PENINSULA ENERGY LIMITED

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2019

Contents

Corporate Directory

Directors	John Harrison *Non-Executive Chairman* Wayne Heili *Managing Director / CEO* Harrison Barker *Non-Executive Director* Mark Wheatley *Non-Executive Director* David Coyne *Finance Director / CFO*
Managing Director / Chief Executive Officer	Wayne Heili
Finance Director / Chief Financial Officer	David Coyne
CEO – Strata Energy	Ralph Knode
Company Secretary	Jonathan Whyte
Registered and Principal Office	Units 32/33, Level 3, 22 Railway Road, Subiaco, WA 6008 PO Box 8129, Subiaco East, WA 6008 Telephone: +61 8 9380 9920 Fax: +61 8 9381 5064 Website: www.pel.net.au
Share Registry	Link Market Services Limited Level 12, QV1 Building, 250 St Georges Terrace, Perth WA 6000 Telephone: 1300 554 474 Fax: +61 2 9287 0303
Auditors	BDO Audit (WA) Pty Ltd 38 Station Street, Subiaco, WA 6008
Stock Exchange	Peninsula Energy Limited is a public company listed on the Australian Securities Exchange (ASX) and incorporated in Western Australia.
ASX Codes	PEN – Ordinary Fully Paid Shares

Corporate Governance Statement

Unless disclosed below, all of the best practice recommendations of the 3rd edition of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2019.

Board Composition

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the Directors' Report.

The names of the Directors of the Company, or who have served as a Director during the year, are:

- John Harrison — Non-Executive Chairman (Independent)
- Wayne Heili — Managing Director / Chief Executive Officer
- Harrison Barker — Non-Executive Director (Independent)
- Mark Wheatley — Non-Executive Director (Independent)
- David Coyne — Finance Director / Chief Financial Officer
- Evgenij Iorich — Non-Executive Director (resigned 12 October 2018)

When determining whether a Non-Executive Director is independent, the Director must not fail any of the following materiality thresholds:

- Less than 10% of Company shares are held by the Director and any entity or individual directly or indirectly associated with the Director;
- No sales are made to or purchases made from any entity directly or indirectly associated with the Director; and
- None of the Directors' income or the income of an individual or entity directly or indirectly associated with the Director is derived from a contract with any member of the economic entity other than income derived as a Director of the entity.

Non-Executive Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Company's expense. Written approval must be obtained from the Chairman prior to incurring any expense on behalf of the Company.

The Board has formally adopted a Nomination Committee Charter but given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Nomination Committee Charter. When the Company is of sufficient size, a separate Nomination Committee will be formed. The Company regularly assesses the skills and competencies required on the Board.

Ethical Standards

The Board acknowledges and emphasises the importance of all Directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring Directors and employees to:

- Act honestly and in good faith;
- Exercise due care and diligence in fulfilling the functions of office;
- Avoid conflicts and make full disclosure of any possible conflict of interest;
- Comply with the law; and
- Encourage the reporting and investigating of unlawful and unethical behaviour.

Directors are obliged to be independent in judgement and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

Diversity

The Board has adopted a Diversity Policy as per the recommendations. The Diversity Policy addresses equal opportunities in the hiring, training and career advancement of directors, officers and employees. The Diversity Policy outlines the processes by which the Board will set measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity within the Company.

The Company is committed to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees and is utilised to enhance the Company's performance.

The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives. The Company is focused on providing a range of business and employment opportunities for all members of the communities in which it operates in.

Gender Diversity

Given the current challenges facing the uranium mining industry, and the relatively small size of the Company at this point in time, the Board has not determined measurable objectives for increasing gender diversity. All personnel are employed and/or promoted on their merits.

Women Employees, Executives and Board Members

The Company and its consolidated entities have six female employees/executives:

- one senior accountant;
- an administrative assistant;
- an accounts payable officer;
- a laboratory supervisor;
- a land administrator; and
- a general site labourer,

whom represent approximately 15% of the total employees, executives and/or board members of the Company and its consolidated entities. There are currently no female members on the Board of the Company.

Trading Policy

The Board has formally adopted a Share Trading Policy in line with Corporate Governance guidelines which restricts Directors and employees/consultants from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

Audit and Risk Management Committee

The Audit and Risk Management Committee currently consists of two Non-Executive Directors and has an independent Chairman. The number of directors on the Committee is inconsistent with the ASX Corporate Governance Council recommendations, however, the composition is appropriate for the size of the Company and the financial expertise of the Committee members. The Finance Director / Chief Financial Officer and Company Secretary are also present at all Audit and Risk Management Committee meetings. The Audit and Risk Management Committee operates under a formal charter.

The names and qualifications of those appointed to the Audit and Risk Management Committee and their attendance at meetings of the Committee are included in the Directors' Report.

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of Directors, changes to the constitution and receipt of annual and interim financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Peninsula Energy Limited, to lodge questions to be responded to by the Board and/or the CEO and are able to appoint proxies.

Risk Management

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. The Finance Director / Chief Financial Officer has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed as required. The volatile economic environment has emphasised the importance of managing and reassessing the Company's key business, social and environmental risks.

Remuneration Policies

The Remuneration Committee is responsible for determining and reviewing the appropriate compensation arrangements and policies for the Key Management Personnel, in accordance with the policies and procedures outlined in the Remuneration Committee Charter. The Remuneration Committee reviews executive packages annually by reference to Company performance, executive performance, comparable information from industry sectors and other listed companies.

The Company's Remuneration Policy is to ensure remuneration packages properly reflect each person's duties and responsibilities and support the Company's business objectives. The Policy is designed to attract the highest calibre directors, executives and senior staff, and reward them for performance which results in long-term growth in shareholder value.

Executives and selected senior staff are also entitled to participate in the employee share, restricted share unit and option arrangements.

The amount of remuneration for all Key Management Personnel of the consolidated group, including all monetary and non-monetary components, is detailed in the Remuneration Report within the Directors Report. Shares given to Key Management Personnel are valued at the market price of those shares. Options are valued independently using a Black-Scholes model.

The Board believes that the remuneration structure implemented as of 1 July 2015 results in the Company being able to attract and retain the best directors, executives and senior staff to run the consolidated group. It will also provide executives with the necessary incentives to work and grow long-term shareholder value.

The payment of cash bonuses, share options and other incentive payments are reviewed by the Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All cash bonuses, share options and other incentives must be linked to predetermined performance criteria. The Board can exercise its discretion in relation to approving incentives, cash bonuses and share options and can recommend changes to the Remuneration Committee's recommendations. Any changes must be justified by reference to measurable performance criteria.

Remuneration Committee

The Remuneration Committee consists of three Non-Executive Directors and has an independent Chairman, consistent with the ASX Corporate Governance Council recommendations.

The names of the members of the Remuneration Committee and their attendance at meetings of the committee are detailed in the Directors' Report.

There are no schemes for retirement benefits for Directors other than the statutory superannuation for Non-Executive Directors.

Other Information

Further information relating to the Company's corporate governance practices and policies has been made available publicly on the Company's website at www.pel.net.au.

Directors' Report

Your Directors present their report, together with the financial statements of the consolidated group (or Peninsula), being the Company and its controlled entities, for the financial year ended 30 June 2019.

Directors

The names of Directors in office at any time during or since the end of the year are:

- John Harrison
- Wayne Heili
- Harrison Barker
- Mark Wheatley
- David Coyne
- Evgenij Iorich (resigned 12 October 2018)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the consolidated group during the financial year consisted of uranium development and mining. There were no other significant changes in the nature of the consolidated group's principal activities during the financial year.

Operating Results and Review of Operations for the Year

Peninsula Energy Limited (PEN) is an ASX listed uranium mining company which commenced in-situ recovery (**ISR**) uranium operations in December 2015 at its Lance Projects in Wyoming, USA (**Lance Projects**).

The consolidated group commenced the 2019 financial year with a cash balance of US$11.60 million following a US$19.0 million contract monetisation completed during the second half of the 2018 financial year. Proceeds from the 2018 contract monetisation have been used to fund Peninsula through the permitting and testing stages of the planned transition to low pH mining at the Lance Projects as operating losses are expected during the low pH transition period.

Cash proceeds received from the sale of 206,000 pounds of uranium made during the 2019 financial year were US$8.16 million. These sales were comprised of uranium concentrate mined from the Lance Projects (approximately 126,000 pounds), complemented by uranium concentrate purchased by the Company on market (80,000 pounds). Of the US$8.16 million cash proceeds from these sales, US$6.59 million was recognised as revenue within the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The remainder, US$1.57 million, was allocated to Derivative Fair Value Movement to recognise the partial unwinding of a financial derivative asset in accordance with International Accounting Standards.

The consolidated loss of the consolidated group after providing for income tax for the year ended 30 June 2019 amounted to US$43.01 million (2018: US$1.17 million), largely due to a non-cash impairment expense of US$23.74 million against the Lance Projects. Outside of production costs, the major expenses were a US$2.24 million unwinding of a derivative asset which was generated through the use of uranium purchase agreements to partially meet committed contract sales and a $2.06 million loss on discontinued operations, as a result of the April 2018 decision to exit the investment in the Karoo Projects in South Africa.

Review of Operations 2019

An overview of operations during the year is as follows:

WYOMING, USA – LANCE URANIUM PROJECTS

(Peninsula Energy 100%)

The Lance Projects are located on the north-east flank of the Powder River Basin in Wyoming.

Lance Projects – Licensed for Low pH Mining

Summary

Since uranium recovery efforts commenced in December 2015 using alkaline based solutions, the ore deposit at the Lance Projects has proven only moderately amenable to the use of alkaline solutions. 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), which returned increased peak uranium solution grades averaging nearly 1.0 g/L with uranium recoveries typically over 90%. The Company believes that a transition to a low pH recovery system will not only positively transform the Company's key asset in the United States but could also position the Company to rapidly grow production when uranium markets improve. All uranium operations globally that are in the 1st quartile of the cost curve are ISR facilities that utilise a low pH lixiviant.

In 2018 the Company's wholly owned subsidiary, Strata Energy Inc (**Strata**) made formal submission requests to the Wyoming Department of Environmental Quality (**WDEQ**) to amend its existing Permit to Mine (**PTM**) and Source Materials License (**SML**) to allow for the use of low pH recovery solutions.

On 20 March 2019 Strata received final approval of the PTM amendment from the WDEQ and on 31 July 2019 the WDEQ formally approved the SML amendment, confirming that the low pH mining methodology complies with Wyoming regulatory standards and requirements. With the approval of the SML amendment, the Company completed the low pH permit amendment process and is now the only Company operating in the United States authorised to utilise the global standard low pH ISR method.

The Company is now focussed on completing a low pH field demonstration to meet the required standards under the approved PTM amendment, and on incorporating improvements identified during the field demonstration. The initiation of commercial scale low pH operations in Mine Units 1 and 2, and the commencement of development of Mine Unit 3, will be determined predominantly by the timing and extent of improvement in the uranium market conditions and the Company's requirements for produced uranium. Commencement of commercial scale low pH operations is also subject to the Company meeting the conditions within Phases 1 to 4 as described below.

Laboratory Research Programme

Peninsula has conducted an extensive low pH laboratory research programme. Five column leach tests have now been completed using core samples collected from various locations within the Lance Projects area. These tests confirmed the effectiveness of the proposed low pH chemistry at the Lance Projects and also indicated that the quality of the affected groundwater can be returned to existing approved target restoration values following the use of lower pH in-situ ISR solutions.

The Company is also conducting a series of tests on alternate ion exchange resin specifications to improve the resin loading rate that was achieved during the low pH field demonstration, which used existing resin with specifications suited to alkaline operations. Technical assessment is being conducted by the existing supplier of resin to the Lance Projects alkaline operations. This supplier also supplies ion exchange resin to a number of low pH uranium ISR projects internationally.

Permit to Mine Amendment for low pH mining approved

On 20 March 2019 Strata received the formal approval from the Land Quality Division within the WDEQ of the PTM amendment for low pH ISR mining at the Lance Projects. The approved PTM amendment allows the implementation of low pH operations within the Ross Permit Area at the Lance Projects in four progressive phases, Phase 1 of which is the low pH field demonstration that commenced in December 2018.

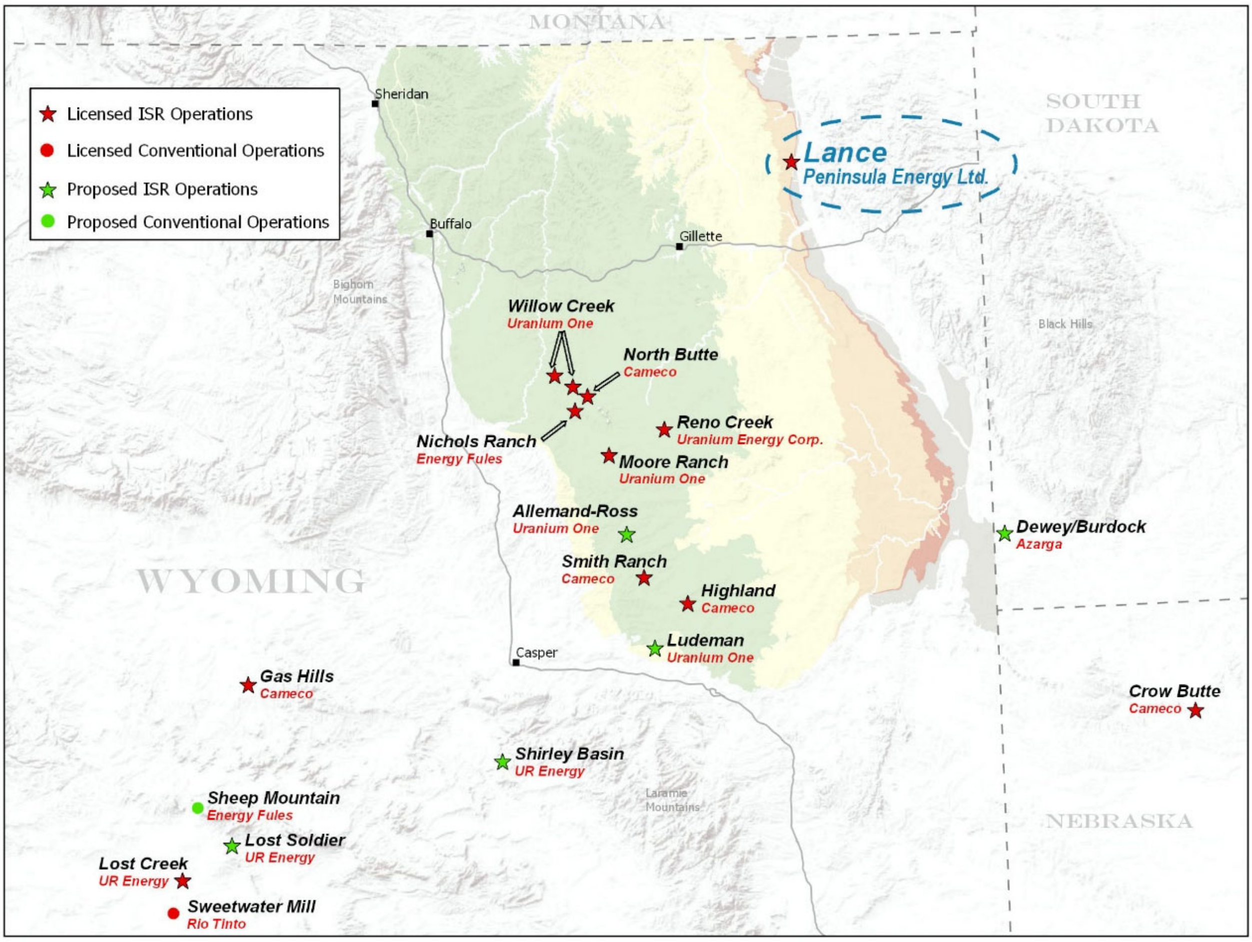

Figure 1: Lance Projects Location, Wyoming, USA

Each of the four phases of implementation are outlined below.

Phase 1 – Mining and Initial Restoration Stage of Low pH Field Demonstration

A low pH field demonstration commenced in December 2018 following the approval of a non-significant revision to the PTM and the determination by a Safety and Environmental Review Panel that a low pH field demonstration could be conducted under the existing SML. The low pH field demonstration consists of a mining stage and an initial restoration stage.

A key objective of the mining stage of Phase 1 is the successful lowering of the local mining zone pH level to the targeted level (approximately 2.0 standard units (**S.U.**) without compromising the ability to move lixiviant through the mining zone. Results of the mining stage of the low pH field demonstration are discussed separately in the next section of this review.

During the restoration stage within Phase 1, which commenced during April 2019, the objective is to return the pH level in the mining zone to equal or above 5.0 S.U. in order to bring the formation pH into a range where industry standard restoration techniques can be utilised. On 2 September 2019, the Company announced that the pH level had been successfully raised above 5.0 S.U. The field demonstration Interim Operations Report was submitted to the WDEQ on 20 September 2019. Test results contained in the Interim Operations Report will be compared by the WDEQ with predetermined criteria and performance metrics.

Approval of the SML amendment request (issued on 31 July 2019) was also a requirement to proceed with Phase 2.

Phase 2 – Commencement of Commercial Scale Operations (MU1 and MU2)

Phase 2 is the commencement of commercial-scale low pH operations throughout the entirety of existing previously operated areas of Mine Units 1 and 2. Acceptance by the WDEQ that the Phase 1 Interim Operation Report has demonstrated that pre-defined acceptance criteria have been achieved, or through approval by the WDEQ following evaluation of variations to acceptance criteria (if any) is one of the defined conditions tied to the commencement of Phase 2. The restoration stage of the low pH field demonstration can run in parallel with Phase 2 and continues into Phase 3.

Phase 3 – Field Scale Groundwater Restoration in Low pH Field Demonstration Area

Phase 3 of the implementation plan consists of a field scale groundwater restoration demonstration within the low pH field trial area, building upon the initial Phase 1 restoration activities. Field scale restoration is intended to restore the water quality in the mining zone to specified criteria. Following this field scale groundwater restoration, Strata will submit an Interim Restoration Report to the WDEQ for review and approval. It is estimated that the Interim Restoration Report will be submitted toward the end of 2019.

Phase 4 – Commencement of Commercial Scale Operations (New Mine Units in Ross Permit Area)

Upon WDEQ approval of the Interim Restoration Report, the Company can advance to Phase 4 of the implementation plan and commence the use of low pH lixiviants in all future new wellfield units within the Ross Permit Area. Commencement of operations in any new mine unit is subject to the normal WDEQ review and approval of the wellfield data packages, which is the same process for new mine units that is required under the existing alkaline permits and licenses.

Development of new mining units within the Ross Permit Area (i.e., Mine Units 3 and 4) can be done under the existing permits and licenses held by the Company and may commence in advance of the low pH regulatory amendments and finalisation of the low pH field demonstration.

Commencement of commercial scale low pH operations in Mine Units 1 and 2, and the commencement of development of Mine Unit 3, will also be determined by the timing and extent of improvement in market conditions and demand for uranium.

Source Material License for low pH mining approved

On 31 July 2019 Strata received formal approval of the SML amendment request for low pH ISR mining at the Lance Projects. The WDEQ authorisation confirms that low pH ISR methodology complies with the regulatory standards and requirements under their purview.

The PTM and the SML are the two overarching regulatory approvals required to enable commercial-scale low pH operations at the Lance Projects. With the approval of the SML amendment, the Company has completed the low pH permit amendment process and becomes the only Company operating in the United States authorised to utilise the global standard low pH ISR method.

Low pH Transition – Low pH Field Demonstration

The low pH field demonstration commenced in December 2018 and consists of three adjoining recovery patterns which were previously operated utilising alkaline ISR solutions within Mine Unit 1.

As mentioned above, the low pH field demonstration plan consists of mining and restoration phases. At the outset of the mining phase, the field trial area was operated for a period of three weeks without introducing low pH solutions in order to collect important baseline operational data. The injection of low pH solutions in the trial area commenced in late December 2018.

Beyond observing the uranium recovery behaviour while employing the low pH test solutions, a key technical performance objective of the mining phase demonstration was to lower the local mining zone pH to the targeted level of approximately 2.0 S.U. without compromising the ability to move lixiviant through the mining zone. This performance objective was successfully achieved during the March quarter of 2019. Average injection and extraction well flow rates were also maintained in line with the low pH Feasibility Study parameters.


Figure 2: Lance Projects, Wyoming USA

The three test recovery patterns had previously been operated to economic exhaustion using alkaline lixiviant but have yielded substantially elevated solution uranium grades and correspondingly higher recovery rates. In addition, the recorded uranium head grades obtained from all three test patterns tracked ahead of those modelled for the equivalent period in the Feasibility Study.

The reduced pH levels were achieved in less than three pore volumes, consistent with the low pH Feasibility Study parameters. Acid injection rates and consumption metrics were also consistent with the low pH Feasibility Study parameters for areas previously subject to alkaline mining.

As the mining phase of the low pH field demonstration successfully demonstrated all key technical objectives, the Company proceeded to the restoration phase activities of the demonstration during the June quarter of 2019. During the initial restoration demonstration phase, the main technical objective is to return the pH in the mining zone to above 5.0 S.U. At this pH level, industry standard groundwater restoration techniques can be employed to complete the groundwater rehabilitation. The Company announced on 2 September 2019 that it had successfully raised the pH level above the target of 5.0 S.U.

Low pH Feasibility Study

As part of the transition to the planned low pH operations at the Lance Projects, the Company commissioned Wyoming based ISR engineers Woodard & Curran, Inc (**W&C**) (formerly TREC) to complete a low pH Feasibility Study (**Feasibility Study**) on the transition to, and subsequent ramp-up of, low pH operations at the Lance Projects. The Feasibility Study was completed in September 2018 and demonstrated that the planned low pH ISR operation at the Lance Projects would deliver significantly improved economics and, assuming an improved uranium market, will result in a globally competitive uranium project. Transition to a low pH operation is projected to deliver low cash operating costs over a 17-year mine life with a substantially increased production profile that has the capacity to scale upwards as the uranium market improves.

Subsequent to the reporting date, on 2 September 2019, the Company announced that it had commenced an initiative to further de-risk and optimise the transition to low pH operations. This initiative is expected to continue until mid CY2020 with key focus areas being:

- additional resin loading testing to select a resin specification better suited to low pH operations;
- assessment of the preferred method of handling fines that are typical for low pH operations during the mining zone acidification process; and
- optimisation of the acid storage and distribution design.

Any impact or modification to existing low pH permits and licenses to implement preferred outcomes will also be undertaken during this period. The Company believes that funding de-risking and optimisation activities until mid CY2020 will result in improved value being delivered for shareholders compared to completing the near term funding that is required to carry out the full low pH transition. This period also allows time for further improvement in global uranium markets before the Company seeks to fund the low pH transition.

Lance Projects Operational Performance

Strata continued alkaline ISR operations from the Ross Permit Area at the Lance Projects during the 2019 financial year. Operational performance for the 2019 financial year is shown in Table 1 below.

	Units	Sept 2018	Dec 2018	Mar 2019	June 2019	Total
U_3O_8 Captured	*lbs*	40,920	20,364	15,413	8,491	**85,188**
U_3O_8 Dried and Drummed	*lbs*	30,835	14,445	23,325	-	**68,605**
U_3O_8 Sold	*lbs*	-	100,000	-	106,000	**206,000**
Cash Sale Price	*US$/lb*	N/A	45.06	N/A	34.43	**39.59**
Production Expenditure[1]	*US'm*	2.7	2.5	2.5	2.1	**9.8**

Table 1: Lance Projects Operating Performance Summary

Notes:

(1) U_3O_8 sold comprises 126,000 lbs of Lance origin uranium and 80,000 lbs of open origin uranium.

(2) Expenditure on production activities is determined in accordance with Item 1.2(c) of Appendix 5B released on the ASX each quarter and excludes development and capital expenditure costs.

Production for the 2019 financial year was 85,188 pounds U_3O_8. Throughout the financial year the Company focused on operational improvement and cost efficiencies with production aimed at meeting its Lance Projects sourced delivery commitments under existing term contracts. The Company continues to take advantage of the current low spot price when it can purchase uranium to meet additional commitments under term contracts.

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 May 2018 the Company suspended the majority of alkaline based production activity within the first mining unit at the Lance Projects (**MU1**). Alkaline ISR based production continued in the second mining unit (**MU2**), where head grades were higher and in a small number of MU1 production wells to assist with maintaining wellfield fluid control in MU1.

In early February 2019, as part of cost control measures, the Company ceased the injection of alkaline chemicals which reduced production rates further. Reducing current production rates in this manner does not affect the Company's ability to deliver into its near-term or mid-term sales obligations as the Company has the flexibility of making on-market purchases to complement Lance production within its product sales agreements.

With the final regulatory amendments near completion at that time, in July 2019 the Company decided to idle the alkaline based production activities. This decision enabled the Company to focus on completing the low pH field demonstration to within the required guidelines under the approved PTM amendment. It also allows the Company to incorporate improvements developed from the field demonstration into the detailed design of low pH operations and begin employee training necessary to prepare for the safe operation of commercial scale low pH operations in Mine Units 1 and 2. With the expected improved recovery rates under low pH operations, extraction of the remaining uranium in Mine Units 1 and 2 using low pH solutions will be more effective and efficient than continuing to use the alkaline extraction method.

Drying runs were carried out during the year by the toll milling service provider with 68,605 pounds U_3O_8 dried and drummed during the financial year.

No wellfield development activities were undertaken during the financial year.

Figure 3: Mine Unit, Lance Projects, Wyoming, USA

As at 30 June 2019, a total of 35 employees are directly employed on the project (excluding drilling and geophysical contractor personnel).

Uranium Sales and Marketing

Peninsula sold 206,000 pounds of U_3O_8 pursuant to long-term contracts during the 2019 financial year.

100,000 pounds of U_3O_8 sales were made by the Company in October 2018 (85,000 pounds sourced from the Lance Projects) at an average realised cash price of US$45.06 per pound U_3O_8.

106,000 pounds of U_3O_8 sales were made by the Company in April 2019 (41,000 pounds sourced from the Lance Projects) at an average realised cash price of US$34.43 per pound U_3O_8.

Gross cash proceeds from these deliveries was US$8.16 million, resulting in an average realised cash price of US$39.59 per pound U_3O_8 during the 2019 financial year which is significantly higher than the average spot price for the financial year. Revenue from the sale of uranium recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income was US$6.59 million. The difference between the cash proceeds amount and recognised accounting revenue of US$1.57 million was allocated to Derivative Fair Value Movement to recognise the partial unwinding of a financial derivative asset in accordance with International Accounting Standards.

Peninsula has up to 6.3 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 6.3 million lbs U_3O_8, 4.4 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. These contracts provide a substantial earnings stream to the Company whilst allowing it to preserve significant quantities of planned low pH U_3O_8 production for contracting during future periods.

The Company previously modified certain contracts to include delivery contract provisions that provide flexibility to the Company during the time it may take to receive authorisation for and to ramp up production under the low pH operational plan. Significant portions of the committed deliveries in CY2019 and CY2020 can be sourced from either production or market purchases at the Company's election without a price variation, meaning that the Company is not dependent on Lance production to meet delivery commitments over the 2-year period. A total of 225,000 pounds U_3O_8 of purchased uranium was contracted at a fixed average price of US$23.69 per pound U_3O_8, and the purchased U_3O_8 will be received and paid for by the Company during CY2019 and CY2020 and used to meet contract delivery commitments in these 2 years. 75,000 pounds U_3O_8 of the 225,000 pounds U_3O_8 were delivered to the Company in late March 2019 and a further 50,000 pounds U_3O_8 are scheduled for delivery to the Company in September 2019. The remaining 100,000 pounds U_3O_8 are scheduled to be delivered to the Company in March 2020.

The Company continues to engage with its existing and potential new customer base regarding possible new long-term uranium concentrate sale and purchase agreements targeting pricing mechanisms that would support increased production scenarios under the planned transition to low pH ISR mining at the Lance Projects.

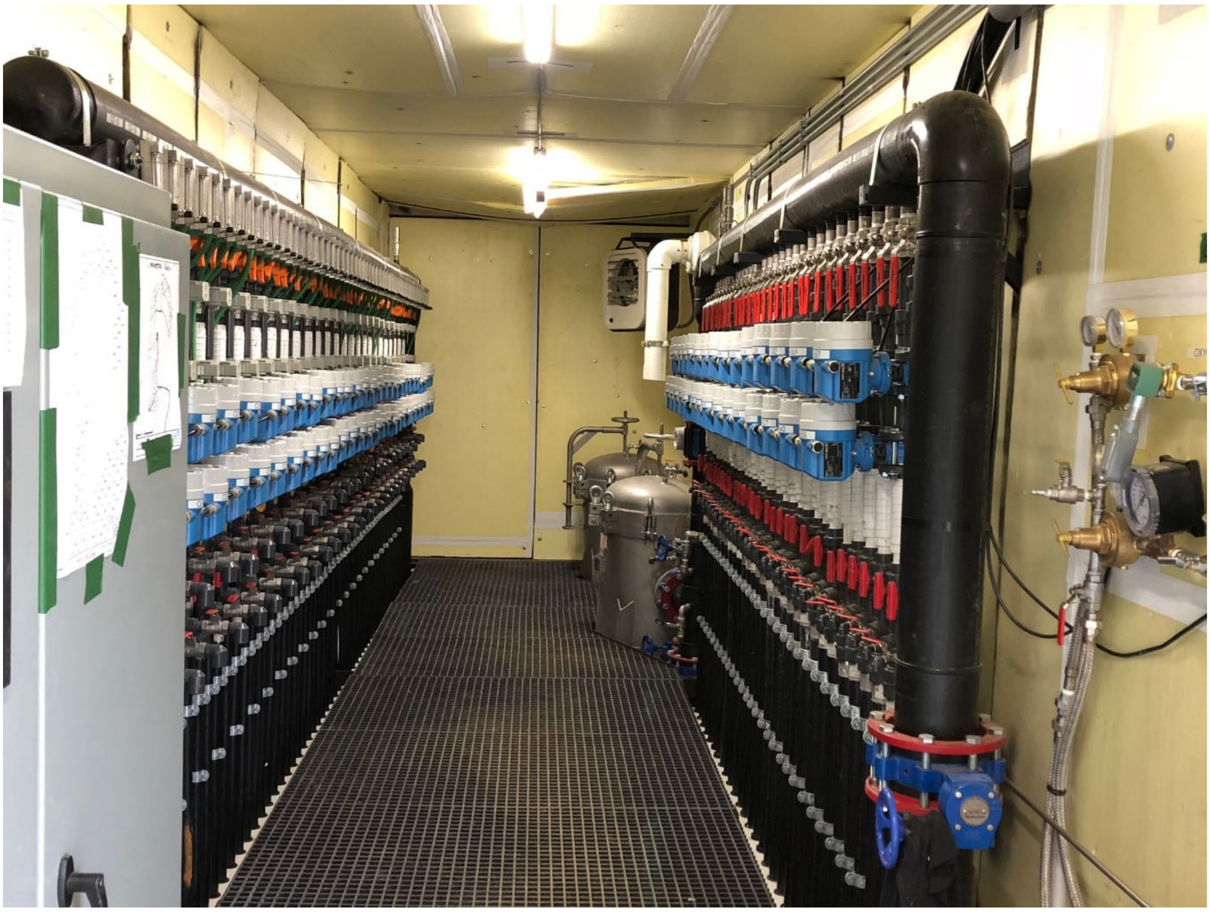

Figure 4: Header House Interior, Lance Projects, Wyoming, USA

Wyoming Becomes Agreement State

In September 2018 Wyoming formally became an "Agreement State", effective 1 October 2018. With this change to Agreement State status, the WDEQ took primacy over the regulation of SML in Wyoming that were previously overseen by the US Nuclear Regulatory Commission (**NRC**). The WDEQ is now responsible for permitting and inspecting all uranium recovery operations in Wyoming, ensuring that operators maintain the highest standard for protection of public health and the environment. This change removes an element of regulatory duplication, thereby decreasing costs for the Company.

SOUTH AFRICA - KAROO URANIUM EXPLORATION PROJECTS

(Peninsula Energy 74%, BEE Group 26%)

Withdrawal from Karoo Projects

Following unsuccessful efforts by the Company to sell the Karoo project, the carrying value of the project was impaired down to the estimated recoverable value of freehold farm land. Peninsula has withdrawn fully from any further development activities for the Karoo Projects in which it has a 74% interest. Peninsula is working together with its joint venture partners and the South African regulators to ensure an orderly exit from the project, including completion of remaining restoration and rehabilitation activities.

Discussions with the Department of Mineral Resources (**DMR**) and National Nuclear Regulator (**NNR**) regarding the rehabilitation of historical trial mining areas continued throughout the reporting period. During the June quarter of 2019, the Company was advised by the DMR that it agreed with the proposed restoration and rehabilitation plan put forward by the Company. Negotiations with the NNR and other government agencies in South Africa continue to progress and the Company is targeting commencement of rehabilitation of the historic trial mining areas toward end of the 2019 calendar year.

The Company continues to pursue the sale of the 322 km^2 freehold farmland in the Karoo Basin, the proceeds of which are expected to be sufficient to cover remaining rehabilitation costs. Several farms were contracted for sale during the quarter, with one farm sale achieving settlement and financial close in late June and a second settling in late July. Approximately US$0.3 million has been realised by the joint venture from the farm sales that settled in June and July 2019.

The decision to impair the carrying value of the project to the estimated recoverable value of the freehold farm land resulted in a US$2.06 million loss on discontinued operations being incurred.

MINERAL RESOURCE GOVERNANCE

Peninsula Energy Limited ensures that the Mineral Resource estimates for its Lance Projects are subject to appropriate levels of governance and internal controls. The Mineral Resource estimation procedures are well established and are subject to annual review internally and externally, undertaken by suitably competent and qualified professionals. This review process has not identified any material issues or risks associated with the existing Mineral Resource estimates. The Company periodically reviews the governance framework in line with the development of the business.

Peninsula reports its Mineral Resources in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition'.

Competent Persons named by the Company are Members or Fellows of the Australian Institute of Mining and Metallurgy and/or Members of Recognised Overseas Professional Organisations included in the list promulgated by ASX and qualify as Competent Persons as defined in the JORC Code.

As part of the low pH Feasibility Study, the Company updated its Mineral Resources as at 31 December 2017 for use in developing the mine plan for the Feasibility Study. Mineral Resources have subsequently been updated as at 31 December 2018 to account for mining depletion and for any additional information developed during the intervening 12-month period. The tables below set out the Company's Mineral Resources as at 31 December 2017 and 31 December 2018.

Mineral Resource Statement

Resource Classification	Tonnes Ore (M)	U_3O_8 kg (M)	U_3O_8 lbs (M)	Grade (ppm U_3O_8)	Location
Measured	3.4	1.7	3.7	487	Wyoming, USA
Indicated	11.1	5.5	12.1	495	Wyoming, USA
Inferred	36.2	17.2	37.8	474	Wyoming, USA
Total	**50.7**	**24.4**	**53.6**	**479**	

Table 2: Lance Projects Classified Resource Summary (U_3O_8) as at 31 December 2018

Depletion of 23,904 pounds U_3O_8 from mining between 1 January 2019 and 30 June 2019 is not deducted from the above resource. Mining depletion in this period is not considered material to the overall resource base and will be reflected in the next annual update of the resource.

Resource Classification	Tonnes Ore (M)	U_3O_8 kg (M)	U_3O_8 lbs (M)	Grade (ppm U_3O_8)	Location
Measured	3.8	1.8	3.9	488	Wyoming, USA
Indicated	10.9	5.4	11.9	495	Wyoming, USA
Inferred	36.3	17.3	38.1	476	Wyoming, USA
Total	**51.0**	**24.5**	**53.9**	**479**	

Table 3: Lance Projects Classified Resource Summary (U_3O_8) as at 31 December 2017

Revised measured resources totalled 3.7 million pounds U_3O_8. Resources are updated at least once per annum in the Mining Units along with reduction from measured resources of pounds mined for the year. Changes in the resource estimate as at 31 December 2017 and 31 December 2018 reflect mining depletion during this period and re-interpretation of one of the resource areas remaining in the undeveloped portion of the Ross Permit Area.

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves at the Lance Projects is based on information compiled by Mr Benjamin Schiffer. Mr Schiffer is a Registered Professional Member of the Society of Mining, Metallurgy and Exploration (Member ID #04170811). Mr Schiffer is a professional geologist employed by independent consultant WWC Engineering. Mr Schiffer 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'.

CORPORATE

Convertible Note Partial Sale

At an extraordinary general meeting on 19 September 2018, shareholders approved terms associated with the extension to April 2020 and restructure of the existing Convertible Note Facility. Completion of the sale of US$3.85 million of the Convertible Note Facility to associates of top 5 shareholder Collins Street Asset Management occurred on 2 October 2018. Collins Street Asset Management joined Resource Capital Fund V.I. and Pala Investments Limited as holders of the Convertible Note Facility.

Board Change

On 12 October 2018 Mr Evgenij Iorich resigned as a director of the Company in order to spend more time on his other business interests, including those in his senior executive capacity within Pala Investments Limited.

US$2.8 million in Surety Bond Collateral Released

During the period the Company received approximately US$2.8 million cash proceeds from a reduction in surety bond collateral requirements for the Lance Projects, which was triggered by permitting progress made and also the positive results of the low pH field demonstration. The surety bond provider, Argo Surety, a member of Argo Group, made the decision to reduce the level of cash collateral following the reduction in regulatory and operational risk associated with the low pH transition. Bonds are used by the Company as surety for future restoration and rehabilitation obligations at the Lance Projects.

Financial Position

The consolidated group's cash position excluding security deposits and performance bonds as at 30 June 2019 was US$5.27 million. The net assets of the consolidated group have decreased by US$40.01 million from 30 June 2018 to US$40.69 million at 30 June 2019, largely due to a non-cash impairment expense of US$23.74 million against the Lance Projects.

The Company had 247,157,824 shares on issue as at 30 June 2019 and 27,809,747 unlisted options, at various exercise prices

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

- On 1 April 2019 the Company announced the successful completion of the mining phase of the low pH field demonstration. During the mining stage, the pH level was successfully lowered to 2.0 S.U. which was the primary performance objective of the mining phase of the field demonstration. The three test recovery patterns used for the low pH field demonstration had previously been operated to economic exhaustion using alkaline lixiviant but yielded substantially elevated solution uranium grades and correspondingly higher recovery rates. Once the pH levels were reduced in the test patterns, uranium head grades increased to an average between 35 and 45 mg/L, with a peak composite grade of ~ 50 mg/L recorded. These grades were significantly above the post alkaline ISR head grades (< 10 mg/L) observed during the 3-week baseline data gathering period ahead of the commencement of low pH solution injection. The recorded uranium head grades obtained from all three test patterns tracked ahead of the low pH Feasibility Study parameters;

- On 20 March 2019 Strata received final approval of the PTM amendment from the WDEQ and on 31 July 2019 the WDEQ formally approved the SML amendment, confirming that the low pH mining methodology complies with Wyoming regulatory standards and requirements. With the approval of the SML amendment, the Company completed the low pH permit amendment process and is now the only Company operating in the United States authorised to utilise the global standard low pH ISR method.

  The low pH field demonstration commenced in December 2018, consisting of three adjoining recovery patterns which were previously operated utilising alkaline ISR solutions within MU1. The field demonstration consists of mining and restoration phases with the key technical performance objectives of the mining phase being met in April 2019 and the restoration phase activities of the demonstration, which commenced in April 2019;

- In September 2018 Wyoming formally became an “Agreement State”, effective 1 October 2018. With this change to Agreement State status, the WDEQ took primacy over the regulation of the SML in Wyoming that were previously overseen by the US NRC. The WDEQ is now responsible for permitting and inspecting all uranium recovery operations in Wyoming, ensuring that operators maintain the highest standard for protection of public health and the environment; and

- A low pH Feasibility Study was completed by Wyoming based ISR engineers Woodard & Curran, Inc (W&C) (formerly TREC) in September 2018 and demonstrated that the planned low pH ISR operation at the Lance Projects would deliver significantly improved economics and, assuming an improved uranium market, will result in a globally competitive uranium project.

Dividends Paid or Recommended

The Directors of the parent entity do not recommend the payment of a dividend in respect of the current financial year ended 30 June 2019.

Events Since the End of the Financial Year

On 12 July 2019, the President of the United States announced his findings and recommendations with respect to the investigation into the effect of imports of uranium on the national security of the United States conducted under Section 232 of the Trade Expansion Act of 1962 (Act). As outlined in a White House memorandum, the President declined to implement the recommendations of the Secretary of Commerce under Section 232 and the investigation has been closed. However, the President has initiated further action to address the concerns identified by the Secretary regarding domestic uranium production, including the establishment of a United States Nuclear Fuel Working Group to develop recommendations for reviving and expanding domestic nuclear fuel production. A report is due within 90 days of the President’s announcement of 12 July 2019.

In July 2019 the Company decided to idle the alkaline based production activities at the Lance Projects. This decision enables the Company to focus on completing the low pH field demonstration to within the required guidelines under the approved PTM amendment. It also allows the Company to incorporate improvements developed from the field demonstration into the detailed design of low pH operations.

On 31 July 2019 Strata received formal approval of the SML amendment request for low pH ISR mining at the Lance Projects. The WDEQ authorisation confirms that low pH ISR methodology complies with the regulatory standards and requirements under their purview. The PTM and the SML as the two overarching regulatory approvals required to enable commercial-scale low pH operations at the Lance Projects. With the approval of the SML amendment, the Company completed the low pH permit amendment process and became the only Company operating in the United States authorised to utilise the global standard low pH ISR method.

On 2 September 2019 the Company announced that the initial restoration objective of the low pH field demonstration had been achieved as the pH level had successfully been increased to above 5.0 S.U. The Company also advised on this date that it had commenced an initiative to further de-risk and optimise the low pH transition with a focus on resin loading, handling of fines that are typical during the mining zone acidification process and optimisation of the design of the acid storage and distribution system.

On 17 September 2019 the Company announced a probable non-cash impairment expense for the Lance Projects of between US$20.0 million to US$30.0 million for the financial year ended 30 June 2019. The Company also announced that it had received a waiver from its lenders for a financial undertaking that was due to be tested on 30 September 2019, whereby the next financial undertaking test date was deferred until 31 October 2019.

On 20 September 2019, the Interim Operations Report detailing the initial outcomes of the low pH field demonstration was submitted to the WDEQ.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

Likely Developments and Expected Results of Operations

Likely future developments in the operations of the consolidated group are referred to in the Annual Report. Other than as referred to in this report, further information as to likely developments in the operations of the consolidated group and expected results of those operations, to the date of this report, are considered insufficiently developed or so variable in nature as to quantification they remain unable to be accurately reported.

Environmental Regulations

The consolidated group's operations are subject to significant environmental regulation and penalties under relevant jurisdictions in relation to its conduct of exploration, development and mining of uranium deposits. The Directors are of the opinion that sufficient procedures and reporting processes have been established to enable the consolidated group to meet its responsibilities and that the consolidated group's other business segment operations are not subject to any significant environmental regulations under Australian Law and International Legislation where applicable.

Information on Directors

The names and details of the Directors of Peninsula in office as at the date of this report are:

- **Mr John Harrison**
  Non-Executive Chairman (Appointed 1 September 2014)

  Mr Harrison brings to Peninsula a wealth of broking and corporate finance experience acquired over a 45-year career, including 20 years of investment banking in London. During this time, Mr Harrison developed an extensive international contact base advising companies across a range of commodities (including uranium), as well as related engineering and service businesses, in both an M&A and Equity Capital markets context. He acted for numerous companies quoted on the Main List and the Alternative Investment Market of the London Stock Exchange, as well as the Australian, Johannesburg and Toronto Exchanges. During his investment banking career, Mr Harrison was the Managing Director at Numis Securities in London in charge of the Corporate Finance resources sector and subsequently UK Chairman of specialist Anglo-Australian resources advisory and broking business RFC Ambrian. He was founding Chairman of UK coking coal development company West Cumbria Mining Ltd and is currently a Non-Executive Director of that company. Mr Harrison has the following interest in shares and options in the Company as at the date of this report – 20,000 ordinary shares, 47,849 unlisted options exercisable at $1.52 on or before 1 December 2019 and 240,000 unlisted options exercisable at $0.50 on or before 30 November 2022 (50% of the unlisted options vest on 1 July 2019 and the remaining 50% vest on 1 July 2020).

- **Mr Wayne Heili**
  Managing Director / Chief Executive Officer (Appointed 3 April 2017)

  Mr Heili has spent the bulk of his 30-year professional career in the uranium mining industry. He most recently served as President and Chief Executive Officer of Ur-Energy, Inc. where he successfully oversaw the design, construction, commissioning and ramp-up of the Lost Creek in-situ uranium project in Wyoming USA. Prior to joining Ur-Energy, Inc., Mr Heili served as Operations Manager of the Christensen/Irigaray in-situ uranium mines in Wyoming and has experience in ISR and conventional uranium mines in Texas. He holds a Bachelor of Science in Metallurgical Engineering from Michigan Technological University and is a past President of the Uranium Producers of America. Mr Heili has the following interest in shares and options in the Company as at the date of this report – 682,791 ordinary shares, 531,583 Restricted Share Units, 600,000 unlisted options exercisable at $0.50 on or before 30 November 2022 and 300,000 unlisted options exercisable at $0.50 on or before 30 November 2022 (unvested).

- **Mr Harrison Barker**
  Non-Executive Director (Appointed 3 August 2015)

  Mr Barker retired 1 June 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 U_3O_8 to UF6, enrichment of UF6, and fabrication of nuclear fuel assemblies. He is a former Chair of the Nuclear Energy Institute’s Utility Fuel Committee, and a past member of the World Nuclear Fuel Market Board of Directors (Chairman for two years). He served on an Advisory Board to American Uranium Corporation while they attempted to develop the Wyoming Reno Creek uranium deposit. From 1975 to 1984 he worked as an engineer and supervisor in the areas of nuclear fuel quality assurance, nuclear core design, nuclear fabrication contract administration, nuclear fuel procurement, spent fuel transportation and disposal planning during a period when Dominion was building its regulated nuclear operating fleet in Virginia. Mr Barker holds a Bachelor of Science degree in Electrical Engineering and a Master’s in Nuclear Engineering Science both from the University of Florida. Mr Barker has the following interest in shares and options in the Company as at the date of this report – nil interest in shares, 54,737 unlisted options exercisable at $1.52 on or before 1 December 2019 and 180,000 unlisted options exercisable at $0.50 on or before 30 November 2022 (50% of the unlisted options vest on 1 July 2019 and the remaining 50% vest on 1 July 2020).

- **Mr Mark Wheatley**
  Non-Executive Director (Appointed 26 April 2016)

  Mr Wheatley is a chemical engineer with corporate finance experience and a career spanning more than 30 years in mining and related industries. He has worked in the uranium industry since 2003 and been involved in ISL project exploration, feasibility studies, start up, production, rehabilitation and closure. His uranium experience includes the roles of Chairman and CEO of Southern Cross Resources Inc., the operator of the Honeymoon ISR uranium project, Non-Executive Director of Uranium One Inc. and Uranium Resources Inc. Mr Wheatley is currently a Non-Executive Director of Ora Banda Mining Limited. His other board roles have included Non-Executive Chairman of Xanadu Mines Ltd, Gold One International Ltd, Goliath Gold Mining Ltd, Norton Gold Fields Ltd and non-executive directorships of St Barbara Ltd and Riversdale Resources Limited. Mr Wheatley has the following interest in shares and options in the Company as at the date of this report – 103,852 ordinary shares, 65,000 unlisted options exercisable at $1.52 on or before 1 December 2019 and 180,000 unlisted options exercisable at $0.50 on or before 30 November 2022 (50% of the unlisted options vest on 1 July 2019 and the remaining 50% vest on 1 July 2020).

- **Mr David Coyne**
  Finance Director / Chief Financial Officer (Appointed 27 March 2017)

  Mr Coyne has over 25 years' experience in the mining, and engineering and construction industries, both within Australia and internationally. Prior to joining Peninsula, Mr Coyne held senior executive positions with Australia listed companies Macmahon Holdings Limited and VDM Group Limited, and with unlisted global manganese miner Consolidated Minerals. 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 Coyne has previously served on the Board of listed iron ore miner, BC Iron Limited, where he also held the role of Chairman of the Audit and Risk Management Committee. Mr Coyne has the following interest in shares and options in the Company as at the date of this report – 482,048 ordinary shares, 387,654 Restricted Share Units and 300,000 unlisted options exercisable at $0.50 on or before 30 November 2022 and 150,000 unlisted options exercisable at $0.50 on or before 30 November 2022 (unvested).

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

- **Mr Jonathan Whyte *(Appointed 12 April 2006)***

  Mr Whyte is a Chartered Accountant and has extensive corporate, company secretarial financial accounting experience across a number of listed and unlisted resource sector companies. Mr Whyte is currently Non-Executive Director and Company Secretary of ASX listed Indus Energy NL, Company Secretary of AIM listed Empyrean Energy Plc and was previously Company Secretary of ASX listed Lefroy Resources Limited. Mr Whyte previously worked in the investment banking sector in London over a period of 6 years for Credit Suisse and Barclays Capital Plc. Mr Whyte has the following interest in shares and options in the Company as at the date of this report – 275,454 ordinary shares, 181,831 Restricted Share Units and 250,000 unlisted options exercisable at $0.55 on or before 30 November 2022 (unvested).

Meetings of Directors

During the financial year eleven meetings of Directors were held. Attendances by each Director who held office during the financial year were as follows:

					Committee Meetings	
	Directors Meetings		Audit and Risk Management Committee		Remuneration Committee	
Directors	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
John Harrison	8	8	-	-	1	1
Wayne Heili	8	8	-	-	-	-
Harrison Barker	8	8	2	2	1	1
Mark Wheatley	8	7	2	2	1	1
David Coyne	8	8	-	-	-	-
Evgenij Iorich	2	2	1	1	-	-

Options

At the date of this report, the unissued ordinary shares of Peninsula under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number Under Option
Various	01/12/2019	A$1.52	384,747
19/12/2017	30/11/2022	A$0.50	1,350,000
19/12/2017	30/11/2022	A$0.55	2,975,000
04/10/2018	22/04/2022	A$0.50	22,500,000

Option-holders do not have any rights to participate in any issue of shares or other interests in the Company or any other entity.

There have been no unissued shares or interests under option of any controlled entity within the consolidated group during or since reporting date.

For details of options issued to Directors and Executives as remuneration, refer to the Remuneration Report.

No amounts are unpaid on any of the shares. No person entitled to exercise the options had or has any rights by virtue of the option to participate in any share issue of any other body corporate.

Indemnifying Directors and Officers

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each Director and Officer against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was US$63,925 to insure the Directors and Officers of the Company.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-Audit Services

The Board of Directors, in accordance with advice from the Audit and Risk Management Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Audit and Risk Management Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid to the current external auditors:

Service	2019 US$000s	2018 US$000s
Taxation Services	32	47
Total	**32**	**47**

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 31 of the Annual Report.

ASIC Legislative Instrument 2018/191: Rounding of Amounts

The Company is an entity to which ASIC Legislative Instrument 2018/191 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

REMUNERATION REPORT - AUDITED

This report outlines the remuneration structure which is in place for Executive Directors, Non-Executive Directors and other Key Management Personnel.

Key Management Personnel include:

- <u>Non-Executive Directors</u>
  - John Harrison — Chairman (Non-Executive Director)
  - Harrison Barker — Non-Executive Director
  - Mark Wheatley — Non-Executive Director
  - Evgenij Iorich — Non-Executive Director (resigned 12 October 2018)

- <u>Executive Directors</u>
  - Wayne Heili — Managing Director / Chief Executive Officer
  - David Coyne — Finance Director / Chief Financial Officer

- <u>Other Key Management Personnel</u>
  - Ralph Knode — Chief Executive Officer, Strata Energy, Inc.
  - Willie Bezuidenhout — Chief Executive Officer, South Africa (resigned 31 October 2018)
  - Jonathan Whyte — Company Secretary

This Remuneration Report, which has been audited, outlines the Key Management Personnel remuneration arrangements for the consolidated group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The principles adopted have been approved by the current Board of the Company and have been set out in the remuneration summary.

Principles Used to Determine the Nature and Amount of Remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework which has been set out in detail under the remuneration structure below aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- aligns shareholders and executive interests;
- performance based and aligned to strategic and business objectives; and
- transparency.

Key Management Personnel

Fees and payments to Key Management Personnel reflect the demands which are made on, and the responsibilities of, the Key Management Personnel. Fees and payments are reviewed annually by the Remuneration Committee. The Remuneration Committee also ensures that Key Management Personnel fees and payments are appropriate and in line with the market. There are no retirement allowances or other benefits paid to Key Management Personnel other than superannuation guarantee amounts (or overseas equivalent retirement benefit plans) as described in this remuneration report.

The executive remuneration and reward framework has three components:

- base pay and short-term incentives;
- share-based payments; and
- other remuneration such as superannuation / retirement benefits and long service leave.

The combination of these comprises the Key Management Personnel total remuneration. Fixed remuneration, consisting of base salary and superannuation / retirement benefits are reviewed annually by the Remuneration Committee, based on individual and area of responsibility performance, the overall performance of the Company and comparable market remuneration structures / amounts.

Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Non-Executive Directors. Non-Executive Directors' fees and payments are reviewed annually by the Remuneration Committee. For the year ended 30 June 2019, exclusive of the superannuation guarantee the annual remuneration for Non-Executive Board Members was as follows:

- Non-Executive Chairman - A$100,000 per annum;
- Non-Executive Director - A$65,000 per annum; and
- A Non-Executive Director who serves as Chair of a Board Committee shall also receive an additional A$10,000 per annum in recognition of the additional demand on time required by the Non-Executive Director.

There are no retirement allowances or other benefits paid to Non-Executive Directors other than superannuation guarantee amounts as required. Only Australian resident Non-Executive Directors are eligible for superannuation guarantee amounts.

Assessing Performance

The remuneration committee is responsible for assessing performance against targets and determining the amount of short-term and long-term incentives to be paid. To assist in this assessment, the committee receives detailed reports on performance from management. While annual gateways are established, and individual targets set for management, award and payment of short and long term incentives remain subject to the discretion of the remuneration committee and the Board of the Company.

In assessing performance, the remuneration committee considers not only the achievement against targets that have been set, but also the overall financial and market valuation (share price) performance of the Company.

Due to the planned transition to low pH operations at the Lance Projects, recent and historical financial and market valuation performance are taken into consideration, however the remuneration committee believes that setting and achieving targets predominantly aligned to transitioning to low pH operations are the most appropriate form of incentivisation for the Company at this point in time.

Summary of Approach to Remuneration

In April 2015, the Remuneration Committee undertook a comprehensive review of remuneration practices and commissioned a benchmarking exercise of the Company's remuneration framework by external advisors. This review resulted in significant changes to the Company's remuneration framework, with the new remuneration structure taking effect from 1 July 2015.

The key outcomes of the review were:

- developing an overarching remuneration framework to formalise reward structures and to establish a framework to guide remuneration practices going forward;
- benchmarking Executive Director, Executive Officer and Non-Executive Director remuneration and consideration of typical market practice of global uranium peer companies to determine the competitiveness of then current remuneration arrangements and to identify areas for change;
- design of a new short-term incentive (STI) plan to drive the collective efforts of the workforce in realising the short-term business strategy; and
- design of a new equity-based long-term incentive (LTI) plan for executives to encourage long-term sustainable performance.

The objective of the Company's executive reward structure is to ensure reward for performance is competitive and appropriate for the results delivered. The structure is intended to align executive reward with the achievement of strategic objectives and the creation of value for shareholders, and reflects current market practice for delivery of reward. The Board aims to ensure that executive reward practices are aligned with good reward governance practices to ensure that executive remuneration is:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the consolidated group's strategic and business objectives, and the creation of shareholder value;
- transparent; and
- aligns shareholder and executive interests.

This structure remained in place for the 2019 financial year and continues to remain in place for the 2020 financial year.

Fixed Remuneration (Base salary inclusive of statutory superannuation)

In April 2015, benchmarking of executives' fixed remuneration was conducted against a custom peer group of global uranium companies to ensure remuneration levels set meet the objectives of the Company and are aligned to broader market trends within the global uranium mining industry for comparable roles.

An annual review of the fixed remuneration for each employee across the Company is undertaken by the Remuneration Committee. The annual review during the 2019 financial year resulted in cost of living salary increases for employees of the Company of 2.0%.

Short-Term Incentives

<u>Purpose</u>

To align with market practices of peer uranium companies and to provide a competitive total remuneration package, the Board uses a comprehensive STI Plan to motivate and reward executives for the achievement of key strategic goals. The quantum offered under the STI Plan is expressed as a set percentage of base salary, with executives' performance assessed against metrics contained within a weighted scorecard over a 12-month period.

	Managing Director / CEO	Other Key Management Personnel
STI Target as a % of base salary[1]	50%	20%-40%
KPI alignment	100% aligned to corporate goals	90% aligned to corporate goals 10% aligned to personal performance

Notes:

(1) STI percentage for other Key Management Personnel range from 20% to 40%, depending on an individual's role and level of seniority in the Company.

Annual Corporate Goals

The STI Plan provides rewards where significant outperformance is achieved with any payouts earned being made in cash and capped to avoid excessive risk-taking behaviour. The majority of these metrics are specific, measurable and applicable to the key business outcomes required per the annual business plan of the Company. The payments are made at a time chosen by the Board following the completion of each financial year after the Board has had an opportunity to assess the outcomes of performance against objectives, assessed the operational and financial performance of the Company during the financial year and also considered the outlook for the uranium mining industry.

Corporate Gateway

A primary corporate gateway is also applied so that the STI would be reduced to nil in all cases if the corporate gateway is not achieved. Once the corporate gateway is achieved, the STI is measured based on a mix of corporate and personal goals for each executive.

For the year ended 30 June 2018, US$271,340 in cash based STIs were paid to Key Management Personnel. For the year ended 30 June 2019, the STI corporate gateway goal was the development and implementation of a business plan which results in sufficient funding being available to the Company to deliver Board approved objectives through to December 2019. As at 30 June 2019, the Company had not achieved the STI corporate gateway goal. No STI payments were paid or awarded to Key Management Personnel for the 2019 financial year.

A bonus pool of up to US$150,000 has been established for payment to senior executives for successful completion of activities rolled over from the 2019 financial year that deliver funds sufficient to execute the Company's planned low pH de-risking activities. If any such payment is made, it would be in addition to any STI awards or payments for the 2020 financial year.

The STI gateway for the 2020 financial year will be achieved if, through further testing and risk mitigation efforts, an operating scenario is developed for low pH implementation reducing risks and optimising costs, supported by substantially completed required permitting actions.

Corporate Goals

Metrics within the weighted scorecard are cascaded from the organisational strategy and generally fall within the following key strategic imperatives.

Strategic Goals	Performance Measure	Weighting (varies for each Executive)
Corporate responsibility goals which incorporates achieving metrics under people, health, safety, environment and corporate responsibility	Leading and lagging measures for safety and environmental performance and community engagement	10-20%
Project development and operations	Cost and schedule targets for the Lance Projects, low pH transition objectives for the Lance Projects	20-60%
Capital management and financial strength	Company is adequately funded to achieve its objectives	20-50%
Clients and markets	Targets for the signing of new uranium concentrate sale and purchase agreements	20-30%

Personal Goals

Personal goals are measured by individual performance against a balanced scorecard applicable to the executive's business unit or area of responsibility. The balanced scorecard for each individual is agreed with their immediate supervisor at the commencement of the financial year. Performance against the goals will be assessed at the completion of the financial year.

Final performance ratings for all Key Management Personnel are presented to and reviewed by the Remuneration Committee prior to the finalisation of the STI payment for any financial year. The Board retains discretion to modify the final STI payment for any individual, including the discretion to decrease the STI payment to an amount lower than that determined by assessment of final performance ratings.

Long-Term Incentives

In June 2015, the Board introduced a more structured approach to the delivery of equity to executives. The Board utilised the services of an external advisor to assist in setting the value of annual LTI available to executives and in the selection of the form of equity instrument to be used.

The LTI grants may be made to senior and executive employees (Eligible Participants) annually with vesting conditions to apply which will align executives' interests with those of shareholders and the generation of long-term sustainable value. The value of grants made under the plan are made with reference to a set percentage of base salary, with the ability to earn an LTI grant assessed against a pre-determined Company performance gateway for that year. Once an LTI grant has been made to an Eligible Recipient, the grant shall vest in equal tranches over the next three financial years following the date of grant. The Eligible Recipient must still be employed by the Company on a vesting date to be entitled to receive the vested LTI.

Through the requirement for the Eligible Participant to remain employed with the Company as a condition of annual vesting of previously earned LTI amounts, the Board views this mechanism as an attractive means of incentivising long-term retention of key personnel and aligning long term executive performance with shareholder interests.

The Company primarily uses Restricted Share Units (RSU) as the form of LTI and has established a LTI plan (Plan) for this purpose. A RSU is a right to acquire one fully paid ordinary share in the Company, which will initially be held by the trustee of the Plan. The Eligible Participant will be entitled to receive one share for each RSU that has vested and has not lapsed or expired. Until the Eligible Participants RSUs have vested and they have acquired Shares, a RSU will not give the Eligible Participant a legal interest in any shares, though the Eligible Participant will be able to participate in dividends and can direct the trustee to vote the underlying shares in certain circumstances.

For the financial year ended 30 June 2018, a total of 2,295,754 RSUs were awarded to Key Management Personnel. For the financial year ended 30 June 2019, the LTI gateway was that the efforts of the management team leads to the Wyoming Department of Environmental Quality approving permit and license amendments to enable the transition to the use of a low pH solution at the Lance Projects, on conditions that are deemed acceptable and satisfactory to the Board. The Permit to Mine amendment was issued in March 2019 and the Source Materials License amendment was issued subsequent to the end of the financial year on 31 July 2019.

As the issuance of the approved amendments represent a significant achievement for the Company, allowing the use of low pH at the Lance Projects, the Non-Executive Directors on the Board have elected to award RSUs to Eligible Participants. A total of 2,323,012 RSUs were awarded to Key Management Personnel for the 2019 financial year and shall vest in three equal tranches to the recipients annually, commencing on 1 July 2020.

Key terms of the 2020 financial year LTI structure are:

	Managing Director / CEO	Other Key Management Personnel
LTI Target as a % of base salary[1]	50%	30%-40%
Gateway Performance Hurdle financial year 2020	Achieve WDEQ approval to progress to Stage 4 (new mine areas) of the Implementation Plan (as it is defined within the Permit to Mine).	
Vesting period	Equal tranches over the three years following the date of award of each RSU series	

Notes:

(1) LTI percentage for other Key Management Personnel range from 30% to 40%, depending on an individual's role and level of seniority in the Company.

On the basis that an Eligible Participant remains employed by Peninsula as at the relevant dates below, a RSU Amount will be earned at the end of each year with a third vested over each of the following three years. A Participant will become entitled to be issued with or transferred the corresponding RSUs as they are earned as shown in the following tabular example (which presumes that the relevant performance hurdle for the award of RSUs is achieved each year):

1 July 2019	1 July 2020	1 July 2021	1 July 2022	1 July 2023
Vest 1/3 of RSU Amount 1	Vest 1/3 of RSU Amount 1	Vest 1/3 of RSU Amount 1	-	-
Grant RSU Amount 2	Vest 1/3 of RSU Amount 2	Vest 1/3 of RSU Amount 2	Vest 1/3 of RSU Amount 2	-
Performance hurdle set for FY2020 Series 3	Grant RSU Amount 3	Vest 1/3 of RSU Amount 3	Vest 1/3 of RSU Amount 3	Vest 1/3 of RSU Amount 3

Note that in the above illustrative example, the grant of any RSU is subject, amongst other things, to meeting performance hurdle gateways each financial year. If the gateway performance hurdle is not met and/or other factors do not justify the grant of RSUs in any period, no grant is made and subsequent vesting for that financial year does not occur.

The number of annual RSUs to be awarded to an Eligible Participant will be calculated by dividing the Eligible Participant's RSU Amount by the volume weighted average price of ordinary shares of Peninsula over the period 30 business days prior to the end of the respective financial year ending 30 June, as follows:

$$\frac{\text{Base salary x LTI percentage (applicable to role)}}{\text{30-day VWAP as at 30 June}}$$

Employment Details of Directors and Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, directors and members of Key Management Personnel of the consolidated group. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of share options, shares or restricted share units for the year ended 30 June 2019.

Key Management Personnel	Position Held at 30 June 2019	Remuneration Related to Performance		Remuneration Not Related to Performance		Total
		Non-Salary Cash Based Incentives	Non-Salary Equity Based Incentives	Fixed Salary/ Fees – Equity Based	Fixed Salary/ Fees – Cash Based	
		%	%	%	%	%
John Harrison	Chairman (Non-Executive)	-	18.61	-	81.39	100.00
Wayne Heili	Managing Director / Chief Executive Officer	-	33.55	-	66.45	100.00
Harrison Barker	Director (Non-Executive)	-	16.70	-	83.30	100.00
Mark Wheatley	Director (Non-Executive)	-	18.68	-	81.32	100.00
David Coyne	Finance Director / Chief Financial Officer	-	28.71	-	71.29	100.00
Evgenij Iorich[1]	Director (Non-Executive)	-	-	-	100.00	100.00
Ralph Knode	Chief Executive Officer (Strata Energy Inc.)	-	31.24	-	68.76	100.00
Jonathan Whyte	Company Secretary	-	27.19	-	72.81	100.00
Willie Bezuidenhout[2]	Chief Executive Officer (South Africa)	-	30.84	-	69.16	100.00

Notes:
(1) Mr Iorich resigned as Non-Executive Director effective 12 October 2018.
(2) Mr Bezuidenhout resigned as Chief Executive Officer (South Africa) effective 31 October 2018.

Service Contracts

The employment terms and conditions of Key Management Personnel are formalised in contracts of employment. Terms of employment require that the relevant group entity provide an executive contracted person with a minimum one month notice prior to termination of contract. A contracted person deemed employed on a permanent basis may terminate their employment by providing at least one month's notice. Termination payments are not payable on resignation or under circumstances of unsatisfactory performance. On termination notice by the Company, any rights that have vested, or that will vest during the notice period, will be released. Rights that have not yet vested will be forfeited. Unless otherwise stated, the commencement date of the employment agreement is the appointment date to the role.

- **Mr John Harrison**
  Chairman (Non-Executive)
  - Terms of agreement – no fixed term;
  - Base chairman fees of A$100,000, exclusive of superannuation;
  - Remuneration Committee Chairman fee of A$10,000; and
  - No termination benefit is specified in the agreement.

- **Mr Wayne Heili**
  Managing Director / Chief Executive Officer
  - Executive service employment agreement – no fixed term;
  - Base salary of US$332,928 per annum, exclusive of retirement benefits and Company provided medical insurance coverage;
  - Notice period – 6 months; and
  - 6-month termination payment under certain circumstances.

- **Mr Harrison Barker**
  Director (Non-Executive)
  - Terms of agreement – no fixed term.
  - Base director fees of A$65,000, exclusive of superannuation; and
  - No termination benefit is specified in the agreement.

- **Mr Mark Wheatley**
  Director (Non-Executive)
  - Terms of agreement – no fixed term;
  - Base director fees of A$65,000, exclusive of superannuation;
  - Audit & Risk Management Committee Chairman fee of A$10,000; and
  - No termination benefit is specified in the agreement.

- **Mr David Coyne**
  Finance Director / Chief Financial Officer
  - Terms of agreement – no fixed term;
  - Base salary of A$392,598, exclusive of superannuation;
  - Retention incentive of A$188,700 paid 6 months after receipt by the Company of low pH license and permit amendments;
  - Notice period – 3 months; and
  - 9-month termination benefit under certain circumstances.

- **Mr Ralph Knode**
  Chief Executive Officer - Strata Energy Inc.
  - Terms of agreement – no fixed term;
  - Base salary of US$321,500, exclusive of retirement benefits and Company provided medical insurance coverage;
  - Retention incentive of US$103,000 paid 6 months after receipt by the Company of low pH license and permit amendments;
  - Notice period – 3 months; and
  - 12-month termination benefit under certain circumstances.

- **Mr Jonathan Whyte**
  Company Secretary
  - Consultancy agreement – no fixed term;
  - Daily rate of A$1,380;
  - Retention incentive of A$60,996 paid 6 months after receipt by the Company of low pH license and permit amendments;
  - Notice period – 1 month; and
  - 3-month termination benefit under certain circumstances.

Table of Benefits and Payments for the Year Ended 30 June 2019

Key Management Personnel	Year	Salary & Fees US$	Incentives: Cash-Based US$	Incentives: Shares[7] US$	Incentives: Options US$	Super-annuation US$	Medical Benefits US$	Total US$
Directors								
John Harrison[1]	2019	78,674	-	-	17,989	-	-	**96,663**
	2018	86,801	-	-	-	-	-	**86,801**
Wayne Heili[2]	2019	326,430	-	158,003	20,444	13,910	13,042	**531,829**
	2018	311,846	87,311	153,000	76,258	16,002	7,098	**651,515**
Harrison Barker[1, 3]	2019	67,289	-	-	13,492	-	-	**80,781**
	2018	88,770	-	-	-	-	-	**88,770**
Mark Wheatley[1]	2019	53,642	-	-	13,492	5,096	-	**72,230**
	2018	58,144	-	-	-	5,524	-	**63,668**
David Coyne[2]	2019	275,288	-	107,972	10,369	18,601	-	**412,230**
	2018	291,623	64,233	111,575	37,546	19,704	-	**524,681**
Evgenij Iorich[4]	2019	13,151	-	-	-	-	-	**13,151**
	2018	50,391	-	-	-	-	-	**50,391**
Other Executives								
Ralph Knode[5]	2019	315,237	-	126,072	28,068	13,905	10,092	**493,374**
	2018	307,269	64,960	123,600	14,841	9,628	13,982	**534,280**
Jonathan Whyte[5]	2019	190,928	-	51,238	20,048	-	-	**262,214**
	2018	205,223	16,836	52,334	10,601	-	-	**284,994**
Willie Bezuidenhout[6]	2019	246,167	-	109,792	-	-	-	**355,959**
	2018	240,794	38,000	-	-	-	-	**278,794**
Total	**2019**	**1,566,806**	**-**	**553,077**	**123,902**	**51,512**	**23,134**	**2,318,431**
	2018	**1,640,861**	**271,340**	**440,509**	**139,246**	**50,858**	**21,080**	**2,563,894**

Notes:

(1) On 4 December 2018 the Company issued 600,000 unlisted options exercisable at A$0.50 on or before 30 November 2022 to Mr Harrison, Mr Barker and Mr Wheatley as approved at the Annual General Meeting held on 29 November 2018.

(2) On 19 December 2017, unlisted options were issued to Executive Directors as approved by shareholders at the Annual General Meeting held on 28 November 2017. The options were valued independently using the Black Scholes option model and are being expensed over the vesting period of the options, refer to the Notice of Annual General Meeting released on 27 October 2017 for detailed valuation assumptions. The director incentive options will be held on trust for directors and will vest in equal proportions over a three-year period with the first vesting date being 1 July 2018.

(3) Mr Barker's remuneration includes US$20,800 (2018: US$38,379) for additional time spent representing the Company at various nuclear conferences, customer meetings and other industry events during the year.

(4) Mr Iorich resigned as Non-Executive Director effective 12 October 2018.

(5) On 19 December 2017, unlisted options were issued to employees under existing contracts. The options were valued using the Black Scholes option model and are being expensed over the vesting period of the options. The employee incentive options will be held on trust for the various recipients until the future vesting date being 6 months after the relevant regulatory body approves the amendments to the permits and licenses to allow low pH mining in the Ross Permit area. The final amendment approval was received by the Company on 1 August 2019.

(6) Mr Bezuidenhout resigned as Chief Executive Officer – South Africa effective 31 October 2018. In accordance with his employment agreement, Mr Bezuidenhout was paid a termination benefit of R2,253,992 (US$158,997) and was issued 676,043 fully paid ordinary shares.

As Mr Bezuidenhout ceased being a member of Key Management Personnel on 31 October 2018, his remuneration excludes R440,260 (US$31,056) in consulting fees for additional time spent facilitating the divestment and exit of the Company from the Karoo Projects which were incurred between 1 November 2018 and 30 June 2019.

(7) Amounts for LTI for the financial year ended 30 June 2019 have been accrued as at 30 June 2019 but are to be paid subsequent to year end.

Key Management Personnel	Grant Details			For the Financial Year Ended 30 June 2019			Overall		
	Date	Number	Value US$	Vested No.	Converted No.	Cancelled No.	Fair Value Brought to Account %	Fair Value Not Yet Brought to Account %	Lapsed %
Restricted Share Units - Shares									
Directors									
Wayne Heili[1]	30/8/2018	797,374	153,000	-	-	-	100%	-	-
David Coyne[1]	30/8/2018	581,481	111,575	-	-	-	100%	-	-
Other Executives									
Ralph Knode[1]	30/8/2018	644,153	123,600	-	-	-	100%	-	-
Jonathan Whyte[1]	30/8/2018	272,746	52,334	-	-	-	100%	-	-
Total		**2,295,754**	**440,509**	**-**	**-**	**-**	**100%**	**-**	**-**
Restricted Share Units - Options									
Directors									
Wayne Heili[2]	19/12/2017	900,000	133,405	300,000	-	-	88%	12%	-
David Coyne[2]	19/12/2017	450,000	66,493	150,000	-	-	88%	12%	-
Other Executives									
Ralph Knode[3]	19/12/2017	350,000	56,981	-	-	-	75%	25%	-
Jonathan Whyte[3]	19/12/2017	250,000	40,701	-	-	-	75%	25%	-
Total		**1,950,000**	**297,580**	**450,000**	**-**	**-**	**84%**	**16%**	**-**

Notes:

(1) LTI RSUs were approved for issue by the Board subsequent to year end in recognition of milestones achieved during the financial year to 30 June 2018. RSUs are held in trust for the recipients to vest over a three-year period. The number of RSUs issued has been determined using a share price of A$0.26 per share.

(2) On 19 December 2017, unlisted options were issued to Executive Directors as approved by shareholders at the Annual General Meeting held on 28 November 2017. The options were valued independently using the Black Scholes option model and are being expensed over the vesting period of the options, refer to the Notice of Annual General Meeting released on 27 October 2017 for detailed valuation assumptions. The director incentive options will be held on trust for directors and will vest in equal proportions over a three-year period with the first vesting date being 1 July 2018.

(3) On 19 December 2017, unlisted options were issued to employees under existing contracts. The options were valued using the Black Scholes option model and are being expensed over the vesting period of the options. The employee incentive options will be held on trust for the various recipients until the future vesting date being 6 months after the relevant regulatory body approves the amendments to the permits and licenses to allow low pH mining in the Ross Permit area. The final amendment approval was received by the Company on 1 August 2019.

Number of Shares Held by Key Management Personnel as at 30 June 2019

Key Management Personnel	Balance at 1 July 2018	On-Market Trades	Options Exercised	Net Change Other	Balance at 30 June 2019
Directors					
John Harrison	20,000	-	-	-	20,000
Wayne Heili	115,000	302,000	-	-	417,000
Harrison Barker	-	-	-	-	-
Mark Wheatley	56,356	47,496	-	-	103,852
David Coyne[1]	211,137	-	-	38,542	249,679
Evgenij Iorich	-	-	-	-	N/A
Other Executives					
Ralph Knode[1]	464,492	-	-	42,568	507,060
Jonathan Whyte[1]	118,113	-	-	33,213	151,326
Willie Bezuidenhout[2]	-	-	-	676,043	N/A
Total	**985,098**	**349,496**	**-**	**790,366**	**1,448,917**

* LTI RSUs have been excluded from the table above as they are held in trust for the recipients until respective vesting dates and conditions are met.

Notes:

(1) The movement in Net Change Other refers to the transfer of RSUs that have vested to Mr Coyne, Mr Knode and Mr Whyte.

(2) On 6 November 2018, 676,043 fully paid ordinary shares were issued to Mr Willie Bezuidenhout (CEO-South Africa) which represent the equity component of his contractual termination payment.

Number of Options Held by Key Management Personnel as at 30 June 2019

Key Management Personnel	Balance at 1 July 2018	Options Expired	Options Exercised	Net Change Other	Balance at 30 June 2019	Total Vested
Directors						
John Harrison[1]	47,849	-	-	240,000	287,849	47,849
Wayne Heili[2]	-	-	-	300,000	300,000	300,000
Harrison Barker[1]	54,737	-	-	180,000	234,737	54,737
Mark Wheatley[1]	65,000	-	-	180,000	245,000	65,000
David Coyne[2]	14,843	(14,843)	-	150,000	150,000	150,000
Evgenij Iorich	47,849	-	-	-	N/A	N/A
Other Executives						
Ralph Knode	49,836	(49,836)	-	-	-	-
Jonathan Whyte	-	-	-	-	-	-
Willie Bezuidenhout	-	-	-	-	N/A	N/A
Total	**280,114**	**(64,679)**	**-**	**1,050,000**	**1,217,586**	**617,586**

* LTI RSUs have been excluded from the table above as they are held in trust for the recipients until respective vesting dates and conditions are met.

Notes:

(1) On 4 December 2018 the Company issued 600,000 unlisted options exercisable at A$0.50 on or before 30 November 2022 to Mr Harrison, Mr Barker and Mr Wheatley as approved at the Annual General Meeting held on 29 November 2018. 50% of the unlisted options vest on 1 July 2019 and the remaining 50% vest on 1 July 2020.

(2) The movement in Net Change Other refers to the transfer of unlisted options that have vested to Mr Heili and Mr Coyne during the 2019 financial year.

Voting at Last Annual General Meeting

At the last AGM, shareholders indicated their support of the Company's remuneration practices with 98% of the votes cast being in favour of the adoption of the Remuneration Report.

End of Audited Remuneration Report

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

John Harrison (Non-Executive Chairman)
Dated this 27th day of September 2019

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF PENINSULA ENERGY LIMITED

As lead auditor of Peninsula Energy Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Peninsula Energy Limited and the entities it controlled during the period.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 27 September 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2019

	Notes	2019 US$000s	2018 US$000s
Continuing Operations			
Revenue	*2*	6,592	13,162
Cost of sales	*3*	(14,844)	(16,952)
Gross loss		**(8,252)**	**(3,790)**
Other income	*2*	175	19,083
Selling and marketing expense		(130)	(262)
Administration expense		(1,912)	(2,476)
Depreciation expense		(95)	(123)
Impairment expense	*4*	(23,738)	-
Foreign exchange (loss)/gain		(82)	1,208
Derivative fair value movement	*11*	(2,237)	(2,347)
Other expenses	*3*	(1,097)	(872)
(Loss)/Profit before interest and tax from continuing operations		**(37,368)**	**10,421**
Finance costs		(3,308)	(2,875)
Net (loss)/profit before income tax		**(40,676)**	**7,546**
Income tax expense	*6*	(271)	-
(Loss)/Profit for the year from continuing operations		**(40,947)**	**7,546**
Loss for the year from discontinued operations	*10*	(2,060)	(8,713)
Loss for the year	*5*	**(43,007)**	**(1,167)**
Other comprehensive loss:			
Other comprehensive loss may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(15)	(920)
Total comprehensive loss for the year		**(43,022)**	**(2,087)**
(Loss)/Profit for the year attributable to:			
Equity holders of the Parent		(42,521)	503
Non-controlling interests		(486)	(1,670)
		(43,007)	**(1,167)**
Total comprehensive loss for the year attributable to:			
Equity holders of the Parent		(42,511)	(464)
Non-controlling interests		(511)	(1,623)
		(43,022)	**(2,087)**
(Loss)/Earnings per share attributable to the members of Peninsula Energy Limited:			
(Loss)/Profit for the year			
Basic (cents per share)	*26*	(17.58)	0.22
Diluted (cents per share)	*26*	(17.58)	0.18
(Loss)/Profit for the year from continuing operations			
Basic (cents per share)	*26*	(16.93)	3.26
Diluted (cents per share)	*26*	(16.93)	2.64

The above consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 30 June 2019

	Notes	2019 US$000s	2018 US$000s
Current Assets			
Cash and cash equivalents	7	5,269	11,959
Trade and other receivables	8	968	471
Inventory	9	1,488	3,132
Held for sale assets	10	929	2,616
Other financial assets	11	1,596	2,900
Total Current Assets		**10,250**	**21,078**
Non-Current Assets			
Trade and other receivables	8	3,123	5,936
Property, plant and equipment	13	18,887	24,312
Mineral development	15	36,427	55,779
Other financial assets	11	1,644	4,141
Total Non-Current Assets		**60,081**	**90,168**
Total Assets		**70,331**	**111,246**
Current Liabilities			
Trade and other payables	17	1,887	3,237
Borrowings	18	16,039	15,679
Provisions	19	197	177
Liabilities associated with held for sale assets	10	685	703
Provision for income tax	6	271	-
Total Current Liabilities		**19,079**	**19,796**
Non-Current Liabilities			
Borrowings	18	-	362
Provisions	19	10,567	10,397
Total Non-Current Liabilities		**10,567**	**10,759**
Total Liabilities		**29,646**	**30,555**
Net Assets		**40,685**	**80,691**
Equity			
Issued capital	20	207,493	205,099
Reserves	21	7,103	6,471
Accumulated losses		(172,633)	(130,112)
Equity attributable to equity holders of the Parent		41,963	81,458
Non-controlling interest	12	(1,278)	(767)
Total Equity		**40,685**	**80,691**

The above consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2019

	Notes	Issued Capital US$000s	Accumulated Losses US$000s	Share-Based Payments Reserve US$000s	Foreign Currency Translation Reserve US$000s	Total US$000s	Non-controlling interest US$000s	Total Equity US$000s
30 June 2017		**204,067**	**(130,615)**	**13,116**	**(7,948)**	**78,620**	**856**	**79,476**
Transactions with Owners								
Share-based payments	25	-	-	871	-	871	-	871
Issue of shares under debt facility agreement	20	1,032	-	1,399	-	2,431	-	2,431
Total Transactions with Owners		**1,032**	**-**	**2,270**	**-**	**3,302**	**-**	**3,302**
Comprehensive Loss								
Foreign exchange translation reserve		-	-	-	(920)	(920)	-	(920)
Non-controlling interest		-	-	-	(47)	(47)	47	-
Loss for the year		-	503	-	-	503	(1,670)	(1,167)
Total Comprehensive Loss		**-**	**503**	**-**	**(967)**	**(464)**	**(1,623)**	**(2,087)**
30 June 2018		**205,099**	**(130,112)**	**15,386**	**(8,915)**	**81,458**	**(767)**	**80,691**
Transactions with Owners								
Shares issued during the year	20	615	-	(615)	-	-	-	-
Share-based payments	25	12	-	980	-	992	-	992
Share-based payments – discontinued operations	10	110	-	-	-	110	-	110
Issue of shares under debt facility agreement	20	1,657	-	257	-	1,914	-	1,914
Total Transactions with Owners		**2,394**	**-**	**622**	**-**	**3,016**	**-**	**3,016**
Comprehensive Loss								
Foreign exchange translation reserve		-	-	-	(15)	(15)	-	(15)
Non-controlling interest		-	-	-	25	25	(25)	-
Loss for the year		-	(42,521)	-	-	(42,521)	(486)	(43,007)
Total Comprehensive Loss		**-**	**(42,521)**	**-**	**10**	**(42,511)**	**(511)**	**(43,022)**
30 June 2019		**207,493**	**(172,633)**	**16,008**	**(8,905)**	**41,963**	**(1,278)**	**40,685**

The above consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2019

	Notes	2019 US$000s	2018 US$000s
Operating Activities			
Receipts from customers		8,156	31,054
Payments to suppliers and employees		(14,916)	(16,767)
Interest paid		(191)	(818)
Interest received		189	83
Income taxes paid		(160)	-
Net cash (used in)/provided by operating activities	*34*	(6,922)	13,552
Investing Activities			
Payments for mineral exploration and evaluation		-	(455)
Payments for mineral development		(1,115)	(2,653)
Receipts from/(payments for) mineral exploration performance bonds and rental bonds		2,688	(3,017)
Proceeds from sale of property, plant and equipment		488	-
Purchase of property, plant & equipment		(383)	(354)
Net cash provided by/(used in) investing activities		1,678	(6,479)
Financing Activities			
Repayment of borrowings		(832)	(4,599)
Capitalised borrowing costs		(622)	(148)
Net cash (used in) financing activities		(1,454)	(4,747)
Net increase in cash held		(6,698)	2,326
Cash and cash equivalents at the beginning of financial year		11,959	9,621
Effects of exchange rate fluctuations on cash held		8	12
Cash and cash equivalents at the end of the financial year	*7*	**5,269**	**11,959**

The above consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Note 1: Statement of Significant Accounting Policies

This financial report includes the consolidated financial statements and notes of Peninsula Energy Limited and controlled entities (consolidated group).

Basis of Preparation

The consolidated general-purpose financial statements of the consolidated group have been prepared in accordance with the requirements of the Corporations Act 2001, International Accounting Standards and other authoritative pronouncements of the International Accounting Standards Board (IASB). These financial statements also comply with Australian Accounting Standards and Interpretations as issued by the Australian Accounting Standards Board (AASB). Compliance with International Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the IASB. Peninsula Energy Limited is a for-profit entity for the purpose of preparing financial statements.

International Accounting Standards set out accounting policies that the IASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and in the supporting notes and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and going concern basis, and is based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

The consolidated financial statements were approved for issue by the board of directors on 27 September 2019.

Going Concern

The accounts have been prepared on the basis that the consolidated group can meet its liabilities and commitments as and when they fall due and can therefore continue normal business activities, and realise assets and liabilities in the ordinary course of business.

The consolidated group made a loss of US$43.01 million for the year ended 30 June 2019 (2018: loss of US$1.17 million) and operating cash outflows of US$6.92 million (2018: inflows US$13.55 million). The net working capital deficit of the consolidated group at 30 June 2019 was US$8.83 million (2018: surplus of US$1.28 million). Included in current liabilities of US$19.08 million is an amount due to convertible note holders with a face value of US$17.0 million (refer to Note 18) which is due and payable by 22 April 2020.

The ability of the consolidated group to continue as a going concern is dependent on the successful transition of the Lance Projects in Wyoming from the existing alkaline based production method to one using the low pH method. During the financial year, the Company achieved a number of significant milestones toward a successful transition to the low pH method. Milestones included the following:

- September 2018 – The Company announced the outcomes of the low pH Feasibility Study. The outcomes indicate that the transition of the Lance Projects to a low pH mining method is expected to transform the operational and financial performance of the Lance Projects.
- December 2018 – Commenced a low pH field demonstration that has successfully met its key objectives to date, namely the successful lowering of the pH level to 2.0 S.U. and increase in uranium grades (March 2019) and increase in the pH level to 5.0 S.U. (September 2019, refer to Note 24).
- March 2019 – Approval of an amendment to the existing Permit to Mine to allow the use of low pH at the Lance Projects, subject to adhering to the requirements of the approved amendment.
- Subsequent to the reporting date, July 2019 – Approval of an amendment to the existing Source Material License to allow the use of low pH at the Lance Projects, subject to adhering to the requirements of the approved amendment.

Approval of the amendments to the Permit to Mine and the Source Materials License were the two key regulatory approvals required to allow the use of low pH at the Lance Projects. Implementation of low pH at the Lance Projects in accordance with approved amendments is subject to adhering to certain requirements.

To commence low pH operations in the existing Mine Units 1 and 2, a field demonstration Interim Operations Report is required to be submitted to the regulator, and if there are any variances to pre-defined acceptance criteria, approval by the regulator of such report. The Interim Operations Report was submitted to the regulator after the reporting date in September 2019 (refer Note 24). To commence low pH operations in new mining areas (Mine Unit 3 and beyond), a field demonstration Interim Restoration Report is required to be submitted to and be approved by the regulator.

In September 2019 (post the reporting date, refer to Note 24), the Company announced that it had elected to undertake a low pH de-risking and optimisation exercise that is expected to take until the end of the 2020 financial year to complete. Excluding repayment of outstanding convertible note debt, an additional US$5.0 million to US$8.0 million of funding is required to be obtained by the Company.

When an investment decision is made to commence the transition to low pH mining operations, completion of the work for the transition, ramp-up of low pH mining operations, and capital expenditure for the development of Mine Unit 3 and commencement of development of Mine Unit 4, will require the Company to secure additional sources of finance through to the end of calendar year 2022 of approximately US$20.0 million (excluding convertible note debt repayments). This funding may be sourced progressively during this time period and may be obtained from a number of sources, including proceeds from possible part monetisation of existing uranium sale contracts with nuclear power generating utilities. The Company expects that under low pH operations it will also build a stockpile of uranium inventory that could form the basis of a working capital debt facility such as an inventory finance facility. Other sources of finance that the Company believes is available to it include project finance debt and equity from existing and new shareholders.

As the convertible note debt is due for repayment in April 2020, the Company shall be required to either repay this debt in cash, replace this debt with alternate debt or have the convertible note holders convert the debt to equity (or a combination of these). Additionally, the Company will be required to obtain waivers from the convertible note holders for certain financial undertakings that are tested on a quarterly basis in order to avoid a default or potential event of default under the loan agreements. The Company has obtained a waiver from the convertible note holders that defers the next test date from 30 September 2019 to 31 October 2019. Discussions with the convertible holders regarding a more permanent resolution of the convertible note debt have commenced and remain in progress as at the date of this report.

Following the ramp-up of low pH mining operations, the ability of the Lance Projects and the Company's uranium business to generate positive cash flows is required for the consolidated entity to continue as a going concern. Based on the outcomes of the low pH Feasibility Study, combined with the committed revenue stream from uranium concentrate sale and purchase agreements that the Company has in place, the Directors are of the opinion that following the initial ramp-up of low pH mining operations, the Lance Projects will have the ability to generate positive cash flows.

These conditions indicate that there is a material uncertainty that may cast a significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors have an appropriate plan to raise additional funds as and when they are required. The Company has a track record of successfully securing additional funding as and when required from both the debt and equity capital markets. In addition, the existing uranium concentrate sale and purchase contracts held by the Company, in the opinion of the Directors, are viewed favourably by potential providers of either debt or equity finance.

Accordingly, the Directors are satisfied that the going concern basis of preparation for the financial statements is appropriate.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

New and Amended Standards Adopted for the First Time by the Consolidated Group

The following new applicable accounting standards, amendment of standards and interpretations have been adopted by the Company:

Standard Reference	Application Date	Nature of Change	Impact on Company's Financial Report
IFRS 9 Financial Instruments	Annual reporting periods beginning on or after 1 January 2018	IFRS 9 amends the classification and measurement of financial assets and liabilities. Financial assets will either be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). Financial assets are measured at amortised cost or FVTOCI if certain restrictive conditions are met. All other financial assets are measured at FVTPL. All investments in equity instruments will be measured at fair value. For those investments in equity instruments that are not held for trading, there is an irrevocable election to present gains and losses in OCI. Dividends will be recognised in profit or loss. Gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.	The Company adopted this standard with minimal impact on the financial statements.
IFRS 15 Revenue from Contracts with Customers	Annual reporting periods beginning on or after 1 January 2018	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risk and rewards as is currently the case under IAS 18 Revenue.	The Company adopted this standard with minimal impact on the financial statements.

The following applicable accounting standards, amendment of standards and interpretations have recently been issued but are not yet effective. These standards have not yet been adopted by the Company as at the financial reporting date.

Standard Reference	Application Date	Nature of Change	Impact on Company's Financial Report
IFRS 16 Leases	Annual reporting periods beginning on or after 1 January 2019	If a lessee has significant operating leases outstanding at the date of initial application, right-of-use assets will be recognised for the amount of the unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments. This will increase EBITDA as operating leases that were previously expensed will be amortised as a right-of-use asset, and an interest expense on the lease liability. However, there will be an overall reduction in net profit before tax in the early years of a lease because the amortisation	The Company has considered this standard and identified there will be minimal impact on the financial statements.

Standard Reference	Application Date	Nature of Change	Impact on Company's Financial Report
		and interest charges will exceed the current straight-line expense incurred under the existing standard. This trend will reverse in the later years. There will be no change to the accounting treatment for short-term leases less than 12 months and leases of low value items, which will continue to be expensed on a straight-line basis.	

Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Peninsula Energy Limited at the end of the reporting year. A controlled entity is any entity over which Peninsula Energy Limited has the power to govern the financial and operating policies of, so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights is considered.

Where controlled entities have entered or left the consolidated group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 12 of the notes to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Business combinations by the group are accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Rounding of amounts

The consolidated group has applied the relief available to it under ASIC Legislative Instrument 2017/191. Accordingly, amounts in the Financial Report have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Value Added Taxes

Revenues, expenses and assets are recognised net of the amount of value added taxes, except where the amount of value added tax incurred is not recoverable from the relevant tax authority. In these circumstances the value added tax is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of value added tax. Cash flows are presented in the cash flow statement on a gross basis, except for the value added tax component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of value added tax recoverable from, or payable to, a taxation authority.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. When the consolidated group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in the financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Key Estimates, Judgements and Assumptions

The preparation of the consolidated group's financial statements requires management to make estimates, judgements and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are disclosed in the relevant notes.

Note 2: Revenue and Other Income

	2019 US$000s	2018 US$000s
Revenue from continuing operations		
Sale of goods	6,592	13,162
Total revenue from continuing operations	**6,592**	**13,162**
Other income		
Sale of uranium contract	-	19,000
Interest received	175	83
Total other income	**175**	**19,083**

Accounting Policy

Sales Revenue

Revenue from uranium sales is recognised when control of goods pass to the purchaser, including delivery of the product and transfer of legal title, the selling price is set or determinable, and collectability is reasonably assured.

The revenue recognised in the financial statements represents the delivery of uranium concentrate at a deemed 'fair value market' price. The difference between this deemed price and the contracted cash is recorded as part of the derivative asset. On deliveries to conversion facilities ("Converter"), the Converter credits the Company's account for the volume of accepted uranium. Based on delivery terms in a sales contract with its customer, the Company instructs the Converter to transfer title of a contractually specified quantity of uranium to the customer's account at the Converter. The Company recognises revenue at the point in time when the Converter has completed the transfer of title of the uranium to the customer.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of the amount of value added tax (VAT), goods and services tax (GST) or other similar taxes.

Note 3: Cost of Sales and Other Expenses

	2019 US$000s	2018 US$000s
Cost of sales		
Production costs before depreciation and amortisation	9,526	10,599
Depreciation and amortisation	1,917	2,084
Purchased uranium	1,661	1,874
Inventory movement	1,724	3,356
Inventory Net Realisable Value write-down/(reversal)	16	(961)
Total cost of sales	**14,844**	**16,952**
Other expenses		
Share-based payments expense (Note 25)	992	871
Loss on sale of fixed assets	105	1
Total other expenses	**1,097**	**872**

Note 4: Impairment Expense

	2019 US$000s	2018 US$000s
Lance CGU – Pre-tax	(23,738)	-
Lance CGU – Taxation benefit	4,985	-
Lance CGU – Taxation benefit not recognised	(4,985)	-
Total Impairment Expense	**(23,738)**	**-**

Accounting Policy – Impairment of Assets

Development activities commence after commercial viability and technical feasibility of the project is established. At the end of each reporting period, the consolidated group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell (FVLCS) and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Lance Projects Cash Generating Unit

An impairment indicator was identified for the Lance Projects Cash Generating Unit (CGU) as a result of the Enterprise Value of the consolidated group being below the carrying value of the Lance Projects CGU. In assessing the recoverable amount for the Lance Projects CGU, it was determined that property, plant and equipment, and mineral properties, were impaired, resulting in a pre-tax impairment expense of US$23.74 million.

In determining the pre-tax impairment expense, the Company has compared the FVLCS as at 30 June 2019 of the CGU to the carrying value of the Lance Projects CGU. In determining the FVLCS the Company has considered valuations under the Income Approach.

For the Income Approach the Company has used a life of mine cash flow model for the Ross and Kendrick permit areas using the low pH mining method plus a market value per pound of in-situ resource for the Barber permit area. The Barber permit area was valued in this manner due to the levels of inferred resource within the overall resource statement. This approach differs, and is a more conservative approach, from that used in the low pH Feasibility Study released by the Company in September 2018. This results in a valuation of the Lance Projects CGU approximating the market capitalisation of the Company as at 30 June 2019.

The estimates of future cash flows are based on significant assumptions including:

- Future uranium prices, specifically prices for uncontracted uranium under the consolidated group's preferred selling model of long-term contracts. Uncontracted uranium is assumed to be sold at nominal spot prices sourced from Consensus Economics Inc as at June 2019 ranging from US$29.30/lb U_3O_8 in CY2019 to US$44.70/lb U_3O_8 in CY2023. A US$5.00/lb premium for term contracts was added to the spot prices and escalation of 2.0% per annum was applied post-CY2023;

- 6.2 million lbs U_3O_8 (or 41%) of life of mine sales are assumed to be made under the existing uranium concentrate sale and purchase agreements held by the Company, at a weighted average price of US$51.00/lb U_3O_8;
- Technical, operating and cost assumptions are those contained in the low pH Feasibility Study announced on 17 September 2018, the material assumptions of which are contained in Appendix 1 of that announcement;
- Within the Ross and Kendrick Permit Areas, 82% of the Measured and Indicated mineral resource is recovered and 54% of the Inferred mineral resource is recovered;
- Within the Ross and Kendrick Permit Areas, 67% of production is sourced from Measured and Indicated resources and 33% is sourced from Inferred resources;
- Within the discounted cash flow model, Measured and Indicated resources comprise production during the first 67% of the mine life, with Inferred resources only contributing to production during the final 33% of the mine life;
- On or around 1 July 2020, conditions attached to the approved modifications to existing licences and permits have been met and allow the initial commencement of commercial-scale low pH operations at the Lance Projects;
- Production and capital costs being consistent with feasibility study outcomes and detailed budgets approved by the Board;
- Estimates of the quantity of mineral resources for which there is a high degree of confidence of economic extraction at rates consistent with Board approved budgets and long-term development plans;
- Estimates of the rate of production at each stage of development being consistent with modelled rates at each stage of development;
- A pre-tax nominal discount rate of 12.15% (2018: 11.15%) has been utilised which has been based on internal assessment by the Company and comparison to other producing uranium mining companies in Australia and North America;
- While risk remains regarding satisfaction of the conditions included within the approved low pH permit and license amendments to allow the use of the low pH mining method across the entire Ross Permit Area, as at the date of this report, the Company is not aware of any material matters or circumstances arising that would prevent these conditions from being satisfied; and
- Future changes in assumptions upon which these estimates are based may give rise to a material adjustment by impairing the development expenditure.

The value of the in-ground resource assigned to the Barber Permit Area is based on a review of comparable transactions of sandstone hosted pre-operational uranium deposits that contain greater than 50% Inferred resources. Comparable transactions adjusted for movement in the price of uranium range from a low of US$0.54/lb U_3O_8 resource to a high of US$1.72/lb U_3O_8 resource. A base value of US$0.58/lb U_3O_8 in-ground resource was used, which was the low end of the range used by the independent expert for an extraordinary general meeting held in September 2018.

Finally, the Directors also took into consideration the market value and enterprise value of the Company as at 10 September 2019. If a control premium was applied to the market value at 10 September 2019, the control premium adjusted market value would approximate the carrying value of the Lance Projects CGU post-impairment.

The Company has validated the results of Income Approach FVLCS assessment by performing sensitivity tests on its key assumptions. Holding all other variables constant, the decreases in recoverable amount created by marginal changes in each of the key assumptions is as follows:

	Change in assumption	Amount of decrease US$000s
Variables		
Discount rate	1% point increase	4,233
Uranium prices	$1/lb decrease	3,090
Resource Recovery	1% point decrease	1,870

As the post-impairment Lance Projects CGU recoverable amount approximates its carrying value, any adverse movements in key assumptions may lead to further impairment in future reporting periods.

Note 5: Loss for the Year

	2019 US$000s	2018 US$000s
Loss before income tax includes the following specific expenses:		
Employee benefits expense	1,276	1,923
Rental expense on operating leases		
• minimum lease payments	99	124

Note 6: Income Tax

	2019 US$000s	2018 US$000s
(a) Income tax expense		
Current tax	271	-
Deferred tax	-	-
	271	**-**
(b) Reconciliation of income tax to prima facie tax payable		
Accounting loss before tax	(42,736)	(1,167)
Income tax expense/(benefit) @ 27.5% (2018: 30%)	(11,752)	(350)
Add tax effect of:		
• Share-based payments	273	261
• Impairment & other	6,809	4,180
• Deferred tax assets - tax losses not recognised	3,039	98
• Movement in unrecognised temporary differences	(339)	48
• Utilisation of prior tax losses previously not recognised	-	(3,533)
• Foreign tax rate differential	2,241	(704)
Total income tax expense/(benefit)	**271**	**-**
(c) Deferred tax liabilities		
Exploration and evaluation expenditure - Foreign	8,875	13,860
Temporary differences - Australia	9	135
Temporary differences - Foreign	-	-
	8,884	13,995
Offset of deferred tax assets	(8,884)	(13,995)
Net deferred tax liabilities recognised	**-**	**-**
(d) Unrecognised deferred tax assets arising on timing differences		
Tax losses - Australia	3,229	2,532
Tax losses - Foreign	20,057	18,507
Temporary differences - Australia	192	534
Temporary differences - Foreign	226	-
	23,704	21,573
Offset of deferred tax liabilities	(8,884)	(13,995)
Net deferred tax assets not brought to account	**14,820**	**7,578**

Accounting Policy

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered within a reasonable time period.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Key Estimates, Judgements and Assumptions

Balances disclosed in the financial statements and the notes related to taxation, are based on the best estimates of directors and take into account the financial performance and position of the consolidated group as they pertain to current income tax legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets, when recognised, are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are only recognised to the extent that it is probable that there are future taxable profits available against which deductible temporary differences can be utilised.

Note 7: Cash and Cash Equivalents

	2019 US$000s	2018 US$000s
Cash at bank and in hand	5,269	1,775
Short-term bank deposits	-	10,184
Total cash and cash equivalents	**5,269**	**11,959**

Bank bills and other money market investments are typically held for 30 to 90 days and earn interest at the prevailing rates. Refer to Note 28 for analysis of risk exposure for cash and cash equivalents.

	2019 US$000s	2018 US$000s
Reconciliation of Cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	**5,269**	**11,959**

Accounting Policy

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Note 8: Trade and Other Receivables

	2019 US$000s	2018 US$000s
Current		
Prepayments	582	266
GST and VAT receivable	34	95
Sundry receivables	38	81
Bonds and security deposits	234	29
AMT federal tax credit - current	80	-
Total current trade and other receivables	**968**	**471**
Non-Current		
Bonds and security deposits[1]	3,043	5,936
AMT federal tax credit – non-current	80	-
Total non-current trade and other receivables	**3,123**	**5,936**

Notes:

(1) Consists of the cash on deposit as security for Permit to Mine Bond and Environmental Performance Bonds for the construction and operating activities at the Lance Projects.

No receivables are past due or impaired. Refer to Note 28 for analysis of risk exposure for trade and other receivables.

Accounting Policy

Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Sundry receivables are recognised at amortised cost, less any provision for impairment. Bonds and security deposits include restricted cash amounts and amounts placed on deposit as security for restoration and rehabilitation obligations.

Note 9: Inventory

	2019 US$000s	2018 US$000s
Current		
Inventory – In-Process Uranium	5,216	5,697
Inventory – Drummed Uranium	1,080	2,227
Net Realisable Value write-down on year-end balance[1]	(4,808)	(4,792)
Total inventory	**1,488**	**3,132**

Notes:

(1) The carrying value of inventory was reviewed as at 30 June 2019. An expense has been recorded to write inventory down to the lower of cost and net realisable value (NRV). The NRV has been calculated using the average selling price for committed deliveries in the next year under the Company's existing off-take agreements.

Accounting Policy

Because of the nature of in-situ operations, it is not economically feasible to accurately measure the amount of in-process inventory at any given time. We use a combination of calculating estimated uranium captured per sampling applied to total lixiviant flow rates to determine the estimated U_3O_8 pounds captured. In-process inventory represents uranium that has been extracted from the wellfield and captured in the ion exchange columns and the elution tanks in the processing plant and is currently being transformed into a saleable product. Plant inventory is U_3O_8 that is contained in yellowcake, which has been dried and packaged in drums, but not yet transported to the conversion facility. The amount of U_3O_8 in the plant inventory is determined by weighing and assaying the amount of U_3O_8 packaged into drums at the plant. Conversion facility inventory is U_3O_8 that has been transported to and received at the conversion facility. The amount of U_3O_8 in the conversion facility inventory includes the amount of U_3O_8 contained in drums shipped to the conversion facility plus or minus any final weighing and assay adjustments per the terms of the uranium supplier's agreement with the conversion facility.

The consolidated group's inventories are measured at the lower of cost or net realisable value and reflect the U_3O_8 content in various stages of the production and sales process including in-process inventory, plant inventory and conversion facility inventory. Operating supplies are expensed when purchased. Finished goods and work in progress inventory are valued at the lower of cost and net realisable value using the weighted average cost method.

When determining the weighted average cost of uranium inventory, finished goods are segregated between uranium produced by the consolidated group and uranium purchased by the consolidated group. Produced uranium and purchased uranium are then separately valued at the lower of weighted average cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Where it is probable that the inventory will be delivered into existing agreements with purchasers, the estimated selling price is the average price contained in the existing agreements, otherwise current market prices are used to determine the estimated selling price.

Production costs include the cost of raw materials, direct labour, mine-site related overhead expenses and depreciation of mineral interests, property, plant and equipment.

Note 10: Assets and Liabilities Classified as Held for Sale

On 27 April 2018, the Company announced its intention to divest or exit its 74% interest in the Karoo Projects in South Africa. After careful consideration of the available options, the Company decided to fully withdraw from any further development activities for the Karoo Projects in which it has an interest.

The following major classes of assets and liabilities relating to these operations have been classified as held for sale in the consolidated statement of financial position as at 30 June 2019:

	2019 US$000s	2018 US$000s
Assets		
Property - Land	929	2,616
Assets held for sale	**929**	**2,616**
Liabilities		
Restoration provision	685	703
Liabilities associated with held for sale assets	**685**	**703**
Result of discontinued operations		
Other income	66	-
Administration expense	(28)	(76)
Share-based payment expense[1]	(110)	-
Exploration expense	(541)	(366)
Impairment expense	(1,447)	(8,440)
Fair value revaluation	-	169
Loss on discontinued operations	**(2,060)**	**(8,713)**

Notes:

(1) On 6 November 2018, 676,043 fully paid ordinary shares were issued to Mr Willie Bezuidenhout (CEO - South Africa) which represent the equity component of his contractual termination payment.

	2019 US$	2018 US$
Loss per share from discontinued operations		
Basic (cents per share)	(0.85)	(3.77)

The statement of cash flows includes the following amounts relating to discontinued operations:

	2019 US$000s	2018 US$000s
Statement of cash flows		
Operating activities	(616)	(442)
Investing activities	170	(455)
Financing activities	-	-
Net cash used by discontinued operations	**(446)**	**(897)**

Accounting Policy

Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

- They are available for immediate sale;
- Management is committed to a plan to sell;
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- An active programme to locate a buyer has been initiated;
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- A sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- Their carrying amount immediately prior to being classified as held for sale in accordance with the group's accounting policy; and
- Fair value less costs of disposal.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated. The results of operations disposed during the year are included in the consolidated statement of comprehensive income up to the date of disposal.

A discontinued operation is a component of the group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the consolidated statement of comprehensive income as a single line which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re-measurement to fair value less costs.

Note 11: Other Financial Assets

	2019 US$000s	2018 US$000s
Current		
Derivate financial asset[1]	1,596	2,900
Total current other financial assets	**1,596**	**2,900**
Non-Current		
Derivate financial asset[1]	1,641	4,138
Listed investment	3	3
Total non-current other financial assets	**1,644**	**4,141**

Notes:

(1) During the 30 June 2018 financial year the consolidated group announced that it was seeking to transition the Lance Projects from an alkaline based mining method to a low pH mining method. To assist with the transition period, the Company agreed to vary certain uranium concentrate sale and purchase agreements to reduce the quantity to Lance origin uranium to be delivered under two of its existing contracts. The Company also entered into purchase agreements to acquire an aggregate of 225,000 lbs U_3O_8 (to be delivered over 2019 and 2020), at fixed purchase prices set at the date that the purchase agreements were signed, with the intent to use the purchased uranium to partly satisfy 572,000 lbs U_3O_8 of committed deliveries then remaining under the existing contracts that were varied. As at 30 June 2019, 150,000 lbs U_3O_8 purchase commitments and 366,000 lbs U_3O_8 delivery commitments remained.

As a result of these actions, in the 2018 financial year management assessed that these offtake agreements no longer satisfied the "own-use" exemption under IAS 39 Financial Instruments: Recognition and Measurement (now under IFRS 9) to not fair value the contractual rights and obligations of the arrangement. A Derivative Financial Asset was recognised and accounted for as Financial Instruments at Fair Value through Profit or Loss. An aggregate gain of US$7.04 million upon the initial recognition of the sale contracts under the Financial Instrument Standards was recognised in the Statement of Profit or Loss in the 2018 financial year. As a result of physical purchases and sales of uranium during the 2019 financial year, and movement in the prevailing prices for uranium, the aggregate value of the Derivative Financial Asset decreased to US$3.24 million. An expense of US$2.24 million has been recognised in the Statement of Profit or Loss in the 2019 financial year, consisting of US$1.57 million realised as a result of the completion of physical sales to customers during the financial year and the remainder attributable to the movement in uranium prices and partial unwinding of the present value discount applied to the opening balance.

Accounting Policy

Financial assets are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the consolidated group commits itself to either the purchase or sale of the asset (i.e., trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Key Estimates, Judgements and Assumptions

Fair value for financial assets is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Fair value for derivative financial assets is determined by reference to comparable arm's length transactions or by reference to factors that would apply on an arm's length transaction. In determining fair value, the projected cash flow stream of the financial asset is escalated to a future date using the interest rate applicable to the financial asset instrument. Future cash flows are discounted back to present value using a discount rate that reflects the expected rate of return and level of risk inherent within each financial instrument.

Purchase contract derivative fair values are based on product value of the difference in purchase prices versus the forward curve of spot prices. Delivery contract derivative fair values are based on the present value of the difference between revenue under existing offtake contracts and revenue that a similar contract would generate if entered into at balance date. Judgement is applied in determining what similar contracts could be entered into.

Note 12: Controlled Entities

(a) Controlled entities consolidated

	Country of Incorporation	Percentage Ownership (%)	
		2019	2018
Parent Entity			
Peninsula Energy Limited	Australia		
Subsidiaries of Peninsula Energy Limited			
Peninsula Uranium Limited	UK	100%	100%
Strata Energy Inc.	USA	100%	100%
Peninsula USA Holdings Inc.	USA	100%	100%
Peninsula Energy LTIP Pty Ltd	Australia	100%	100%
PM Prospecting Pty Ltd	Australia	100%	100%
PM Energy Pty Ltd	Australia	100%	100%

	Country of Incorporation	Percentage Ownership (%)	
		2019	2018
Trove Resources Pty Ltd	Australia	100%	100%
Imperial Mining (Fiji) NL	Australia	100%	100%
Tasman Pacific Minerals Limited	Australia	100%	100%
Tasman RSA Holdings (Pty) Ltd	South Africa	100%	100%
Tasman Mmakau JV Company (Pty) Ltd	South Africa	74%	74%
Tasman Lukisa JV Company (Pty) Ltd	South Africa	74%	74%
Beaufort West Minerals (Pty) Ltd	South Africa	74%	74%

(b) Acquisition and disposal of controlled entities

There were no acquisitions or disposals of controlled entities during the year.

(c) Non-controlling interests (NCI)

Set out below is summarised financial information for the Lukisa Joint Venture. The amounts disclosed are before inter-company eliminations:

Lukisa Joint Venture	2019 US$000s	2018 US$000s
Summarised statement of financial position		
Current assets	1,268	2,989
Non-current assets	-	-
Total assets	1,268	2,989
Current liabilities	667	751
Non-current liabilities	5,340	5,187
Total liabilities	6,007	5,938
Net assets	**(4,739)**	**(2,949)**
Accumulated NCI	**(1,278)**	**(767)**
Summarised statement of profit or loss and other comprehensive income		
Other income	61	-
Exploration expense	(484)	(294)
Impairment expense	(1,447)	(6,783)
Fair value revaluation	-	653
Loss for the year from continuing operations	**(1,870)**	**(6,424)**
Loss from continuing operations attributable to:		
Equity holders of the Parent	(1,384)	(4,754)
Non-controlling interests	(486)	(1,670)
	(1,870)	**(6,424)**
Summarised cash flows		
Cash flows used by investing activities	(484)	(648)
Cash flows from financing activities	484	648
Net increase in cash and cash equivalents	**-**	**-**

Key Estimates, Judgements and Assumptions

In determining whether the consolidated group has control over subsidiaries that are not wholly owned, judgement is applied to assess the ability of the consolidated group to control the day to day activities of the partly owned subsidiary and its economic outcomes. In exercising this judgement, the commercial and legal relationships that the consolidated group has with other owners of partly owned subsidiaries are taken into consideration. Whilst the consolidated group is not able to control all activities of a partly owned subsidiary, the partly owned subsidiary is consolidated within the consolidated group where it is determined that the consolidated group controls the day to day activities and economic outcomes of a partly owned subsidiary. Changes in agreements with other owners of partly owned subsidiaries could result in a loss of control and subsequently de-consolidation.

Upon acquisition of partly owned subsidiaries by the consolidated group, judgement is exercised concerning the value of net assets acquired on the date of acquisition. Minority owner interest share of net assets acquired, and subsequent period movements in value thereof, are disclosed as outside equity interests.

On 18 December 2013, the Company acquired a 74% interest in Lukisa JV Company (Pty) Ltd. Under the terms of the shareholders' agreement in place with the holder of the 26% minority interest, the Company has judged that the Company has sufficient capability under the shareholders' agreement to control the day to day activities and economic outcomes of Lukisa JV Company (Pty) Ltd. Future changes to the shareholders' agreement may impact on the ability of the Company to control Lukisa JV Company (Pty) Ltd. The Company may be liable in the future to make an additional payment of US$45.0 million to the vendor. Following the decision to exit the project, liquidate the assets and relinquish the mining rights, it is improbable that this additional payment is required, refer to Note 31 for further details.

Note 13: Property, Plant and Equipment

	Consolidated Group	
	2019 US$000s	2018 US$000s
Plant and Equipment		
At cost	18,314	22,875
Accumulated depreciation	(1,561)	(1,192)
Total Plant and Equipment	**16,753**	**21,683**
Land and Buildings		
At cost	2,391	2,988
Accumulated depreciation	(257)	(359)
Total Land and Buildings	**2,134**	**2,629**
Total Property, Plant and Equipment	**18,887**	**24,312**

30 June 2019	Plant and Equipment	Land and Buildings	Total
(a) Movement in carrying amounts	US$000s	US$000s	US$000s
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.			
Balance at the beginning of the year	21,683	2,629	24,312
Additions	384	-	384
Disposals	-	(410)	(410)
Depreciation expense	(95)	-	(95)
Depreciation expense included in Cost of Sales and Discontinued Operations	(286)	(85)	(371)
Impairment expense (Note 4)	(4,927)	-	(4,927)
Foreign exchange translation	(6)	-	(6)
Carrying amount at the end of the year	**16,753**	**2,134**	**18,887**

30 June 2018

(b) Movement in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Plant and Equipment US$000s	Land and Buildings US$000s	Total US$000s
Balance at the beginning of the year	22,095	7,747	29,842
Additions	184	127	311
Disposals	(132)	-	(132)
Depreciation expense	(123)	-	(123)
Depreciation expense included in Cost of Sales and Discontinued Operations	(331)	(98)	(429)
Impairment expense	-	(2,240)	(2,240)
Transfer to assets held for sale (Note 10)	-	(2,616)	(2,616)
Foreign exchange translation	(10)	(291)	(301)
Carrying amount at the end of the year	**21,683**	**2,629**	**24,312**

Accounting Policy

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their cost, less accumulated depreciation on buildings.

Plant and Equipment

Plant and equipment are measured on a cost basis.

The carrying amount of plant and equipment is reviewed to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.
Depreciation

The carrying amounts of mineral interests, property, plant and equipment are depreciated to their estimated residual value over the estimated economic life of the specific assets to which they relate, or using the straight-line method over their estimated useful lives indicated below.

Estimates of residual values and useful lives are reassessed annually and any change in estimate is taken into account in the determination of remaining depreciation charges. Depreciation commences on the date when the asset is available for use.

- Mine plant and equipment - based on recoverable resources or reserves on a unit of production basis;
- Assets under construction - not depreciated;
- Property, plant and equipment - 2 to 15 years straight-line or on a unit of production basis; and
- Buildings - 6 to 40 years straight-line or on a unit of production basis.

Note 14: Mineral Exploration and Evaluation

	2019 US$000s	2018 US$000s
Exploration and evaluation		
Balance at the beginning of the year	-	4,580
Exploration and evaluation costs incurred	-	455
Provision for rehabilitation costs	-	703
Impairment expense	-	(6,200)
Foreign exchange translation	-	462
Carrying amount at the end of the year	**-**	**-**

Accounting Policy

Mineral exploration and evaluation costs incurred are accumulated in respect of each identifiable area of interest. These costs are only carried forward where rights to the area of interest are current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable resources or reserves.

Once technical feasibility and commercial viability of the extraction of mineral resources in an area of interest is demonstrable, exploration and evaluation assets attributed to that area of interest are first tested for impairment and then reclassified from exploration and evaluation to development assets.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Notwithstanding the fact that a decision not to abandon an area of interest has been made, based on the above, the exploration and evaluation assets in relation to an area may still be impaired or written off if it is considered appropriate to do so.

Key Estimates, Judgements and Assumptions

The consolidated group capitalises expenditure relating to exploration and evaluation costs where they are considered to be likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of economically recoverable resources. Capitalisation of expenditure requires the consolidated group to make a judgement on the extent that expenditure on exploration and evaluation assets will likely be recovered in the future through mineral extraction or some other form of commercialisation of the exploration and evaluation stage assets.

The future recoverability of capitalised exploration and evaluation costs are dependent on a number of factors, including whether the consolidated group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In April 2018, the Company announced its decision to fully withdraw from any further development activities for the Karoo Projects in which it has a 74% interest and has suspended all financial support for development activities including progression of mining and prospecting right applications. Peninsula is working together with its joint venture partners and the South African regulators to ensure an orderly exit from the project.

As the carrying value of exploration and evaluation assets has been impaired to nil, the Company shall immediately expense all future expenditure on the Karoo Project in South Africa and will no longer capitalise any amounts spent on exploration or evaluation activities.

Note 15: Mineral Development

	2019 US$000s	2018 US$000s
Development		
Balance at the beginning of the year	55,779	56,115
Development costs	1,219	2,684
Increase/(decrease) in provision for rehabilitation	156	(935)
Amortisation of development costs	(1,917)	(2,085)
Impairment expense (Note 4)	(18,810)	-
Carrying amount at the end of the year	**36,427**	**55,779**

Accounting Policy – Amortisation of Development Costs

Amortisation of development costs is charged on a units of production basis over the life of economically recoverable resources. Mineral development costs are amortised on the following basis for the Company's operating in-situ recovery project:

- Mine Units – Wellfield development costs (mine unit wellfield data package costs, mining wells, monitor wells and header houses) within a mine unit are amortised on a units of production basis over the expected uranium to be recovered from that mine unit;
- Permit Area – Capitalised exploration, trunkline installation, permitting costs and restoration and rehabilitation costs are amortised on a units of production basis over the expected uranium to be recovered from that permit area; and
- Life of Mine – Capitalised borrowing costs and capitalised pre-production costs are amortised on a units of production basis over the expected uranium to be recovered over the life of mine from all permit areas.

Amortisation of Ross Permit Area costs commenced on 1 May 2016 upon the election to commence commercial operations.

Accounting Policy – Rehabilitation

The consolidated group's operations are subject to significant environmental regulation under international legislation in relation to its conduct of development and operation of uranium projects. The Directors are of the opinion that sufficient procedures and reporting processes have been established to enable the consolidated group to meet its environmental responsibilities, including future restoration and rehabilitation obligations.

Key Estimates, Judgements and Assumptions

Pre-production costs are deferred as development costs until such time as the asset is capable of being operated in a manner intended by management and depreciated on a units of production basis. Post-production costs are recognised as a cost of production.

Determining when a project has commenced commercial operations involves judgement. Management performs this assessment for each development project. Amongst the criteria that are evaluated for in-situ recovery and operations are: the level of wellfield flow rates relative to design capacity; the level of production relative to design capacity and the sustainability of this level; the period of time since the start of uranium production; and, an assessment of the sustainability of profitable operations. These factors can be subjective and no one factor by itself is necessarily indicative. Management exercises judgment in evaluating these factors based on its knowledge of the project's operations.

This assessment impacts the statement of financial position and statement of profit or loss and other comprehensive income, as upon commencement of commercial operations, development expenditures cease to be capitalised, revenue is recognised from any sales when the appropriate criteria have been met, and the assets included in assets under construction are reclassified to property, plant and equipment.

The Company made an election to commence expensing production costs on 1 May 2016 due to the commissioning of the CPP, deep disposal well and Stage 1 flow rate capacity reaching almost 50%.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable resources or reserves. For ISR operations where a reserve (by definition under the relevant JORC-Code), cannot be determined until a sufficient period of economic operations have occurred, the rate of depletion shall be based on economically recoverable resources. In determining economically recoverable resources, management makes certain estimates and assumptions as to future events, including the future price of uranium.

Note 16: Joint Arrangements

Interest in Joint Operations

The consolidated group's share of assets employed in joint operations that are included in the consolidated financial statements are as follows:

Geopacific (Fiji) Joint Venture

Peninsula Energy has a 50% interest in the Geopacific Resources NL Joint Venture, whose principal activity was gold exploration. Relinquishment submissions have been made by the operator of the Joint Venture.

All capitalised expenditure relating to the Geopacific Joint Venture was fully impaired at 30 June 2013.

Mmakau (RSA) Joint Venture	2019 US$000s	2018 US$000s
Peninsula Energy has a 74% interest in the Mmakau Joint Venture, whose principal activity was uranium exploration in the Karoo region of the Republic of South Africa. The 74% interest in this joint venture is proportionately consolidated. BEE partner Mmakau Mining (Pty) Ltd holds a 26% interest. The joint venture is now dormant.		
Non-Current Assets		
Mineral exploration and evaluation[1]	-	-

Notes:

(1) The asset has been impaired in full following the Company's decision to fully withdraw from any further development activities for the Karoo Projects in which it has a 74% interest, as announced on the ASX on 27 April 2018.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful sale of the respective areas of interest.

Accounting Policy

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required. Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The consolidated group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Note 17: Trade and Other Payables

	2019 US$000s	2018 US$000s
Current		
Trade and other payables	1,887	3,237
Total trade and other payables	**1,887**	**3,237**

Accounting Policy

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the consolidated group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

Note 18: Borrowings

	2019 US$000s	2018 US$000s
Current		
Borrowings – Convertible Notes[1]	15,993	15,163
Borrowings – Strata[2]	46	516
Total current borrowings	**16,039**	**15,679**
Non-Current		
Borrowings – Strata[2]	-	362
Total non-current borrowings	**-**	**362**

Notes:

(1) On 20 April 2018 Peninsula announced it had entered into binding offer letters with Resource Capital Fund VI L.P (RCF VI) and Pala Investments Ltd (Pala) to extend the maturity date of the existing convertible note facility by two years to 22 April 2020 and decreased the total convertible note facility from US$20.0 million to $17.0 million, following a cash repayment by Peninsula of US$3.0 million.

On 19 September 2018, shareholders approved certain resolutions pertaining to the convertible loans, including the issuance of shares to an assignee as a result of RCF VI and Pala entering into agreements to each assign a portion of their loans to associates of Collins Street Asset Management (Collins Street). Following completion of the assignment, the US$17.0 million total loan amount comprises of a US$8.44 million convertible loan provided by RCF VI, a US$4.71 million convertible loan provided by Pala and a US$3.85 million convertible loan provided by Collins Street (collectively "the Lenders").

Under the terms of the Convertible Notes, the Lenders may elect to convert all or part of the principal amount of the Convertible Notes (including any capitalised interest) into fully paid ordinary shares at any time prior to maturity at a conversion price set at a fixed price of A$0.40 per share. The Convertible Loans bear interest at the rate of 10% per annum for the first twelve-month period up until 22 April 2019 and then 12% thereafter, payable in quarterly in arrears in cash or shares at the Company's election until 30 June 2019 and the Lenders' election thereafter.

(2) Balances consist of the current and non-current portions of a mortgage over Strata Energy Inc. office building, Nuclear Regulatory Commission Promissory Notes and loans for vehicles and equipment. In December 2018, the mortgage over the Strata Energy Inc. office building was repaid in full following the sale of the redundant office building located in Gillette, Wyoming, USA.

	2019 US$000s	2018 US$000s
Other finance facilities:		
Off-balance sheet arrangements		
Surety bonds[1]	11,290	11,290
Total off-balance sheet arrangements	**11,290**	**11,290**

Notes:

(1) In the normal course of business, the Company is a party to certain off-balance sheet arrangements. These arrangements include guarantees and financial instruments with off-balance sheet risk, such as letters of credit and surety bonds. No liabilities related to these arrangements are reflected in this consolidated Statement of Financial Position, other than the rehabilitation provision.

US federal and state laws require the Company to secure certain long-term obligations, such as asset retirement obligations. We have secured these obligations with surety bonds and we have supported our surety bonds with cash deposits that represent a percentage of the face value of the obligation. The surety bond provider has a first ranking charge over these cash deposit amounts. We believe these bonds will expire without any claims or payments thereon, and accordingly we do not expect any material adverse effect on our financial condition, results of operations or cash flows therefrom.

Accounting Policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost or fair value. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale. Borrowing costs cease to be capitalised upon the earlier of extinguishment of the liability or the commencement of commercial production from the qualifying asset.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Key Estimates, Judgements and Assumptions

Balances disclosed in the financial statements and notes related to financial liabilities are shown at their amortised cost or fair value. When measuring fair value of financial liabilities owed by the consolidated group to minority owners of partly owned subsidiaries within the consolidated group, judgement is made on the future maturity date of the financial instruments, likelihood of the obligation having to be settled and the discount rate applied to future cash flow streams to determine fair value at each reporting date. The discount rate takes into account a risk factor applicable to each such financial liability on each reporting date. At the time of completion of the acquisition of the 74% interest in the Lukisa JV Company (Pty) Ltd, the Company and the holder of the 26% minority interest each acquired from the vendor certain loans owing from the Lukisa JV Company (Pty) Ltd to the vendor. Due to the decision by the Company to withdraw from the Karoo Projects in South Africa and the subordinated position that the acquired loans hold compared to other shareholder loans and third-party liabilities, the Company has applied its judgement to value these loans at a fair value of nil.

The expected maturity date and discount factor applied at each reporting date may change as a result of changes in development, operations or future prospects of partly owned subsidiaries and uranium market conditions.

Note 19: Provisions

	2019 US$000s	2018 US$000s
Current		
Employee Entitlements – Annual Leave	197	177
Total current provisions	**197**	**177**
Non-Current		
Employee Entitlements – Long Service Leave	15	-
Rehabilitation Provision[1]	10,552	10,397
Total non-current provisions	**10,567**	**10,397**

Notes:

(1) A provision for restoration is recognised in relation to the exploration and development activities for costs associated with the restoration of various sites. Estimates of the restoration obligations are based on anticipated technology and legal requirements and future costs. In determining the restoration provision, the Company has assumed no significant changes will occur in the relevant Federal and State legislation in relation to restoration in the future.

Accounting Policy

Provisions

Provisions are recognised when the consolidated group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Employee Benefits

Provision is made for the consolidated group's liability for employee benefits arising from services rendered by employees to the reporting date. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Defined Superannuation Schemes

Australian employees receive a superannuation guarantee contribution required by the government, which is currently 9.50%, and do not receive any other retirement benefits. United States employees receive retirement contributions under a 401(k) plan established by Strata, which is currently 5.0% of ordinary earnings, and do not receive any other retirement benefits.

Key Estimates, Judgements and Assumptions

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of the mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, for example, in response to changes in resources or to production rates. In recognising the amount of decommissioning and restoration obligation at each reporting date, judgement is made on the extent of decommissioning and restoration that the consolidated group is responsible for at each reporting date. For ISR operations, this requires an assessment to be made on not only physical above ground disturbances but also on below ground disturbances in mining zone aquifers that have occurred through the use of the ISR mining method. Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

Note 20: Issued Capital

	2019 US$000s	2018 US$000s
A reconciliation of the movement in capital and reserves for the consolidated group can be found in the Statement of Changes in Equity.		
247,157,824 fully paid ordinary shares (2018: 233,697,385)	**207,493**	**205,099**

(a) Ordinary shares – Number of Shares	2019 No.	2018 No.
At the beginning of the reporting year	233,697,385	229,591,666
Shares issued during the year		
• Shares issued under service agreement[1]	3,186,515	-
• Shares issued under termination agreement[2]	676,043	-
• Debt facility fees and interest[3]	9,597,881	4,105,719
Total at the end of the reporting year	**247,157,824**	**233,697,385**

(b) Ordinary shares – Value of Shares	2019 US$000s	2018 US$000s
At the beginning of the reporting year	205,099	204,067
Shares issued during the year		
• Shares issued under service agreement[1]	627	-
• Shares issued under termination agreement[2]	110	-
• Debt facility fees and interest[3]	1,657	1,032
Total at the end of the reporting year	**207,493**	**205,099**

Notes:

(1) In August 2018 the Board approved the payment of Long-Term Incentive Plan incentives for Key Management Personnel and senior staff in recognition of performance during the financial year to 30 June 2018. These amounts were accrued for at 30 June 2018 and subsequently issued on 30 August 2018. Restricted share units (RSUs) are held in trust for the recipients to vest over a three-year period. The number of RSUs issued has been determined using a share price of A$0.26 per share. No RSU will vest for any participant before 1 July 2019.

(2) On 6 November 2018, 676,043 fully paid ordinary shares were issued to Mr Willie Bezuidenhout (CEO – South Africa) which represent the equity component of his contractual termination payment.

(3) These amounts relate to shares issued to the holders of the convertible notes, in lieu of quarterly payments for interest and fees.

(c) Options

The total number of options on issue at 30 June 2019 was 27,809,747. The options include 384,747 unlisted options exercisable at A$1.52 on or before 1 December 2019, 1,950,000 unlisted options exercisable at A$0.50 on or before 30 November 2022, 2,975,000 unlisted options exercisable at A$0.55 on or before 30 November 2022 and 22,500,000 unlisted options exercisable at A$0.50 on or before 22 April 2022.

A reconciliation of the total options on issue as at 30 June 2019 is as follows:

	OPTIONS	
	LISTED No.	UNLISTED No.
At the beginning of the reporting year	51,713,436	4,709,747
Issued during the year[1, 2]	-	23,100,000
Expired during the year	(51,713,436)	-
Exercised during the year	-	-
Total at the end of the reporting year	**-**	**27,809,747**

Notes:

(1) On 4 October 2018 the Company issued 22,500,000 unlisted options exercisable at A$0.50 on or before 22 April 2022 to holders of the convertible notes, under the terms of the Amending Deeds for the Replacement Convertible Note Facility.

(2) On 4 December 2018 the Company issued 600,000 unlisted options exercisable at A$0.50 on or before 30 November 2022 to Mr Harrison, Mr Barker and Mr Wheatley as approved at the Annual General Meeting held on 29 November 2018.

All options granted to Key Management Personnel are convertible into ordinary shares in Peninsula, which confer a right of one ordinary share for every option held.

All equity transactions with specified directors and specified executives have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

(d) Capital Management

Management controls the capital of the consolidated group in order to maintain an appropriate debt to equity ratio and ensure that the consolidated group can fund its operations and continue as a going concern. The consolidated group currently has no long-term debt but has a current convertible note debt obligation with a face value of US$17.0 million, due for repayment by 22 April 2020. Under the terms of the convertible note facility, the consolidated group is required to adhere with certain financial undertakings that are tested on the final day of each calendar quarter. Financial undertakings that the consolidated group is required to adhere to are:

- Ensure that the consolidated group has at least A$5.0 million minimum liquidity; and
- Ensure that the consolidated group has a tangible net worth of not less than A$80.0 million.

Management effectively manages the consolidated group's capital by assessing projected compliance with financial undertakings and financial risks, and if required, adjusting its capital structure in response to changes in these risks and projected compliance with financial undertakings. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the consolidated group since the prior year.

Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

The consolidated group operates equity-settled share-based payment employee share, performance rights, restricted share unit and option schemes. The fair value of the equity in which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares and restricted share units is ascertained as the market bid price at the time of issue. The fair value of performance rights is ascertained independently on the effective date of grant using a hybrid option pricing model, with the expected share price at the expiry date simulated using a Monte-Carlo model. The fair value of options is ascertained independently using a Black Scholes pricing model which incorporates all market vesting conditions. The number of shares, restricted stock units and options expected to vest is reviewed and, where expectations relate to non-market performance conditions, adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Note 21: Reserves

(a) Share-Based Payments Reserve

The share-based payments reserve records items recognised as expenses on valuation of employee share options and convertible note facility shares and options.

A reconciliation of the movement in the share-based payments reserve as at 30 June 2019 is as follows:

	2019 US$000s	2018 US$000s
At the beginning of the reporting year	15,386	13,116
Share-based payments recorded in reserve	980	871
Debt facility fees	257	1,399
Accrual reversal (2018 LTIP RSUs)	(615)	-
Total at the end of the reporting year	**16,008**	**15,386**

(b) Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign operations.

Refer to the Statement of Changes in Equity for a reconciliation of movements in the Share-Based Payments Reserve and Foreign Currency Translation Reserve during the year.

Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the consolidated group's entities is measured using the currency of the primary economic environment in which that entity operates. The functional currency of the parent entity is Australian dollars. The consolidated financial statements are presented in United States dollars which is the parent entity's presentation currency. The functional currency of a material subsidiary, Strata Energy, Inc. is United States dollars. The functional currency of a material subsidiary, Tasman RSA Holdings (Pty) Ltd is South African rand. The functional currency of a material subsidiary, Peninsula Uranium Limited is Great Britain pounds.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the exchange rate on the last day of the reporting period. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge. The parent entity of the consolidated group provides the majority of funding to subsidiaries by way of US dollar denominated intercompany loans, thereby generating a net investment hedge where the gain or loss on consolidation is taken to other comprehensive income in the consolidated statement of profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the consolidated group's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the reporting period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than United States dollars are recognised in Other Comprehensive Income and included in the foreign currency translation reserve in the statement of financial position.

Note 22: Auditor's Remuneration

	2019 US$000s	2018 US$000s
Remuneration of the auditor of the parent entity for:		
• Auditing or reviewing the financial report	82	65
• Other services	32	47
Total auditor's remuneration	**114**	**112**

Note 23: Key Management Personnel Compensation

Names and positions held of consolidated and parent entity Key Management Personnel in office at any time during the financial year are:

Key Management Personnel	Position
John Harrison	Chairman (Non-Executive)
Wayne Heili	Managing Director / Chief Executive Officer
Harrison Barker	Director (Non-Executive)
Mark Wheatley	Director (Non-Executive)
David Coyne	Finance Director / Chief Financial Officer
Ralph Knode	Chief Executive Officer (Strata Energy Inc.)
Jonathan Whyte	Company Secretary
Evgenij Iorich	Director (Non-Executive) – *resigned 12 October 2018*
Willie Bezuidenhout	Chief Executive Officer (South Africa) – *resigned 31 October 2018*

Refer to the Remuneration Report contained in the Report of the Directors for details of the remuneration paid or payable to each member of the consolidated group's Key Management Personnel for the year ended 30 June 2019.

The totals of remuneration paid to Key Management Personnel of the Company and the consolidated group during the year are as follows:

	2019 US$000s	2018 US$000s
Short-term employee benefits	1,567	1,912
Post-employment benefits	51	51
Medical benefits	23	21
Share-based payments (Note 25)	677	580
Total remuneration paid to Key Management Personnel	**2,318**	**2,564**

Note 24: Events Since the End of the Financial Year

On 12 July 2019, the President of the United States announced his findings and recommendations with respect to the investigation into the effect of imports of uranium on the national security of the United States conducted under Section 232 of the Trade Expansion Act of 1962 (Act). As outlined in a White House memorandum, the President declined to implement the recommendations of the Secretary of Commerce under Section 232 and the investigation has been closed. However, the President has initiated further action to address the concerns identified by the Secretary regarding domestic uranium production, including the establishment of a United States Nuclear Fuel Working Group to develop recommendations for reviving and expanding domestic nuclear fuel production. A report is due within 90 days of the President's announcement of 12 July 2019.

In July 2019 the Company decided to idle the alkaline based production activities at the Lance Projects. This decision enables the Company to focus on completing the low pH field demonstration to within the required guidelines under the approved PTM amendment. It also allows the Company to incorporate improvements developed from the field demonstration into the detailed design of low pH operations.

On 31 July 2019 Strata received formal approval of the SML amendment request for low pH ISR mining at the Lance Projects. The WDEQ authorisation confirms that low pH ISR methodology complies with the regulatory standards and requirements under their purview. The PTM and the SML as the two overarching regulatory approvals required to enable commercial-scale low pH operations at the Lance Projects. With the approval of the SML amendment, the Company completed the low pH permit amendment process and became the only Company operating in the United States authorised to utilise the global standard low pH ISR method.

On 2 September 2019 the Company announced that the initial restoration objective of the low pH field demonstration had been achieved as the pH level had successfully been increased to above 5.0 S.U. The Company also advised on this date that it had commenced an initiative to further de-risk and optimise the low pH transition with a focus on resin loading, handling of fines that are typical during the mining zone acidification process and optimisation of the design of the acid storage and distribution system.

On 17 September 2019 the Company announced a probable non-cash impairment expense for the Lance Projects of between US$20.0 million to US$30.0 million for the financial year ended 30 June 2019. The Company also announced that it had received a waiver from its lenders for a financial undertaking that was due to be tested on 30 September 2019, whereby the next financial undertaking test date was deferred until 31 October 2019.

On 20 September 2019, the Interim Operations Report detailing the initial outcomes of the low pH field demonstration was submitted to the Wyoming Department of Environmental Quality.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

Note 25: Share-Based Payments

	2019 US$000s	2018 US$000s
Director incentive options issued[1]	107	114
Employee incentive options issued[2]	223	129
Shares issued under employment agreement	12	-
Accrual for LTIP shares[3]	650	628
Total share-based payments	**992**	**871**

Notes:

(1) On 19 December 2017, 1,350,000 unlisted options were issued to Executive Directors as approved by shareholders at the Annual General Meeting (AGM) held on 28 November 2017. The options were valued independently using the Black Scholes option model and are being expensed over the vesting period of the options, refer to the Notice of Annual General Meeting released on 27 October 2017 for detailed valuation assumptions. The director incentive options will be held on trust for directors and will vest in equal proportions over a three-year period with the first vesting date being 1 July 2018. A further 600,000 unlisted options were issued to Non-Executive Directors as approved by shareholders at the AGM held on 29 November 2018.

(2) On 19 December 2017, 2,975,000 unlisted options were issued to employees under existing contracts. The options were valued using the Black Scholes option model and are being expensed over the vesting period of the options. The employee incentive options will be held on trust for the various recipients until the future vesting date being 6 months after the relevant regulatory body approves the amendments to the permits and licenses to allow low pH mining in the Ross Permit area. If no such approval is forthcoming before the expiry date, the options shall lapse.

(3) In August 2019 the Board approved the award of Long-Term Incentive Plan incentives for Key Management Personnel and senior staff in recognition of substantial progress being made on the low pH license and permit amendment approvals during the financial year to 30 June 2019. These amounts were accrued for at 30 June 2019 and subsequently adjusted for valuation movement prior to their issue date on 30 August 2019. Restricted share units (RSUs) are held in trust for the recipients to vest over a three-year period. The number of RSUs issued has been determined using a share price of A$0.26 per share. No RSU will vest for any participant before 1 July 2020.

All options granted to Key Management Personnel are convertible into ordinary shares in Peninsula, which confer the right of one ordinary share for every option held.

Note 26: Loss Per Share

The following reflects the income and share data used in the calculations of basic and diluted earnings per share (EPS):

(a) Reconciliation of earnings to loss

	2019 US$000s	2018 US$000s
(Loss)/Profit for the year		
(Loss)/Profit after income tax	(42,521)	503
(Loss)/Earnings used to calculate basic and diluted EPS	(42,521)	503
(Loss)/Profit for the year from continuing operations		
(Loss)/Profit after income tax	(40,947)	7,546
(Loss)/Earnings used to calculate basic and diluted EPS	(40,947)	7,546

(b) Weighted average number of shares outstanding during the year

	2019 No.	2018 No.
Weighted average number of ordinary shares used in calculating basic EPS	241,881,806	231,331,287
Weighted average number of ordinary shares and shares under option used in calculating diluted EPS	241,881,806	285,573,653

Earnings Per Share

i. *Basic earnings per share*
Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. *Diluted earnings per share*
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. For the 2018 financial year there were dilutive options on issue, details of the potentially issuable shares that could dilute earnings per share in future periods are set out in Note 20. For the 2019 financial year the exercise of the options is anti-dilutive and as such the diluted earnings per share is the same as the basic loss per share.

Note 27: Capital, Leasing and Delivery Commitments

	Consolidated Group	
	2019 US$000s	2018 US$000s
(a) Exploration Tenement Leases		
Payable – Mining Leases (not later than one year)	368	411

The consolidated group has certain obligations with respect to mining tenements and minimum expenditure requirements on areas held. For exploration licence expenditures, commitments are only expected for the following year. Financial commitments for subsequent periods are contingent upon future exploration results and cannot be estimated.

(b) Building Leases		
Payable – Commercial Lease (not later than one year)	50	45
(c) Mobile Equipment Leases		
Payable – Operating Leases (not later than one year)	24	35

(d) U_3O_8 Delivery Commitments
As at 30 June 2019 Peninsula has up to 6,316,000 pounds of U_3O_8 remaining under contract through to calendar year 2030 for delivery to major utilities located in the United States and Europe.

Summary of Delivery Commitments Over the Next Five Years:	
Financial Year	**Pounds U_3O_8**
2020	191,000
2021	375,000
2022	775,000
2023	900,000
2024	850,000

Approximately 57% of deliveries over the next five years are firm and binding. Approximately 43% of deliveries are optional at the election of the customer.

(e) U_3O_8 Purchase Commitments
As at 30 June 2019 Peninsula has 150,000 pounds of U_3O_8 remaining under contract for purchase.

Summary of Purchase Commitments Over the Next Five Years:	
Financial Year	**Pounds U_3O_8**
2020	150,000
2021	-
2022	-
2023	-
2024	-

Accounting Policy

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Key Estimates, Judgements and Assumptions

Judgement is required to determine whether the consolidated group's U_3O_8 delivery commitments satisfy the "own-use exemption" contained within IFRS 9. The standard applies to contracts to buy or sell a non-financial item that can be settled net in cash or in another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale, or usage requirements.

With the planned transition of the Lance Projects to a low pH mining method, other than a sale contract for which the Company has committed to purchase uranium to meet the sale quantities, management is confident that all other future delivery commitments will be met from internal production and meet the "own-use exemption" definition. Therefore, the majority of commitments fall outside the scope of IFRS 9 and no derivative has been recognised other than as disclosed in Note 11.

Note 28: Financial Risk Management

The consolidated group's financial instruments consist of certain uranium concentrate sale and purchase agreements, deposits with banks, local money market instruments, short-term investments and accounts receivable and payable, notes issued to debt providers, loans to subsidiaries, bills and leases.

Financial Risk Management Policies

The consolidated group manages its exposure to a variety of financial risks, market risk (including currency risk, commodity price risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk in accordance with the Audit and Risk Management Committee Charter and specific approved group policies. These policies are developed in accordance with the consolidated group's operational requirements. The consolidated group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessment of prevailing and forecast interest rates and foreign exchange rates. The consolidated group manages credit risk by only dealing with recognised, creditworthy third parties and liquidity risk is managed through the budgeting and forecasting process.

Specific Financial Risk Exposures and Management

The main risks the consolidated group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and equity price risk.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the consolidated group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for approval, granting and removal of credit limits, regular monitoring of exposures against such limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from invoice date.

Risk is also minimised by investing surplus funds in financial institutions that maintain a high credit rating.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the reporting date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The consolidated group has no significant concentration of credit risk with any single counterparty or group of counterparties. However, on a geographical basis, the consolidated group has significant credit risk exposures to the United States, South Africa, United Kingdom and Australia given the substantial operations in those regions. Details with respect to credit risk of Trade and Other Receivables are provided in Note 8. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 8.

Credit risk related to balances with banks and other financial institutions are managed in accordance with approved Board policy. The consolidated group's current investment policy is aimed at maximising the return on surplus cash, with the aim of outperforming the benchmark within acceptable levels of risk return exposure and to mitigate the credit and liquidity risks that the consolidated group is exposed to through investment activities.

The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	2019 US$000s	2018 US$000s
Cash and cash equivalents		
A-Rated	5,269	11,959

(b) Liquidity Risk

Liquidity risk arises from the possibility that the consolidated group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The consolidated group manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The consolidated group's liquidity needs can be met through a variety of sources, including the issue of equity instruments and short or long term borrowings.

Alternative sources of funding in the future could include project debt financing and equity raisings, and future operating cash flow. These alternatives will be evaluated to determine the optimal mix of capital resources.

The following table details the consolidated group's non-derivative financial instruments according to their contractual maturities. The amounts disclosed are based on contractual undiscounted cash flows. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial Asset and Financial Liability Maturity Analysis

	Within 1 Year		1-5 Years		Over 5 Years		Totals	
	2019	2018	2019	2018	2019	2018	2019	2018
	US$000s	US$000s	US$000s	US$000s	US$000s	US$000s	US$000s	US$000s
Financial Assets								
Cash and cash equivalents	5,269	11,959	-	-	-	-	5,269	11,959
Trade and other receivables	968	471	3,123	5,936	-	-	4,091	6,407
Other financial assets	-	-	3	3	-	-	3	3
Total Financial Assets	**6,237**	**12,430**	**3,126**	**5,939**	**-**	**-**	**9,363**	**18,369**
Financial Liabilities								
Trade and other payables	1,887	3,237	-	-	-	-	1,887	3,237
Borrowings	17,700	19,109	-	370	-	-	17,700	19,479
Total Financial Liabilities	**19,587**	**22,346**	**-**	**370**	**-**	**-**	**19,587**	**22,716**

(c) Market Risk

(i) Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The consolidated group does not use derivatives to mitigate these exposures.

At the reporting date, the details of outstanding contracts are as follows:

	Effective Average Fixed Interest Rate			
	2019 %	2018 %	2019 US$000s	2018 US$000s
Maturity of Amounts				
Less than 1 year	1.64	1.53	2,934	15,712
1 to 2 years	-	-	-	-
2 to 5 years	-	-	-	-
Total Financial Assets			**2,934**	**15,712**
Maturity of Amounts				
Less than 1 year	13.73	12.47	16,039	15,679
1 to 2 years	-	9.04	-	362
2 to 5 years	-	-	-	-
Total Financial Liabilities			**16,039**	**16,041**

(ii) Foreign Exchange Risk

The consolidated group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency of the relevant group company. The consolidated group's borrowings and deposits are largely denominated in US dollars. Currently there are no foreign exchange hedge programmes in place. However, the consolidated group treasury function manages the purchase of foreign currency to meet operational requirements.

As at 30 June 2019 the consolidated group's net exposure to foreign exchange risk was as follows:

	Currency	2019 $000s	2018 $000s
Functional currency of individual entity: AUD			
Net Foreign Currency Financial Assets			
Cash & cash equivalents	USD	360	176
Net Foreign Currency Financial Liabilities			
Borrowings	USD	(15,993)	(15,163)
Total Net Exposure	USD	**(15,633)**	**(14,987)**

The effect of a 10% strengthening of the USD against the AUD at the reporting date on the USD-denominated assets and liabilities carried within the AUD functional currency entity would, all other variables held constant, have resulted in an increase in post-tax loss for the year and decrease of net assets of US$1.56 million (2018: increase in post-tax loss and decrease in net assets of US$1.50 million).

(iii) Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors of commodities. The consolidated group is also exposed to securities price risk on investments held for trading or for medium or longer terms. The value of the consolidated group's investments, as detailed in Note 11, is not material enough to be considered a risk at the reporting date.

Fair Value

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

- Cash and short-term investments – the carrying amount approximates fair value because of their short term to maturity;
- Trade receivables and trade creditors – the carrying amount approximates fair value;
- Listed investments – for financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset adjusted for transaction costs necessary to realise the asset;
- Derivative financial assets and liabilities – initially recognised at fair value through profit or loss at the date the contract is entered into and subsequently re-measured at each reporting date;
- Other assets and liabilities approximate their carrying value; and
- The fair value of non-current borrowings as disclosed in Note 18 approximately equals the carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below:

30 June 2019	Level 1 US$000s	Level 2 US$000s	Level 3 US$000s	Total US$000s
Financial Assets				
Listed investments[1]	3	-	-	3
Derivative financial asset[2]	-	-	3,237	3,237
Total Financial Assets	**3**	**-**	**3,237**	**3,240**
Financial Liabilities				
Borrowings:				-
Convertible Bridge Loan[3]	-	-	15,993	15,993
Total Financial Liabilities	**-**	**-**	**15,993**	**15,993**

30 June 2018	Level 1 US$000s	Level 2 US$000s	Level 3 US$000s	Total US$000s
Financial Assets				
Listed investments[1]	3	-	-	3
Derivative financial asset[2]	-	-	7,038	7,038
Total Financial Assets	**3**	**-**	**7,038**	**7,041**
Financial Liabilities				
Borrowings:				
Convertible Bridge Loan[3]	-	-	15,163	15,163
Total Financial Liabilities	**-**	**-**	**15,163**	**15,163**

Notes:

(1) The fair value of the listed investments have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

(2) The fair value of the derivative financial asset has been determined using comparison of uranium forward spot prices to total contractual cash flows of the respective uranium sale and purchase agreements, discounted back to present value.

(3) The fair value of the Convertible Bridge Loan has been determined using the amounts drawn under the facility less establishment fees, less the estimated fair value of the equity component attributable to the conversion feature, which was valued using an option pricing model. The estimated fair value of the equity component was not considered material at 30 June 2019.

Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the consolidated group commits itself to either the purchase or sale of the asset (i.e., trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through the profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value or amortised cost using the effective interest rate method. Mortgages and finance leases are measured at amortised cost and all other financial instruments are measured at fair value through profit or loss. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised Cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;

- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- less any reduction for impairment.

The consolidated group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost or fair value. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(ii) Investments

Investments are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Investments include non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost or fair value.

(iv) Financial assets

Fair value for financial assets is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models. Fair value for financial liabilities is determined by reference to comparable arm's length transactions or by reference to factors that would apply on an arm's length transaction. In determining fair value, the projected cash flow stream of the financial liability is escalated to a future date using the interest rate applicable to the financial liability instrument. Future cash flows are discounted back to present value using a discount rate that reflects the expected rate of return and level of risk inherent within each financial liability instrument.

(v) Impairment

At each reporting date, the consolidated group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

(vi) Financial guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with IFRS 15: Revenue from Contracts with Customers. Where the entity gives guarantees in exchange for a fee, revenue is recognised under IFRS 15.

(vii) De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Note 29: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

Ultimate Parent Entity

Peninsula Energy Limited is the ultimate parent entity. The parent entity has related party transactions with its subsidiaries whereby the parent funds exploration, evaluation and development expenses, and general and administrative expenses incurred by its subsidiaries. These expenses are charged to the subsidiaries through inter-company loans.

Service Agreements

Peninsula Energy Limited charged its wholly owned subsidiaries, Tasman Pacific Minerals Limited, Strata Energy Inc and Peninsula Uranium Limited, a management fee for the provision of corporate, financial management, administration and other services during the year. The total management fee charged was US$0.57 million (2018: US$0.96 million).

Note 30: Operating Segments

The consolidated group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors and Managing Director / CEO (chief operating decision makers) in assessing performance and determining the allocation of resources. Segments are identified on the basis of area of interest. Financial information about each segment is provided to the chief operating decision makers on at least a monthly basis.

The consolidated group has three reportable operating segments as follows:

- Lance Uranium Projects, Wyoming USA;
- Karoo Uranium Projects, South Africa; and
- Corporate/Other.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless otherwise stated, all amounts reported to the Board of Directors and Managing Director / CEO, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the consolidated group.

(b) Inter-segment transactions

Corporate charges are allocated to reporting segments based on an estimation of the likely consumption of certain head office expenditure that should be used in assessing segment performance.

(c) Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives the majority asset economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(d) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of that segment. Borrowings and tax liabilities are generally considered to relate to the consolidated group as a whole and are not allocated. Segment liabilities include trade and other payables.

(e) Unallocated items

The following items of revenue, expenditure, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Net gains on disposal of available-for-sale financial investments;
- Impairment of assets and other non-recurring items of revenue and expense; and
- Other financial liabilities.

30 June 2019	Lance Projects Wyoming, USA	Karoo Projects South Africa	Corporate/ Other	Total
	US$000s	US$000s	US$000s	US$000s
Revenue and Other Income				
External sales	6,592	-	-	6,592
Cost of sales	(14,844)	-	-	(14,844)
Gross Loss	**(8,252)**	**-**	**-**	**(8,252)**
Interest revenue	85	14	90	189
Total Other Income	**85**	**14**	**90**	**189**
Total Gross (Loss)/Profit and Other Income	**(8,167)**	**14**	**90**	**(8,063)**
Expenses				
Depreciation and amortisation	-	(1)	(95)	(96)
Selling and marketing expense	-	-	(130)	(130)
Administration expense	(293)	(85)	(1,619)	(1,997)
Impairment expense	(23,738)	(1,447)	-	(25,185)
Exploration expense	-	(541)	-	(541)
Derivative fair value movement	(2,237)	-	-	(2,237)
Allocated Segment Expenses	**(26,268)**	**(2,074)**	**(1,844)**	**(30,186)**
Unallocated Expenses				
Foreign exchange loss	-	-	-	(82)
Other expenses	-	-	-	(1,097)
Finance costs	-	-	-	(3,308)
Income tax expense	-	-	-	(271)
Loss for the year	**-**	**-**	**-**	**(43,007)**
Segment loss included in discontinued operations	-	-	-	2,060
Profit for the year from continuing operations	**-**	**-**	**-**	**(40,947)**
Segment Assets				
Mineral development	36,427	-	-	36,427
Property, plant and equipment	18,859	5	23	18,887
Cash and cash equivalents	1,573	283	3,413	5,269
Trade and other receivables	3,739	245	107	4,091
Inventory	1,488	-	-	1,488
Held for sale assets	-	929	-	929
Other financial assets	3,237	-	3	3,240
Total Assets	**65,323**	**1,462**	**3,546**	**70,331**
Segment Liabilities				
Borrowings	46	-	15,993	16,039
Provisions	10,679	-	85	10,764
Trade and other payables	1,337	33	517	1,887
Liabilities associated with held for sale assets	-	685	-	685
Provision for income tax	-	-	271	271
Total Liabilities	**12,062**	**718**	**16,866**	**29,646**

30 June 2018	Lance Projects Wyoming, USA US$000s	Karoo Projects South Africa US$000s	Corporate/ Other US$000s	Total US$000s
Revenue and Other Income				
External sales	13,162	-	-	13,162
Cost of sales	(16,453)	-	(499)	(16,952)
Gross Loss	**(3,291)**	**-**	**(499)**	**(3,790)**
Sale of contract	-	-	19,000	19,000
Inter-segment interest	-	-	2,515	2,515
Interest revenue	45	-	38	83
Total Other Income	**45**	**-**	**21,553**	**21,598**
Inter-segment elimination	-	-	(2,515)	(2,515)
Total Gross Profit/(Loss) and Other Income	**(3,246)**	**-**	**18,539**	**15,293**
Expenses				
Depreciation and amortisation	-	(1)	(123)	(124)
Selling and marketing expense	-	-	(262)	(262)
Administration expense	-	(75)	(2,476)	(2,551)
Impairment expense	-	(8,440)	-	(8,440)
Exploration expense	-	(366)	-	(366)
Fair value revaluation	-	169	-	169
Derivative fair value movement	-	-	(2,347)	(2,347)
Allocated Segment Expenses	**-**	**(8,713)**	**(5,208)**	**(13,921)**
Unallocated Expenses				
Foreign exchange loss	-	-	-	1,208
Other expenses	-	-	-	(872)
Finance costs	-	-	-	(2,875)
Loss for the year	**-**	**-**	**-**	**(1,167)**
Segment loss included in discontinued operations	-	-	-	8,713
Profit for the year from continuing operations	**-**	**-**	**-**	**7,546**
Segment Assets				
Mineral development	55,779	-	-	55,779
Property, plant and equipment	24,184	7	122	24,313
Cash and cash equivalents	1,039	256	10,664	11,959
Trade and other receivables	5,941	298	167	6,406
Inventory	3,132	-	-	3,132
Held for sale assets	-	2,616	-	2,616
Other financial assets	7,038	-	3	7,041
Total Assets	**97,113**	**3,177**	**10,956**	**111,246**
Segment Liabilities				
Borrowings	878	-	15,163	16,041
Provisions	10,508	-	66	10,574
Trade and other payables	1,657	109	1,471	3,237
Liabilities associated with held for sale assets	-	703	-	703
Total Liabilities	**13,043**	**812**	**16,700**	**30,555**

Note 31: Contingent Liabilities

Lukisa Joint Venture Company Acquisition

In December 2013, the Company completed the acquisition of the South African uranium assets held by AREVA. As part of the commercial arrangements, an additional amount of US$45.0 million is to be paid to AREVA at the time that at least 50% of project development funding is secured. If 50% of project development funding is not secured within 25 years, no additional contingent payment is liable to be made. In order to achieve at least 50% of project development funding, additional exploration and delineation drilling is required, a bankable feasibility study needs to be completed and a mineral reserve to support the first five to seven years of mining operations is required. Following the decision during the 2018 financial year to exit the project, liquidate the assets and relinquish the mining rights, it is improbable that this additional payment is required.

The Board is not aware of any other circumstances or information which leads them to believe there are any other material contingent liabilities outstanding as at 30 June 2019.

Key Estimates, Judgements and Assumptions

Amounts disclosed as contingent liabilities are judgements based on commercial arrangements entered into by the consolidated group. When making judgement on contingent liabilities, consideration is given the past or future event that gives rise to a possible liability in the future and to the probability that the liability will be actually required to be settled in the future. Under the terms of the agreement to acquire a 74% interest in Lukisa JV Company (Pty) Ltd, the Company may be liable in the future to make an additional payment of US$45.0 million to the vendor. After assessment of the conditions that would require this payment to be made in the future, the Company has judged that this possible future payment is a contingent liability as described above and will continue to classify it as a contingent liability until such time as the basis for the possible payment no longer exists. Change in circumstances or the future attainment of objectives may cause liabilities that are currently assessed as being contingent to be reclassified as financial liabilities.

Note 32: Parent Entity Information

	2019 US$000s	2018 US$000s
Current assets	920	766
Total assets	**40,685**	**80,691**
Current liabilities	16,852	16,700
Total liabilities	**16,867**	**16,700**
Issued capital	207,493	205,099
Accumulated losses	(203,772)	(157,739)
Share-based payment reserve	16,008	15,386
Foreign currency translation reserve	4,089	1,245
Total equity	**23,818**	**63,991**
Loss of parent entity	**(46,033)**	**(86,018)**
Other comprehensive income	-	-
Total comprehensive loss of the parent entity	**(46,033)**	**(86,018)**

Note 33: Retirement Benefit Obligations

Superannuation

The parent contributes to a non-company sponsored or controlled superannuation fund. Contributions are made to an accumulation fund and are at least the minimum required by law. There is no reason to believe that funds would not be sufficient to pay benefits as vested in the event of termination of the fund on termination of employment of each employee.

Note 34: Cash Flow Information

(a) Reconciliation of cash flow from operations with loss after income tax	2019 US$000s	2018 US$000s
Loss after income tax	(43,007)	(1,167)
Non-cash flows in loss:		
Loss on sale of fixed assets	105	1
Depreciation (including depreciation charged to cost of sales)	2,013	2,210
Non-cash financing costs	3,116	2,057
Share-based payments expense	992	871
Inventory Net Realisable Value write-down/(reversal)	16	(961)
Impairment expense	23,738	-
Unrealised foreign exchange loss/(gain)	82	(1,209)
Non-cash fair value movement on derivative	3,800	2,347
Non-cash impairment/fair value movement – discontinued operations	1,553	8,270
Change in assets and liabilities		
Decrease in trade and other receivables relating to operating activities	15	222
Decrease in inventories	1,644	921
(Decrease)/increase/in trade and other payables	(1,349)	107
Increase/(decrease) in provisions relating to operating activities	20	(10)
Movement in trade and other payables relating to investment activities	340	(107)
Cash flow from operations	**(6,922)**	**13,552**

(b) Acquisition and disposal of entities

During the financial year the group did not acquire or dispose of any entities that materially affected cash flows.

(c) Non-cash investing and financing activities

During the financial year, Peninsula made a number of share-based payments, which are outlined at Note 25.

Director's Declaration
For the Year Ended 30 June 2019

In accordance with a resolution of the Board of Directors, I state that:

In the opinion of the Directors:

(1) (a) the consolidated financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and accompanying notes are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated group's financial position at 30 June 2019 and of its performance for the year ended on that date;

(ii) complying with Accounting Standards and Corporations Regulations 2001; and

(iii) other mandatory professional reporting requirements.

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(c) the audited remuneration disclosures set out in the Remuneration Report of the Directors' Report for the year ended 30 June 2019 comply with section 300A of the *Corporations Act 2001*.

(2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2019.

(3) The consolidated group has included in the notes to the consolidated financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

On behalf of the Board

John Harrison
Non-Executive Chairman

Perth, 27 September 2019

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INDEPENDENT AUDITOR'S REPORT

To the members of Peninsula Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Peninsula Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Mineral Development Assets

Key audit matter	How the matter was addressed in our audit
The carrying value of the Mineral Development Asset as at 30 June 2019 is disclosed in Note 15 of the financial report. The assessment of the carrying value of Mineral Development Assets requires management to make significant accounting judgements and estimates in producing the discounted cash flow model used to determine whether the assets require impairment in accordance with Australian Accounting Standard AASB 136 Impairment of Assets ('AASB 136'). Refer to Note 15 for the detailed disclosures, which include the related accounting policies and the critical accounting judgements and estimates.	Our procedures included, but were not limited to the following: • Analysing management's key assumptions used in the discounted cash flow model under the fair value less cost of disposal methodology against external data, market consensus information and trends to determine their reasonableness; • Challenging the appropriateness of management's discount rates used in the discounted cash flow model in conjunction with our internal valuation experts; • Challenging assumptions around timing of future cash flows; • Checking the mathematical accuracy of the discounted cash flow model; • Assessing the competence and independence of the various management experts used to assist in the preparation of the Discounted Cash Flow forecasts; • Performing sensitivity analysis on significant assumptions to determine if there would be a significant change to the carrying value of the asset; • Assessing other observable indicators of fair value including the market capitalisation of the Group; and • Assessing the adequacy of the related disclosures in Note 15 of the financial report.

Accounting for Derivative Financial Asset

Key audit matter	How the matter was addressed in our audit
The carrying value of Derivative Financial Assets held by the Group as at 30 June 2019, is disclosed in Note 11. Management are required to make significant accounting estimates and judgements to value and recognise a derivative financial instrument consisting of sale and purchase agreements which fall under the scope of AASB 9 Financial Instruments ('AASB 9'). Refer to Note 11 and Note 28 for the detailed disclosures, which include the related accounting policies and the critical accounting judgements and estimates.	Our procedures included, but were not limited to the following: • Evaluating management's assessment that the contracts fall within the scope of AASB 9; • Reviewing the key judgements made by management in recognising the derivatives; • Inspecting and reviewing the terms of the both the sale and purchase contracts, and recalculating the expected future cash flows that formed the basis of the valuation; • Challenging management assumptions over the discount rates and other key judgements; • Considering the taxation implications; and • Assessing the adequacy of the related disclosures in Note 11 and Note 28.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 30 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Peninsula Energy Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 27 September 2019

ASX Additional Information

(a) Distribution of Shareholders as at 26 September 2019

Spread of Holdings	Number of Ordinary Shareholders	Number of Shares
1 – 1,000	2,909	1,047,694
1,001 – 5,000	2,063	5,230,109
5,001 – 10,000	686	5,131,345
10,001 – 100,000	1,382	45,472,914
100,001 – and over	250	190,603,870
Total	**7,290**	**247,485,932**

(b) Top Twenty Shareholders as at 26 September 2019

Rank	Name	Number of Ordinary Shares Held	%
1	HSBC Custody Nominees (Australia) Limited	25,968,069	10.49
2	Merrill Lynch (Australia) Nominees Pty Limited	24,703,340	9.98
3	J P Morgan Nominees Australia Pty Limited	19,512,011	7.88
4	Citicorp Nominees Pty Limited	10,405,613	4.20
5	BNP Paribas Noms Pty Ltd	6,024,491	2.43
6	UBS Nominees Pty Ltd	5,339,484	2.16
7	Ten Luxton Pty Ltd	5,000,000	2.02
8	BNP Paribas Nominees Pty Ltd	4,438,505	1.79
9	Sachem Cove Special Opportunities Fund Lp	4,250,000	1.72
10	Ilwella Pty Ltd	4,000,000	1.62
11	SGK Holdings (Aust) Pty Ltd	2,637,868	1.07
12	Rynobronbella Pty Ltd	2,508,761	1.01
13	Ilwella Pty Ltd	2,500,000	1.01
14	Somtaj Pty Ltd	2,413,554	0.98
15	Inkese Pty Ltd	2,250,000	0.91
16	Ilwella Pty Ltd	1,812,910	0.73
17	CCP Technical Limited	1,537,189	0.62
18	McNeil Nominees Pty Limited	1,486,000	0.60
19	Morgan Stanley Australia Securities (Nominee) Pty Limited	1,378,007	0.56
20	Mr Siu Lap Cheng & Mrs Sau Yin Cheng	1,100,001	0.44
	Total Top 20	**129,265,803**	**52.23**
	Balance of Register	118,220,129	47.77
	Total Ordinary Shares on Issue	**247,485,932**	**100.00**

The number of shareholders holding less than a marketable parcel of shares is 4,229, totalling 3,374,342 ordinary shares.

(c) Unlisted Options:

- There are 384,747 unlisted options over unissued shares on issue, in the class exercisable at A$1.52 on or before 1 December 2019. There are seven holders in this class of option.
- There are 1,950,000 unlisted options over unissued shares on issue, in the class exercisable at A$0.50 on or before 30 November 2022. There are three holders in this class of option.
- There are 2,975,000 unlisted options over unissued shares on issue, in the class exercisable at A$0.55 on or before 30 November 2022. There is one holder in this class of option.
- There are 22,500,000 unlisted options over unissued shares on issue, in the class exercisable at A$0.50 on or before 22 April 2022. There are three holders in this class of option.

(d) Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(e) Schedule of Interests in Mining Tenements

- **Wyoming, USA (Strata Energy, Inc.)**

Location / Project Name	Tenement	Percentage
Private Land (FEE) – Surface Access Agreement	Approx. 2,401 acres	100%
Private Land (FEE) – Mineral Rights	Approx. 10,361 acres	100%
Federal Mining Claims – Mineral Rights	Approx. 13,422 acres	100%
Federal – Surface Access – Grazing Lease	Approx. 40 acres	100%
State Leases – Mineral Rights	Approx. 10,604 acres	100%
State Leases – Surface Access	Approx. 914 acres	100%
Strata Owned – Surface Access	Approx. 315 acres	100%

- **Karoo Projects, South Africa**

Permit Number/ Name	Holding Entity	Initial Rights Date	Renewed/ Signed/ Validity *(e.g. Valid, Under PR Application, Under Mining Right Application, Closure Submitted/Issued)*	Area (km^2)	Current Expiry	Commodity Group	Original PR Status
WC 10085 MR	Tasman Lukisa JV	TBD	Mining Right Application	689	TBD	U, Mo	In Progress*
EC 10029 MR	Tasman Lukisa JV	TBD	Mining Right Application	345	TBD	U, Mo	In Progress*
WC 10248 PR	Beaufort West Minerals	TBD	Prospecting Right Application	509	TBD	U, Mo	In Progress*
WC 10249 PR	Beaufort West Minerals	TBD	Prospecting Right Application	298	TBD	U, Mo	In Progress*
WC 10250 PR	Beaufort West Minerals	TBD	Prospecting Right Application	570	TBD	U, Mo	In Progress*
WC 10251 PR	Beaufort West Minerals	TBD	Prospecting Right Application	347	TBD	U, Mo	In Progress*
EC 07 PR	Tasman Lukisa JV	14/11/2006	Under MR Application – Environmental Closure Application Submitted	48	10/06/2015	U, Mo	Expired
EC 08 PR	Tasman Lukisa JV	14/11/2006	Under MR Application - Environmental Closure Application Submitted	47	10/06/2015	U, Mo	Expired
EC 09 PR	Tasman Lukisa JV	14/11/2006	Under MR Application - Environmental Closure Application Submitted	94	10/06/2015	U, Mo	Expired
EC 12 PR	Tasman Lukisa JV	14/11/2006	Under MR Application - Environmental Closure Application Submitted	36	10/06/2015	U, Mo	Expired
EC 13 PR	Tasman Lukisa JV	14/11/2006	Under MR Application - Environmental Closure Application Submitted	69	10/06/2015	U, Mo	Expired
WC 25 PR	Tasman Lukisa JV	17/10/2007	Under MR Application	7	12/11/2014	U, Mo	Expired
WC 33 PR	Tasman Lukisa JV	01/12/2006	Under MR Application	68	04/07/2016	U, Mo	Expired
WC 34 PR	Tasman Lukisa JV	01/12/2006	Under MR Application - Environmental Closure Application Submitted	34	01/08/2015	U, Mo	Expired
WC 35 PR	Tasman Lukisa JV	01/12/2006	Under MR Application - Environmental Closure Application Submitted	69	01/08/2015	U, Mo	Expired
WC 47 PR	Tasman Lukisa JV	04/09/2008	Under MR Application - Environmental Closure Application Submitted	36	04/07/2015	U, Mo	Expired

Permit Number/ Name	Holding Entity	Initial Rights Date	Renewed/ Signed/ Validity *(e.g. Valid, Under PR Application, Under Mining Right Application, Closure Submitted/Issued)*	Area (km^2)	Current Expiry	Commodity Group	Original PR Status
WC 59 PR	Tasman Lukisa JV	01/12/2006	Under MR Application - Environmental Closure Application Submitted	40	01/08/2015	U, Mo	Expired
WC 60 PR	Tasman Lukisa JV	01/12/2006	Under MR Application - Environmental Closure Application Submitted	56	01/08/2015	U, Mo	Expired
WC 61 PR	Tasman Lukisa JV	01/12/2006	Under MR Application - Environmental Closure Application Submitted	69	01/08/2015	U, Mo	Expired
WC 127 PR	Tasman Lukisa JV	30/11/2006	Under MR Application - Environmental Closure Application Submitted	59	10/12/2017	U, Mo	Expired
WC 137 PR	Tasman Lukisa JV	30/11/2006	Under MR Application - Environmental Closure Application Submitted	73	04/07/2016	U, Mo	Expired
WC 156 PR	Tasman Lukisa JV	30/11/2006	Under MR Application - Environmental Closure Application Submitted	69	04/07/2014	U, Mo	Expired
WC 158 PR	Tasman Lukisa JV	23/01/2007	Under MR Application - Environmental Closure Application Submitted	57	12/11/2014	U, Mo	Expired
WC 167 PR	Tasman Lukisa JV	30/11/2006	Under MR Application - Environmental Closure Application Submitted	21	12/11/2015	U, Mo	Expired
WC 95 PR	Tasman-Lukisa JV	17/04/2007	Closure Submitted	5	23/03/2013	U, Mo	Expired
WC 152 PR	Tasman-Lukisa JV	01/12/2006	Closure Submitted	189	04/07/2016	U, Mo	Expired
WC 178 PR	Tasman Lukisa JV	01/12/2006	Closure Submitted	697	01/08/2015	U, Mo	Expired
WC 187 PR	Tasman Lukisa JV	01/12/2006	Closure Submitted	24	01/08/2014	U, Mo	Expired
WC 168 PR	Tasman Pacific Minerals	13/12/2006	Closure Submitted	332	05/05/2014	U, Mo	Expired
WC 170 PR	Tasman Pacific Minerals	13/12/2006	Closure Submitted	108	05/05/2014	U, Mo	Expired
NC 330 PR	Tasman Pacific Minerals	08/06/2007	Closure Submitted	481	19/04/2019	U, Mo	Relinquished
NC 331 PR	Tasman Pacific Minerals	08/06/2007	Closure Submitted	205	17/11/2018	U, Mo	Relinquished
NC 347 PR	Tasman Pacific Minerals	08/06/2007	Closure Submitted	634	17/11/2018	U, Mo	Relinquished
EC 28 PR	Tasman Pacific Minerals	15/11/2006	Closure Submitted	225	26/03/2015	U, Mo	Expired

**Note that Joint Venture Partner consent has been requested to withdraw application.*

- **Fiji**

Location / Project Name	Tenement	Percentage
RakiRaki (Geopacific JV)	SPL 1231	50%
RakiRaki (Geopacific JV)	SPL 1373	50%
RakiRaki (Geopacific JV)	SPL 1436	50%