



17 September 2019

Companies Announcement Office  
*Via Electronic Lodgement*

### **ANTICIPATED NON-CASH IMPAIRMENT**

Peninsula Energy Limited (**Peninsula or Company**) is currently reviewing the carrying value of its assets as part of the completion of the financial statements for the financial year ended 30 June 2019.

Impairment testing of the Lance Projects Cash Generating Unit (**CGU**) is being performed in accordance with International Accounting Standards. Peninsula expects to recognise an impairment expense of between US\$20 million and US\$30 million in the 2019 financial year.

The impairment is a result of the market capitalisation of the Company over the past 18 months being below the carrying value of the Lance Projects CGU. Following finalisation of the impairment expense, the carrying value of the Lance Projects CGU will approximate the market capitalisation of the Company as at 30 June 2019.

The impairment expense is a non-cash item, does not affect the Company's cash position or operations, and remains subject to review by Peninsula's auditors and approval by the Board. The carrying value review is expected to be completed prior to the release of the Company's full year financial statements for the financial year ended 30 June 2019 which will be released before the end of September 2019.

#### *Debt Facilities*

Even though the impairment expense will be a non-cash item, it is likely to have an effect on the financial undertakings contained within the existing convertible note debt facilities, namely the requirement to maintain a tangible net worth of at least A\$80 million on each quarterly test date. As a result of the impairment expense, the Company currently anticipates that it may not be able to meet this undertaking on the next test date scheduled for 30 September 2019. That could give rise to an event of default under the convertible note debt facilities, which could potentially result in the need to repay the debt prior to its scheduled April 2020 repayment date.

Holder of the convertible notes have agreed to defer the next financial undertaking test date from 30 September 2019 to 31 October 2019 in order to allow the Company to progress further a number of initiatives currently underway. These initiatives are intended to reduce or eliminate in the near term the Company's current debt obligations that are due for repayment in April 2020. Initiatives that are currently in progress include a potential contract monetisation transaction, possible corporate activity and other forms of financing.

Convertible note holder's deferral of the next test date also recognises the potential for positive outcomes for US uranium mining projects from the US Nuclear Fuel Working Group that is scheduled to deliver its recommendations to President Trump on 10 October 2019.

Yours sincerely



**Wayne Heili**  
**Managing Director/CEO**

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

### **About Peninsula Energy Limited**

Peninsula Energy Limited (PEN) is an ASX listed uranium mining company which commenced in-situ recovery operations in 2015 at its 100% owned Lance Projects in Wyoming, USA. Following a positive feasibility study, Peninsula is embarking on a project transformation initiative at the Lance Projects to change from an alkaline ISR operation to a low pH ISR operation with the aim of aligning the operating performance and cost profile of the project with industry leading global uranium production projects. With an existing operation and infrastructure, and a significant long-term contract portfolio underpinning its future uranium sales profile, Peninsula is positioned to grow into a mid-tier US uranium mining company over the next 5 years.