



28 December 2018

Companies Announcement Office
Via Electronic Lodgement

COMMENCEMENT OF LOW pH FIELD DEMONSTRATION

Peninsula Energy Limited (**Peninsula or Company**) is pleased to announce that its wholly owned subsidiary, Strata Energy, Inc has initiated field demonstration activities for low pH in-situ recovery (**ISR**) at the Lance Projects in Wyoming, USA. This activity follows the approval of the field demonstration as a non-significant revision to the existing Permit to Mine (**PTM**) by the Wyoming Department of Environmental Quality (**WDEQ**) in early November 2018 and the completion of wellfield and process plant modifications necessary for the demonstration to be conducted.

The low pH ISR field demonstration has commenced within a selected set of wellfield patterns located in Mine Unit 1 of the Ross Permit Area at the Lance Projects. The first 1 to 2 months of the demonstration will be dedicated to bringing the pH level within the pattern area down to approximately 2.0 standard units, being the pH level proven in laboratory testing to deliver greatly enhanced uranium recoveries. Following a period of low pH uranium recovery testing activities, the site operating team will then focus on transitioning to the groundwater restoration phase.

The Company has submitted the necessary permit and license amendment requests with the WDEQ to allow commercial scale low pH operations at the Lance Projects. The WDEQ is currently reviewing the amendment request for the existing Source Materials and By-product License. The agency is also currently accepting public input on the PTM amendment application. The Company expects to make further announcements regarding the progression of both amendment requests in the coming weeks.

Wayne Heili, Peninsula's Managing Director/CEO, commented "The start of the field demonstration marks another important milestone in our planned transition to low pH operations at the Lance Projects. This significant effort by the Company is intended to further demonstrate the positive impact that low pH in-situ recovery is expected to have on the Lance Projects."

Yours Sincerely,

A handwritten signature in blue ink, appearing to read "Wayne Heili", is positioned above the typed name.

Wayne Heili
Managing Director/CEO

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during normal business hours.

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