 10,910 hectares.
Uranium project	USA	Feb-2018	enCore Energy Corp.	Metamin Enterprises Inc.	100.00%	enCore Energy Corp. has acquired 13,605 acres of prospective uranium mining properties from Metamin Enterprises Inc., through the acquisition of Metamin US Inc., a Nevada based wholly owned subsidiary of Metamin Enterprises Inc. Metamin US Inc. owns or controls prospective uranium mining properties located in the States of Arizona, Utah and Wyoming, USA, along with drill core, geophysical data, drilling data and equipment related to the properties. enCore Energy Corp. also has the option of purchasing the properties and assets directly.
Waterbury West claims	Canada	Apr-2016	Cameco Corporation	CanAlaska Uranium Limited	100.00%	Cameco Corp. agreed to acquire a 100% interest in Waterbury West claims (3,764 hectares) from CanAlaska Uranium Ltd.

Project	Country	Announce Date	Buyer	Seller	Equity	Synopsis
Two properties	Canada	Apr-2016	ALX Uranium Corp.	Private investor - Ryan Kalt	100.00%	ALX Uranium Corp. has acquired a 100% interest in the North and South Carter Corridor properties in Saskatchewan from Mr. Ryan Kalt.
Mile 72 project	Namibia	May-2018	Marenica Energy Limited	Metals Australia Limited	100.00%	Marenica Energy Ltd. agreed to acquire a 100% interest in Mile 72 project in Erongo, Namibia from Metals Australia Ltd.
Three projects	USA	Sep-2016	Summit Point Uranium Corp.	Energy Fuels Inc.	100.00%	Summit Point Uranium Corp. unit Ucolo Exploration Corp. has acquired a 100% interest in Gas Hills, Juniper Ridge and Shirley Basin Properties in Wyoming, USA from Energy Fuels Inc. unit Strathmore Minerals Corp.
Kyzyl Ompul	Kyrgyzstan	Apr-2018	Central Asian Uranium Company LLC	Azarga Uranium Corp.	100.00%	Central Asian Uranium Co. LLC has agreed to acquire a 100% interest in the Kyzyl Ompul project from Greenwood Village, Colo.-based Azarga Uranium Corp., through an earn-in transaction. The project is located in Kyrgyzstan.
Zambian projects	Zambia	Mar-2017	GoviEx Uranium Inc.	African Energy Resources Ltd	100.00%	GoviEx Uranium Inc. has acquired Zambian uranium projects (Kariba Valley, Chirundu) from African Energy Resources Ltd.
Wheeler River Project	Canada	Jan-2017	Denison Mines Corp.	Cameco Corporation	6.00%	Denison Mines Corp. agreed to acquire an additional 6% interest in Wheeler River project from Cameco Corp., through an earn-in agreement.
Non-core assets	Australia	Dec-16	Uranium Africa Limited	Paladin Energy Limited	100.00%	Uranium Africa Ltd. acquired the non-core Australian exploration assets (Oobagooma and Angela/Pamela projects located in Western Australia and Northern Territory respectively and Paladin Energy Ltd.'s interest in the Bigrlyi project located in the Northern Territory) of Paladin Energy Ltd. Also includes a number of historic applications for tenements located in the Northern Territory.
URZ Energy Corp.	USA	May-2018	Azarga Uranium Corp.	URZ Energy Corp.	100.00%	Azarga Uranium Corp. agreed to acquire all of the issued and outstanding common shares of URZ Energy Corp.
Churchrock & Crownpoint	USA	Apr-2016	Laramide Resources Ltd	Uranium Resources, Inc.	100.00%	Laramide Resources Ltd. acquired the Churchrock and Crownpoint properties in New Mexico, USA from Uranium Resources Inc. through the acquisition of Hydro Resources, Inc.
Centennial	USA	Jul-2013	Azarga Resources	Powertech Uranium	60.00%	Azarga Resources purchased an initial 60% interest in the Centennial project by making staged payments of $1.5 million over two years.

Table A-2: Project description and transactions

Project	Country	Date	Status	Deposit type	Tonnes	Grade (U_3O_8 ppm)	Contained (lb U_3O_8)	Area (km^2)	$/lb U_3O_8	$/$km^2$
Nicole Ranch, Eagle & Cyclone Rim	USA	Apr 2015	Operation	Sandstone hosted	23,717,581	820	28,682,906	N/A	5.69	N/A
Four Mile Project	Australia	Jul-15	Operation	Sandstone hosted	17,199,000	370	120,400,000	N/A	2.50	N/A
Multiple projects	Kazakhstan, the United States, Australia and Tanzania	Sep-13	Operation	Sandstone hosted	259,981,437	890	355,172,090	N/A	1.20	N/A
Langer Heinrich Mine	Namibia	Jun-14	Operation	Sandstone hosted	101,077,538	550	437,534,937	N/A	1.74	N/A
Langer Heinrich Mine	Namibia	Jul-16	Operation	Sandstone hosted	101,077,538	550	437,534,937	N/A	1.81	N/A
EL09/1618	Australia	Apr 2016	Exploration	Alaskite	N/A	N/A	N/A	19.32	0.00	289.90
Royalty on Etango project	Namibia	Nov 2015	commissioning	Alaskite	658,900,000	190	270,200,000	243.26	0.94	1,182,109.68
Husab	Namibia	Dec 2011	Feasibility	Alaskite	583,300,000	400	513,000,000	636.00	0.23	3,438,487.34
Namibplaas	Namibia	Oct 2011	Resource Development	Alaskite	169,100,000	110	41,100,000	17.42	1.79	1,315,654.83
Royalty on Etango project	Namibia	Nov 2015	commissioning	Alaskite	658,900,000	190	270,700,000	486.90	7.79	71,325.65
Etango project	Namibia	Nov 2015	commissioning	Alaskite	658,900,000	190	270,700,000	486.90	10.82	51,386.28
Husab project	Namibia	Nov 2012	Development	Alaskite	583,300,000	400	511,686,604	579.04	0.24	3,635,666.56
Langer Heinrich mine	Namibia	Jan 2014	Development	Calcrete	137,400,000	530	158,807,786	43.75	0.21	17,371,428.57
Thatcher Soak, Bremer Basin, Alligators River Projects	Australia	Aug 2011	Reserves Development	Canotite	28,000,000	220	14,000,000	224.00	0.74	84,572.16
Anderson	USA	Apr 2011	Reserves Development	Canotite	14,060,000	540	16,782,689	23.40	3.28	218,713.98
Lake Maitland	WA	Aug 2013	Feasibility	Canotite	20,800,000	486	22,300,000	2,560.00	0.50	17,442.38
Treeline	USA	Sept 2011	Reserves Development	Sandstone hosted	593,448	1,300	1,543,000	8.00	12.45	15,492.47

Project	Country	Date	Status	Deposit type	Tonnes	Grade (U_3O_8 ppm)	Contained (lb U_3O_8)	Area (km^2)	$/lb U_3O_8	$/$km^2$
Workman Creek	USA	Nov 2011	Reserves Development	Sandstone hosted	3,222,000	860	5,542,000	14.20	5.93	65,854.93
Temrezli, Anatolia	Turkey	June 2015	Prefeasibility	Sandstone hosted	5,206,000	1,157	13,300,000	180.00	0.53	138,569.53
Mangalisa	South Africa	Dec 2012	Exploration	Sandstone hosted	N/A	N/A	N/A	195.80	0.00	57,170.73
Songea/Iindi	Tanzania	Aug 2012	Exploration	Sandstone hosted	N/A	N/A	N/A	2,606.00	0.00	306.98
Ryst Kuil	South Africa	Dec 2012	Satellite	Sandstone hosted	9,095,000	1,000	20,051,043	5,600.00	0.30	12,065.64
Pinewood portfolio	Tanzania	Jan 2015	Exploration	Sandstone hosted	N/A	N/A	N/A	9,033.00	0.00	21.29
Kuriskova, Novoveska Huta	Slovakia	June 2014	Feasibility	Stockwork	11,700,000	2,141	57,600,000	48.00	13.62	88,112.86
Claim S-107558	Canada	Jan 2016	Exploration	Unconformity	N/A	N/A	N/A	27.80	0.00	281.86
27 mineral claims	Canada	Feb 2016	Exploration	Unconformity	N/A	N/A	N/A	70.60	N/A	24.32
Key Lake package	Canada	Feb 2015	Exploration	Unconformity	N/A	N/A	N/A	183.93	N/A	55,843.36
Falea	Mali	Sept 2013	Reserves Development	Unconformity	31,020,000	680	45,270,000	267.00	1.96	86,356.82
Multiple	Australia	Dec 2016	Reserves Development	Sandstone hosted	26,360,000	1,270	73,696,534	580	0.03	3,230
Churchrock & Crownpoint	USA	Apr -2016	Pre-development	Sandstone hosted	26,580,513	960	56,258,009	N/A	0.22	N/A
Honeymoon	Australia	Dec 2017	Feasibility	Sandstone hosted	43,460,000	660	63,236,524	N/A	1.02	N/A
Alta Mesa	USA	Mar-2016	Operating	Uranate	7,799,974	1,190	20,463,242	1563	0.52	6,764
Multiple	USA	May 2018	Reserves Development	Sandstone hosted	9,136,922	670	10,657,008	N/A	1.27	N/A
North Reno Creek	USA	Dec - 2017	Operating	Uranate	26,491,564	390	22,777,525	N/A	0.24	N/A

Note: The value for US$/km has not been assessed for operating mines.

Table A-3: Copper-Gold transactions – area based

Project	Deal Announcement Date	Vendor	Purchaser	Country(s)	Deal Terms	Consideration 100% Basis A$M	Project Area (km²)	Area Multiple (A$/km²)	Area Multiple Adjusted (A$/km²)
Wonogiri	Dec-10	Minerals and Metals Group (China Minmetals)	Augur Resources Ltd	Indonesia	Exploration Expenditure	4.41	39.28	112,318.03	132,230.18
Mount Hagen Jv	Jan-10	Pacific Niugini Ltd	ElDore Mining Corp Ltd	Papua New Guinea	Exploration Expenditure	3.59	855.00	4,194.72	5,682.33
Manus Island	Sep-10	Triple Plate Junction plc	Newcrest Mining Ltd	Papua New Guinea	Exploration Expenditure	9.26	674.00	13,737.77	16,755.73
Nakru	Oct-09	Coppermoly Ltd	Barrick Gold Corp	Papua New Guinea	Exploration Expenditure and Scrip	28.57	170.00	168,038.14	242,355.49
Luang Namtha	Apr-09	AMANTA RESOURCES LTD	JOGMEC	Laos	Exploration Expenditure	8.14	200.00	40,692.95	53,893.14
Mabilo	May-13	Sierra Mining Ltd	Galeo Equipment and Mining Co Inc	Philippines	Exploration Expenditure	14.54	34.83	417,533.57	485,302.79
Oyadao South License	Jun-16	Angkor Gold Corporation	JOGMEC	Cambodia	Exploration Expenditure	7.99	235.00	33,994.57	32,605.26
Oyadao North Concession	Jan-16	Angkor Gold Corporation	Mesco Gold Ltd.	Cambodia	Exploration Expenditure	2.11	222.00	9,497.74	10,053.76
Trenggalek project	Sep-15	Arc Exploration Limited	PT Danusa Tambang Nusantara	Indonesia	Exploration Expenditure	17.84	299.69	59,531.38	61,861.67
El Paso Exploration Permit 009	Sep-15	Red Mountain Mining Limited	JIWON Resource Corp.		Exploration Expenditure	2.80	21.90	127,767.24	132,768.56
Exploration tenements on	Nov-16	St Barbara Limited	Newcrest Mining Limited	Papua New Guinea	Exploration Expenditure	62.26	260.00	239,443.76	241,625.47

Project	Deal Announcement Date	Vendor	Purchaser	Country(s)	Deal Terms	Consideration 100% Basis A$M	Project Area (km²)	Area Multiple (A$/km²)	Area Multiple Adjusted (A$/km²)
Tatau and Big Tabar Islands									
Koan Nheak property	Jul-17	Angkor Gold Corporation	Emerald Resources NL	Cambodia	Exploration Expenditure	5.58	189.00	29,534.89	30,823.71
Star Mountain project	Dec-14	Highlands Pacific Limited	Anglo American Plc	Papua New Guinea	Cash and Exploration Expenditure	281.32	515.00	546,245.31	621,788.92
EL 2306 (Abundance Valley)	Jul-17	Khor Eng Hock & Sons (PNG) Limited	Gold Mountain Limited	Papua New Guinea	Cash and Scrip	7.43	328.00	22,648.08	23,636.38
Four licences	Jul-17	Mekong Minerals Limited	Emerald Resources NL	Cambodia	Cash	12.94	861.00	15,029.40	15,685.24
Gorontalo properties	May-14	MMG Limited	Augur Resources Limited	Indonesia	Cash	0.25	393.98	635.15	759.90
Jimi	Aug-09	Frontier Resources Ltd	Harmony Gold Mining Co Ltd	Papua New Guinea	Cash	0.30	192.00	1,560.24	2,270.33
Kou Sa	Dec-12	Golden Resource Development	Worldwide Mining Projects Ltd (Geopacific Re	Cambodia	Cash	16.39	158.00	103,726.68	106,861.43
Boston	Jul-11	Boston Minerals Mining Corp	Sentosa Mining Ltd	Philippines	Cash and Scrip	2.26	3.39	665,663.44	754,454.41
Lakuwahi	Apr-10	PT Gemala Borneo Utama (PT GBU)	Robust Resources Ltd	Indonesia	Cash and Scrip	80.00	250.00	320,000.00	427,330.83
Feni	Aug-06	New Guinea Gold Corp	Vangold Resources Ltd	Papua New Guinea	Cash and Scrip	7.48	166.60	44,918.84	89,710.90

Project	Deal Announcement Date	Vendor	Purchaser	Country(s)	Deal Terms	Consideration 100% Basis A$M	Project Area (km²)	Area Multiple (A$/km²)	Area Multiple Adjusted (A$/km²)
East Elang property	May-16	Southern Arc Minerals Inc.	Private Investor	Indonesia	Cash	0.03	96.70	282.76	272.08
Andewa licence EL-2461	Apr-17	WNB Resources Limited	Frontier Resources Limited	Papua New Guinea	Cash/ Expenditure	0.09	147.00	604.69	595.30

SRK Report Client Distribution Record

Project Number: PNS002

Report Title: Independent Technical Assessment and Valuation Report relating to the mineral assets of Peninsula Energy Limited

Date Issued: 20 July 2018

Name/Title	Company
Sam Byford	RSM Corporate Australia Pty Ltd
David Coyne	Peninsula Energy Ltd

Rev No.	Date	Revised By	Revision Details
0	12/06/2018	Jeames McKibben	DRAFT report for client review
1	06/07/2018	Jeames McKibben	DRAFT report for client review
2	09/07/2018	Jeames McKibben	Final report to client
3	19/07/2018	Jeames McKibben	Final report to client
4	20/07/2018	Jeames McKibben	Final report to client

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PENINSULA ENERGY LIMITED
ABN 67 062 409 303

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Peninsula Energy Limited
C/- Link Market Services Limited
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Sydney South NSW 1235 Australia

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+61 2 9287 0309

BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

ALL ENQUIRIES TO
Telephone: 1300 554 474 Overseas: +61 1300 554 474

X99999999999

PROXY FORM

I/We being a member(s) of Peninsula Energy Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **11:00am (WST) on Wednesday, 19 September 2018 at BDO, Hay Room, 38 Station Street, Subiaco WA 6008** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

STEP 2

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions	For	Against	Abstain*
1 Issue of Shares, Options and Replacement Convertible Note to RCF VI and Increase in Relevant Interest	☐	☐	☐
2 Issue of Shares, Options and Replacement Convertible Note to Pala and Increase in Relevant Interest	☐	☐	☐
3 Approval of Grant and Direct Enforcement of the Extended Security	☐	☐	☐
4 Approval for the Issue of Shares, Options and Post-Assignment Replacement Convertible Notes to Assignees	☐	☐	☐

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

SAMPLE

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

(b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (WST) on Monday, 17 September 2018,** being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

BY MAIL

Peninsula Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

BY FAX

+61 2 9287 0309

BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.

ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

SAMPLE

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.