



5 November 2019

Companies Announcement Office  
Via Electronic Lodgement

## SUCCESSFUL DEBT RESTRUCTURE NEGOTIATED

### Highlights

- **Agreement to repay majority of outstanding loans through a partial contract monetisation**
- **If monetisation completes by 30 April 2020, extension of repayment date of residual debt to 22 April 2021**
- **In the unlikely event that the monetisation does not complete by 30 April 2020, all outstanding loan amounts due and payable by 31 October 2020**
- **Residual debt amended to straight term loans (convertible component removed) and annual interest rate reduced by 2 percentage points**
- **Reduced financial undertakings on residual debt**

Peninsula Energy Limited (**Peninsula or Company**) is pleased to advise that it has reached agreement with Resource Capital Fund VI L.P. (**RCF VI**), Pala Investments Ltd (**Pala**) and entities associated with investment fund Collins Street Value Fund (**Collins Street**) (together **the Lenders**), on the terms of a proposed restructure of the existing US\$17 million convertible note facilities (**Convertible Note Facilities**), including a planned significant reduction to the principal outstanding and an extension of the repayment date for the balance owing to 22 April 2021.

### *Partial monetisation of uranium sale and purchase agreement and debt reduction*

Under the arrangement with the Lenders, Peninsula has committed to apply all proceeds of a proposed partial monetisation of an existing uranium concentrate sales and purchase agreement against the Convertible Note Facilities. Such proceeds are expected to be approximately US\$10 – US\$11 million with the final amount to be determined by the spot price for uranium at the time of financial close. The partial monetisation transaction documentation is in advanced form and subject to final agreement of terms between the parties involved. The Company is hopeful of concluding these documents and completing the partial monetisation before the end of CY 2019. In the unlikely event that the partial monetisation transaction does not complete by 30 April 2020, then, under the terms of the Revised Loans (defined below), all outstanding loan amounts will become due and payable by 31 October 2020.

### *Debt restructure*

The arrangement with the Lenders provides for an extension of the repayment date of the remaining principal outstanding under the Convertible Note Facilities to 22 April 2021, which is expected to be approximately US\$6 to US\$7 million. This assumes the partial monetisation transaction completes by 30 April 2020 and the proceeds are applied in full against the current loan balance. The arrangement also provides for variation of certain other terms of the Convertible Note Facilities (**Revised Loans**).

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**Peninsula Energy Limited - ABN: 67 062 409 303**

The key terms of the Revised Loans are as follows:

- Cash proceeds of contract monetisation applied to reduce the existing principal amount;
- Extension of repayment date to 22 April 2021 (single payment) if the monetisation completes by 30 April 2020 (in the unlikely event that it does not, the repayment date will be 31 October 2020);
- Term loan with no convertible component;
- Coupon reduced to 10% per annum (previously 12%), payable quarterly in cash;
- Arrangement fee of 2%, capitalised against the principal amount;
- Financial undertakings reduced to sole requirement that Peninsula maintain a minimum A\$1.0m cash balance; and
- Effective commencement date of 3 February 2020.

The Revised Loans will become effective on 3 February 2020, subject to the parties finalising and entering into the relevant detailed documentation to amend the existing Convertible Note Facilities, usual conditions precedent in relation to approvals and perfection of security (if required), and also upon the Company enhancing its working capital position by at least A\$3 million (net) through the completion of an equity issue by 15 January 2020.

The Lenders will waive testing of the minimum liquidity and minimum tangible net worth financial undertakings under the existing Convertible Note Facilities until the Revised Loans become effective. The Revised Loans will include a financial undertaking that Peninsula maintain a minimum cash balance of A\$1.0 million.

Under the Revised Loans, the Lenders will continue to have the benefit of senior ranking security over the assets of the Company located in Australia, USA and UK, subject to certain agreed exclusions. The Company will seek ASX and/or any other approval, if requested by the Lenders, to implement the Revised Loans, including principally to extend the security beyond the existing 22 April 2020 maturity date.

#### *Updated uranium contract sales portfolio*

Following the expected completion of the partial monetisation, the Company will have up to 5.2 million lbs of U<sub>3</sub>O<sub>8</sub> remaining under contract for delivery to major utilities located in the United States and Europe at a weighted average delivery price of US\$51-53/lb U<sub>3</sub>O<sub>8</sub>. Within the quantity of 5.2 million lbs U<sub>3</sub>O<sub>8</sub>, 3.3 million lbs U<sub>3</sub>O<sub>8</sub> are committed quantities for delivery. Up to 1.9 million lbs U<sub>3</sub>O<sub>8</sub> are deliveries that are optional, at the election of the respective customers, to be delivered between 2021 and 2026.

The Company is also the only U.S. uranium producer with uranium concentrate sales and purchase agreements beyond 2020.

Wayne Heili, Peninsula's Managing Director/CEO, commented: *"Substantially reducing this debt and strengthening the balance sheet through a non-dilutive mechanism has been a key corporate focus of the Company. We are very pleased to have reached agreement with our collective lenders (and shareholders), RCF VI, Pala and the Collins Street entities, to enable this debt reduction, and to extend the remaining loan repayment date until a time where markets have hopefully improved. On behalf of the Board I'd like to extend our thanks to the aforementioned parties for their continued support of the Company."*

*This positive news on the corporate front follows the announcement yesterday of the approval by the Wyoming Department of Environmental Quality of the Interim Operations Report, which is a key step in the progression of our ambition to be the first U.S. based uranium ISR project to utilise the cost effective and efficient low pH methodology."*

**Trading Halt**

This is the announcement that was referred to in the Company's request for trading halt on 1 November 2019.

Yours Sincerely,



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

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

**About Peninsula Energy Limited**

Peninsula Energy Limited (PEN) is an ASX listed uranium mining company which commenced in-situ recovery operations in 2015 at its 100% owned Lance Projects in Wyoming, USA. Following a positive feasibility study, Peninsula is embarking on a project transformation initiative at the Lance Projects to change from an alkaline ISR operation to a low pH ISR operation with the aim of aligning the operating performance and cost profile of the project with industry leading global uranium production projects.