



6 February 2019

Companies Announcement Office  
*Via Electronic Lodgement*

**PENINSULA ENERGY LIMITED QUARTERLY RESULTS WEBCAST PRESENTATION**

Peninsula Energy Limited (**Peninsula**) advises that it held an investor update webcast on 5 February 2019 including the attached presentation to cover the December 2018 quarter.

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

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

Yours sincerely

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

**Jonathan Whyte**  
**Company Secretary**

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

# December 2018 Quarter Results

Webcast | 5 February 2019



**PENINSULA**  
ENERGY LIMITED



ASX: PEN

# Disclaimer & Competent Person

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Please note that in accordance with Clause 17 of the JORC (2012) Code, the potential quantity and grade of the “Exploration Target” in this presentation must be considered conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

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

## ***Competent Person Statement***

The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves at Peninsula’s Lance Projects is based on information compiled by Mr. Jim Guiling. Mr. Guiling is a Member of a Recognised Overseas Professional Organisation included in a list promulgated by the ASX (Member of Mining and Metallurgy Society of America and SME Registered Member of the Society of Mining, Metallurgy and Exploration Inc). Mr. Guiling is Principal of independent consultants World Industrial Minerals. Mr. Guiling has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr. Guiling consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

- **Highlights of the Quarter**
  1. **Lance Results and Activities**
  2. **Low pH Permitting Progress**
  3. **Low pH Field Demonstration**
  4. **Low pH FS Highlights**
  5. **Quarterly Costs & Cash Flow Analysis**
  5. **Uranium Market**
  6. **Investment Highlights**



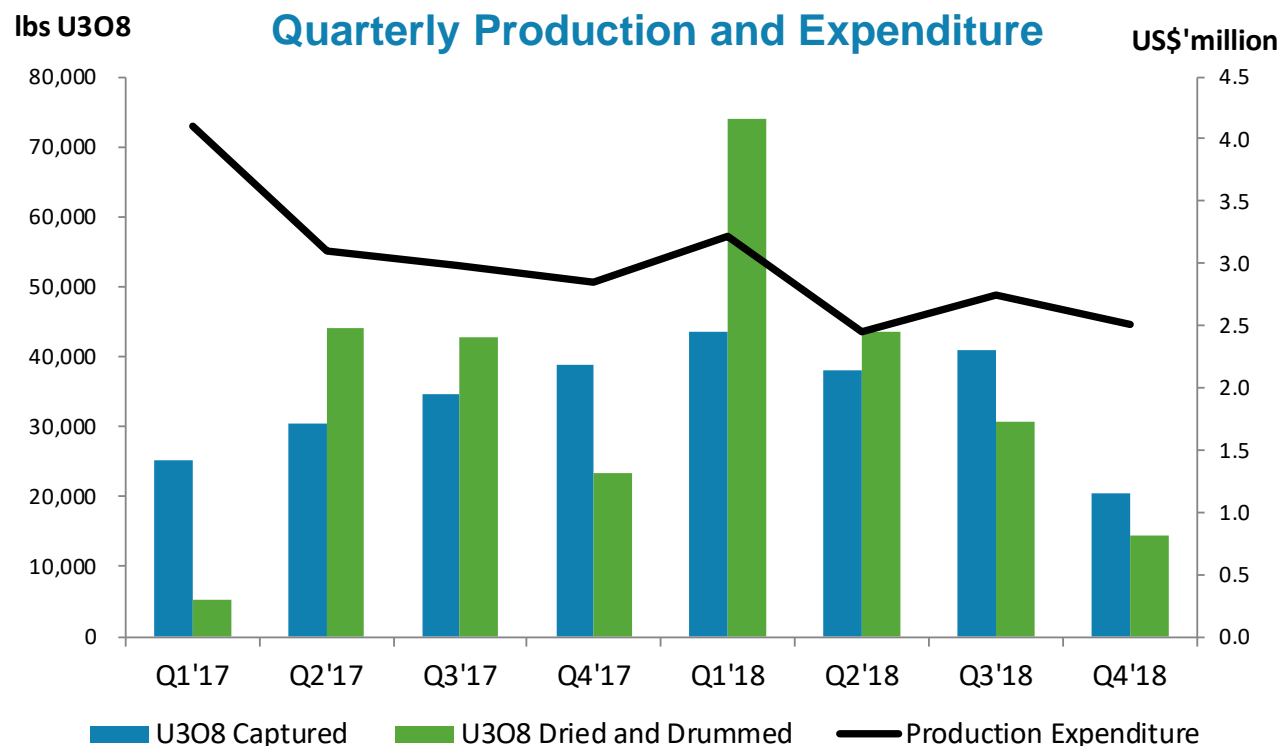
Tank for low pH field demonstration

**Mr Wayne Heili – Managing Director & CEO**

# Lance – Maintaining Production During Transition

## • December Quarter Production

- 20,364 lbs produced in the quarter – lost 9 days due to plant pipe failure
- 14,445 lbs dried & drummed in the quarter
- 100,000 lbs U<sub>3</sub>O<sub>8</sub> sold on 1 October 2018; US\$4.5m sales proceeds
- Controlled production expenditures during transitional period
- Improved toll milling agreement signed in December 2018



- **Permit and License amendments progressing in line with original timing expectations**

## Agreement State

- ✓ Effective 1 October 2018
- ✓ State of Wyoming has primacy over both Permit to Mine and Source Material and by-product License

## Permit to Mine

- ✓ WDEQ completed their review
- ✓ 60-day public comment period concluded on 26 January

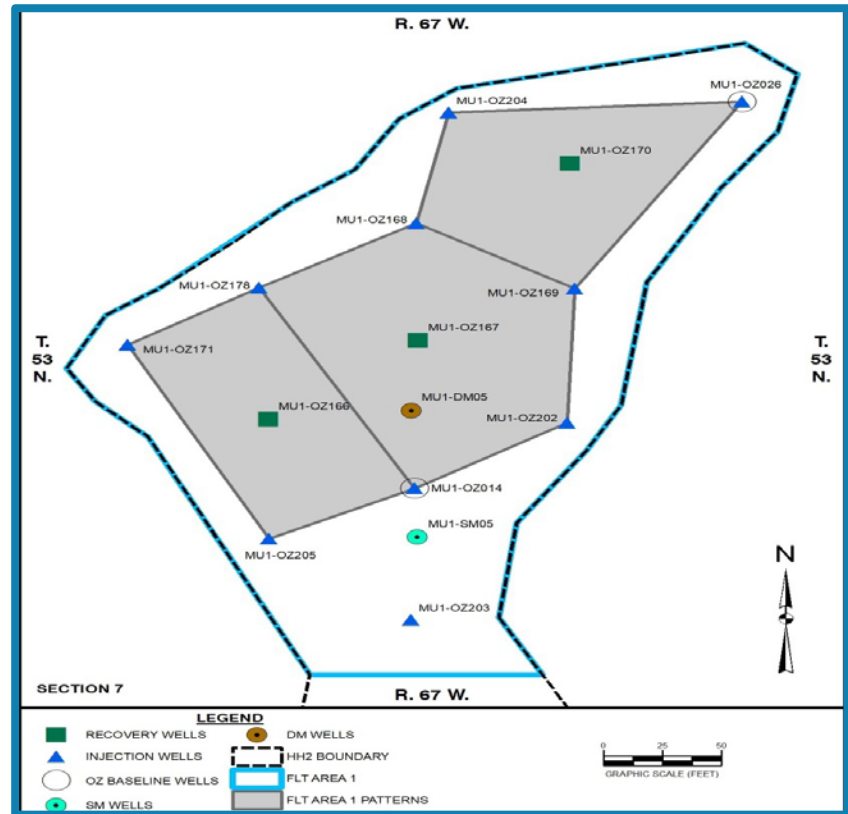
## Source Materials License

- ✓ Amendment request submitted early October 2018
- ✓ Submission consistent with Permit to Mine amendment application

# Low pH Field Demonstration

- Approved by regulators in Nov-2018
- Trial operations started Dec-2018
- Three production patterns in test area
- Planned 6-month test duration

**Sulfuric Acid Addition Pump**



**Test Pattern Map (in MU-1)**

## LOM Production

- 33.4m lbs  $U_3O_8$
- 17 year minelife

## Financial Metrics

- LOM AISC of \$31.77/lb
- NPV8 \$157m at \$49/lb

## Three Stage Expansion Plan

Stage	Year	Capacity mlbs/yr	Expansion CAPEX	Production Cost \$/lb.	AISC \$/lb.
Stage 1	2019	1.15	\$5.3m	\$14.67	\$40.58
Stage 2	2024	2.3	\$43.1m	\$8.93	\$31.52
Stage 3	2026	3.0	\$70.3m	\$9.16	\$30.36

- Significant improvement over current alkaline performance
- Attractive economics irrespective of s232 outcomes



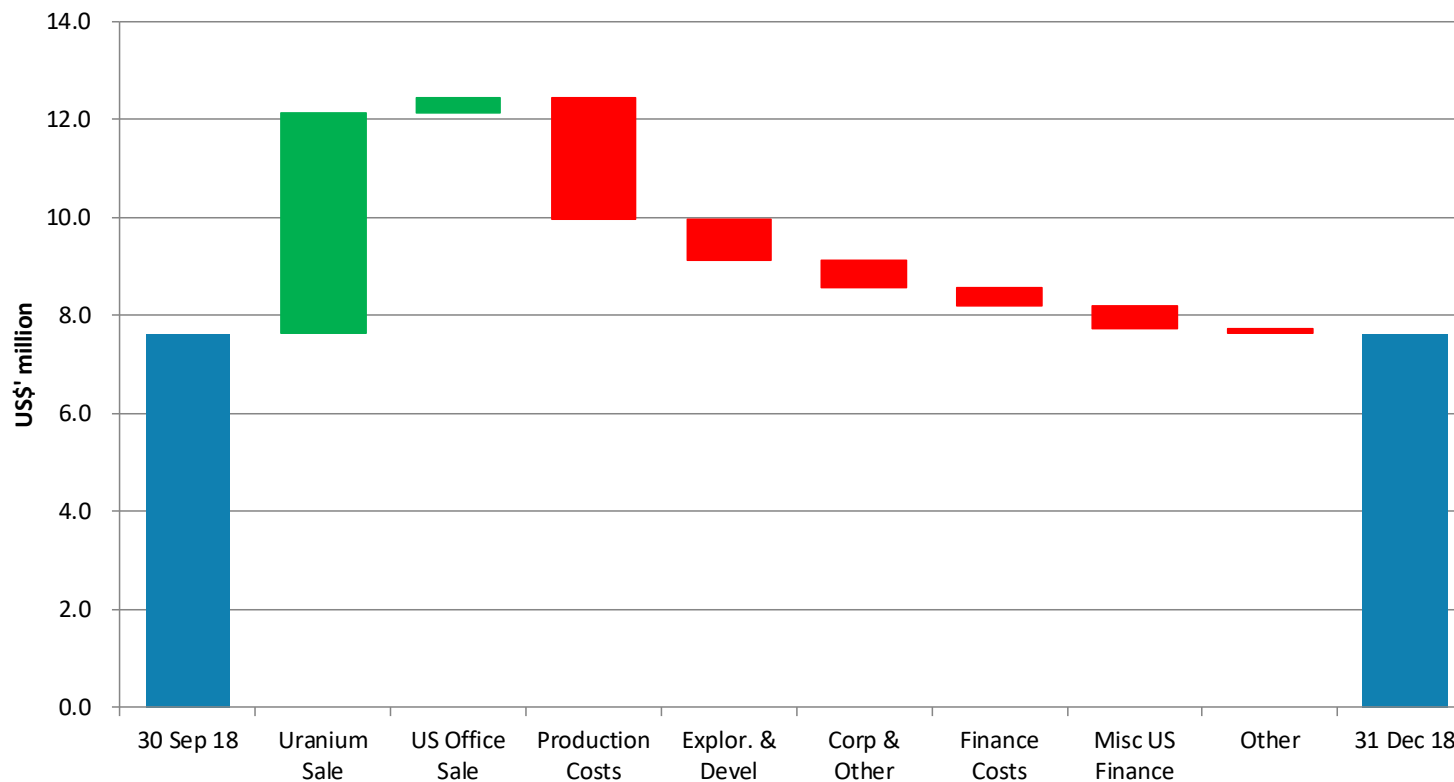
# Quarterly Cost Performance Review

- Spending discipline continues

Payments for: (US\$'000)	Actual Mar Qtr CY18	Actual Jun Qtr CY18	Actual Sep Qtr CY18	Actual Dec Qtr CY18	F'cast Mar Qtr CY19
Exploration & Evaluation	169	197	159	394	150
Development & PPE	786	491	327	432	500
Production	3,219	2,457	2,739	2,502	3,300
Sales, Admin & Corporate <sup>(1)</sup>	601	381	329	242	300
Staff (Corporate)	288	284	539	331	300
	<b>5,063</b>	<b>3,810</b>	<b>4,093</b>	<b>3,901</b>	<b>4,550</b>

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

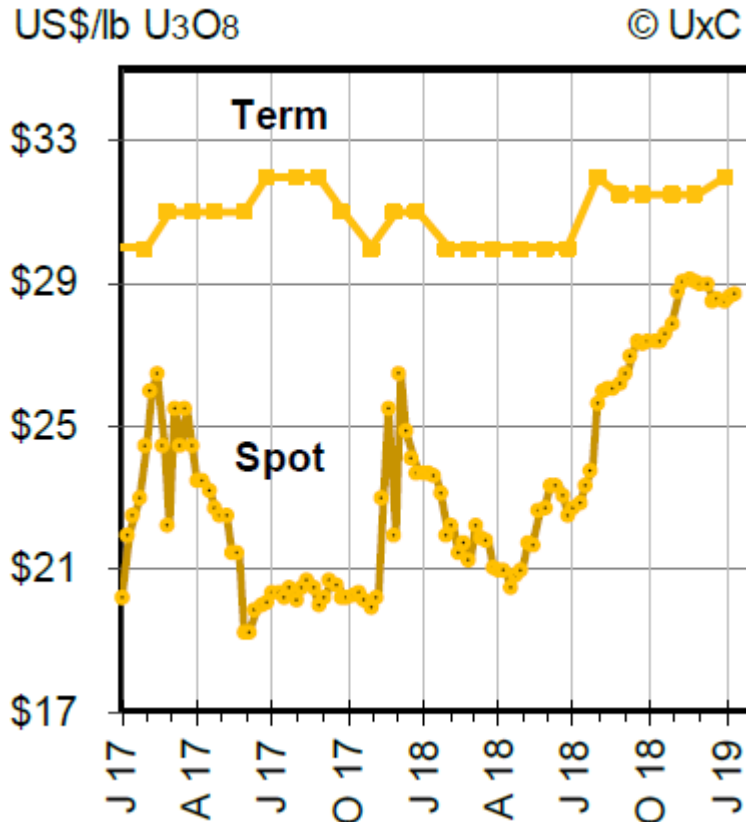
## Available Cash<sup>(1)</sup> Balances and Movement



- Outflows for Dec Qtr lower than forecast
- Sales proceeds of US\$4.5m rec'd on 31 Oct 2018
- Finance costs include legal & EGM costs for Con Note extension

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

- The uranium markets have reached a critical point



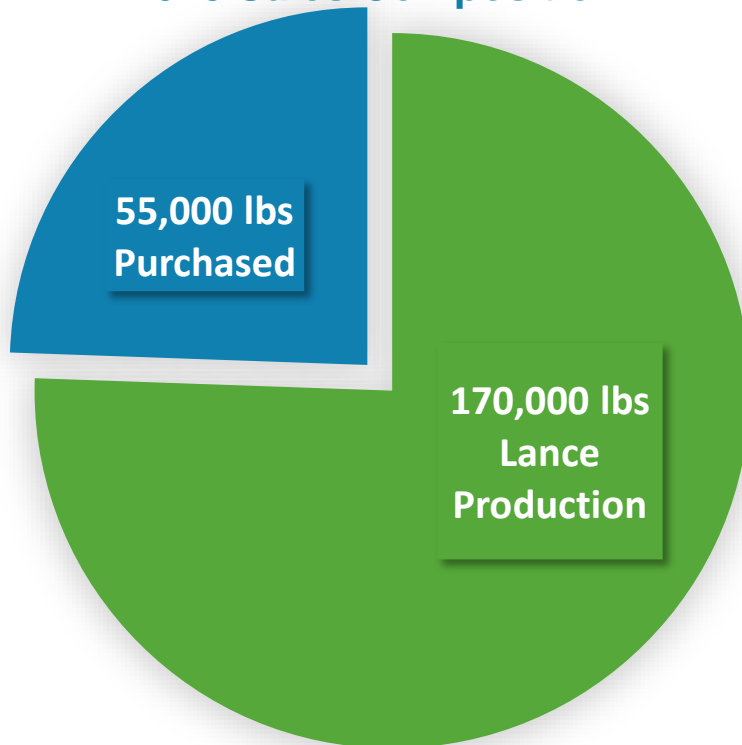
- Uranium is sold in spot & term markets
- Spot market up sharply since mid-2018
- Spot market supply depth is being tested by producer/investor buying
- Term market is now expected to open up
- Both markets are still well below pre-Fukushima levels

Source: UxC, LLC

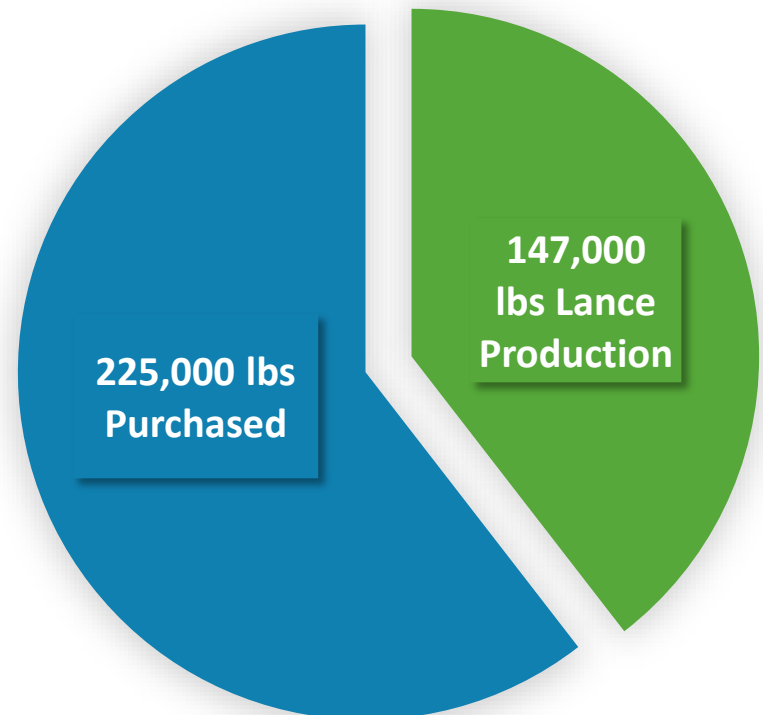
# Flexible Sales Strategy

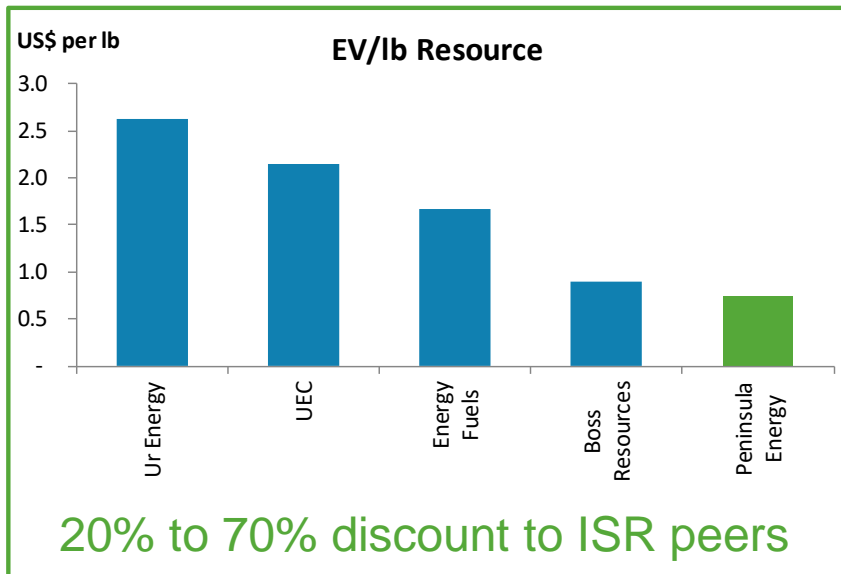
- **CY2018 completed deliveries of 225,000 lbs of U<sub>3</sub>O<sub>8</sub>**
- **Some deliveries in 2019 and 2020 have flexible origin clauses allowing seller optionality**
- **Contracted to purchase 225,000 lbs U<sub>3</sub>O<sub>8</sub> as needed – fixed purchase prices with average cost of \$23.69/lb U<sub>3</sub>O<sub>8</sub>**
  - **No “negative” exposure to rising uranium prices**

**2018 Sales Composition**



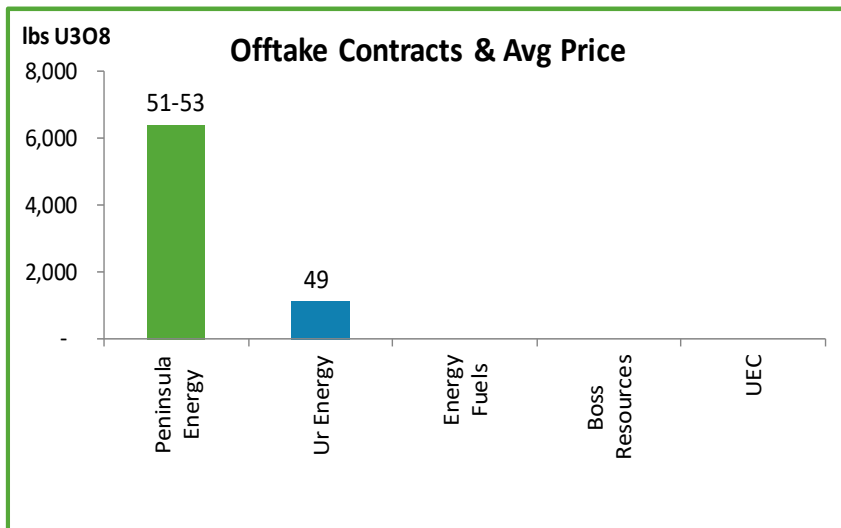
**2019-2020 Planned Sales Composition**













## Imminent share price re-rate events in 2019

- Completion of low pH permit amendments
- Completion of low pH field trial
- US Section 232 decision



## Peer group leading revenue base

- Investment grade customer base
- Predictable base revenue
- Only 20% of LOM production under contract – substantial leverage to uranium price recovery

Investment Criteria	Peninsula
Active US uranium production assets – low pH transformation in progress	
Long term sales contract protection	
Direct exposure to Section 232 outcomes	
Strong leverage to rising uranium market price	
Ability to rapidly expand production capacity	
Low current CAPEX requirements	
Experienced technical, commercial and financial team	
Attractive valuation to ISR peers	

# Questions & Answers

# Contact Details

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## FURTHER INFORMATION

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