



18 October 2018

Companies Announcement Office
Via Electronic Lodgement

LANCE PROJECTS SEPTEMBER QUARTER AND OPERATIONAL UPDATE

Peninsula Energy Limited (**Peninsula or Company**) advises that production from the Lance Projects during the quarter ended 30 September 2018 was 40,920 pounds U₃O₈. The September quarter production is an increase of approximately eight percent on the June quarter. The increase in production is partly the result of the completion of a dried pounds reconciliation by the toll milling contractor for the period of April 2018 to September 2018, as is standard industry practice during the term of toll milling agreements. This resulted in an increase of approximately 10,000 pounds U₃O₈ attributable to Lance production in the June and September quarters.

A drying campaign was conducted during the quarter with a total of 30,835 pounds U₃O₈ dried and drummed. Post the end of the quarter, on 1 October 2018 the Company made a scheduled sale to a customer of 100,000 pounds U₃O₈ (85,000 pounds U₃O₈ Lance production, 15,000 pounds U₃O₈ market source). This was our final delivery obligation for the 2018 calendar year.

While the production for the September quarter exceeded the guidance range of the Company (22,500 to 27,500 pounds U₃O₈ set in May 2018), the Company expects production in the December 2018 quarter to be at the low end of the guidance range following an equipment failure inside the processing plant. The Company intends to make repairs over a 1 to 2 week period, reducing the ability to produce during this period. Guidance for the financial year ending 30 June 2019, which was also set in May 2018, remains unchanged at 90,000 to 110,000 pounds U₃O₈ as the Company transitions the operations to low pH.

Wayne Heili, Peninsula's Managing Director and CEO commented, "Production attributable to the September quarter exceeded our expectations following our decision in May to suspend alkaline operations in Mine Unit 1. I am pleased that we continue to meet or exceed our targets. This applies not only to production, but also extends to the progression of the activities associated with our low pH transition at Lance aimed at reducing costs and bringing production back up to plant rated capacities."

Additional details on the quarterly production performance and cash flow will be included in the Quarterly Activities Statement for the quarter ended 30 September 2018, scheduled to be released by the Company in the last week of October 2018.

Yours Sincerely,



Wayne Heili
Managing Director/CEO

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