



3 December 2019

Dear Shareholder,

PARTICIPATION IN RENOUNCEABLE ENTITLEMENT OFFER

On 29 November 2019, Peninsula Energy Limited (**Peninsula**) announced that it will be offering eligible shareholders the opportunity to acquire fully paid ordinary shares in the capital of Peninsula (**New Shares**) via a pro rata renounceable entitlement offer on the basis of 1 New Share for every 20 shares held by shareholders registered at 7.00 pm (AEDT) on 5 December 2019 (**Record Date**) at an issue price of A\$0.165 per New Share (**Entitlement Offer**).

Peninsula has also completed a placement to new and existing institutional and sophisticated investors to raise approximately A\$7.0 million (**Institutional Placement**).

The maximum number of New Shares which will be issued under the Entitlement Offer is 12,653,541 New Shares to raise approximately A\$2.1 million. The Entitlement Offer is not underwritten.

The New Shares to be issued under the Entitlement Offer will rank equally with existing shares. The Company has applied to ASX for the New Shares to be listed. Fractional entitlements will be rounded up to the nearest whole number.

Use of funds

The funds raised under the Institutional Placement and Entitlement Offer, net of expenses, together with existing cash reserves and proceeds from the sale of uranium will be used for the following purposes:

- ongoing site operating costs at the Lance Projects, including retention of key staff;
- payment for purchases of uranium for delivery to customers under existing term contracts;
- low pH de-risking and optimisation activities at the Lance Projects;
- convertible note debt servicing; and
- general working capital purposes.

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Phone: +61 (0) 8 9380 9920 Fax: +61 (0) 8 9381 5064

Peninsula Energy Limited - ABN: 67 062 409 303

Eligible Shareholders

Eligible Shareholders to the Entitlement Offer are those persons who:

1. are registered as a holder of fully paid ordinary shares in Peninsula as at the Record Date;
2. have a registered address on Peninsula's share register in Australia, New Zealand, Hong Kong, Singapore, Switzerland, Brazil, France, the United Kingdom or the United States; and
4. are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Prospectus

The Entitlement Offer is being made under a prospectus in accordance with section 713 of the Corporations Act 2001 (Cth) (**Corporations Act**) (**Prospectus**). The Prospectus was lodged with ASIC and the ASX.

This letter is not an offer document but rather an advance notice of some key terms and conditions of the Entitlement Offer. Full details of the Entitlement Offer are set out in the Prospectus.

A Prospectus with a personalised application form which contains details of your entitlement, will be despatched to the Eligible Shareholders on 10 December 2019 it is also available on the ASX website at www.asx.com.au and on Peninsula's website at www.pel.net.au.

You should read all of the Prospectus carefully before deciding whether to participate in the Entitlement Offer.

Action required by Eligible Shareholders

Your entitlement may have value and it is important you determine whether to (in whole or in part) take up, sell or do nothing in respect of your entitlement.

Take up an entitlement: If you wish to take up all or part of your entitlement, you will need to complete and return the application form together with the requisition application monies, or alternatively pay your application monies via BPAY® by following the instructions set out on the application form. In each case, applications and application monies must be received **by no later than 5.00 pm (AEDT) on 6 January 2020 (Closing Date)**.

Take up more than your entitlement: entitlements that are not subscribed for under the Entitlement Offer will be available for subscription through an oversubscription offer, if you wish to apply for more Shares than your Entitlement (and participate in the oversubscription offer) you will need to complete the relevant section of the Application Form (titled "Additional New Shares") and return it, together with the necessary Application Money to the Company in accordance with the instructions in this Prospectus and on the Application Form.

Sell an entitlement: There are a number of ways in which you can sell all or part of your entitlement, each of which may result in different value for entitlements sold:

1. If you wish to sell all of your entitlement on ASX, you should instruct your stockbroker personally and provide them with details they request as set out on your application form. entitlements can be sold on ASX from 4 December 2019 to 27 December 2019.
2. If you wish to take up part of your entitlement and sell the balance on ASX, you need to:
 - in respect of the part of your entitlement you are taking up, complete and return the application form with the requisite application monies (or pay your application monies via BPAY by following the instructions set out on the application form); and

- in respect of entitlements to be sold on ASX, you should instruct your stockbroker personally and provide them with the details they request as set out on your application form.
3. If you wish to transfer all or part of your entitlement other than on ASX, you will need to complete and return a Renunciation and Transfer form (which can be obtained by contacting Peninsula's share registry or your stockbroker) together with the application form and the transferee's application monies to the Peninsula share registry **by no later than 5.00 pm (AEDT) on 6 January 2020**. You may only transfer your Entitlement in this way to a purchaser whose address is in Australia, New Zealand, Brazil, France, Hong Kong, Singapore, Switzerland, the United Kingdom or the United States.

Please note you may incur brokerage if you choose to sell your entitlement on ASX. Eligible Shareholders who sell their entitlement before receiving confirmation of their entitlement in the personalised application form do so at their own risk.

Do nothing: Entitlements not taken up, sold or transferred will lapse. The tax consequences from selling your entitlement or from doing nothing may be different. Before selling your entitlement or choosing to do nothing in respect of your entitlement, you should seek your own tax advice.

Shortfall

Any shares in the Entitlement Offer not taken up by Eligible Shareholders will be shortfall shares and will be placed under a shortfall facility. Subject to the ASX Listing Rules and the Corporations Act, the directors (in conjunction with the joint lead managers of the Entitlement Offer) reserve the right to issue (or to not issue) the shortfall shares at their absolute discretion. Any shortfall shares will be issued within three (3) months of the Closing Date. Full details of the shortfall facility are set out in the Prospectus.

Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Entitlement Offer is set out below:

Shares	
Shares on issue as at the date of the Prospectus	253,070,820
Shares issued under the Institutional Placement	42,424,243
New Shares issued under the Entitlement Offer	12,653,541
Total Shares on issue after completion of the Entitlement Offer	308,148,604

Key dates for Eligible Shareholders

Lodgement of Prospectus and Appendix 3B with ASIC and ASX	Monday, 2 December 2019
Notice to Shareholders containing information required by Appendix 3B	Tuesday, 3 December 2019
Entitlements commence trading on ASX	Wednesday, 4 December 2019
Record Date	Thursday, 5 December 2019
Entitlement Offer Opening Date	Tuesday, 10 December 2019
Dispatch of Prospectus and Application Form and an ASX announcement that this has been done	Tuesday, 10 December 2019

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Entitlements trading on ASX ends at close of trading	Friday, 27 December 2019
Entitlement Offer Closing Date	Monday, 6 January 2020
Announcement of results of Entitlement Offer	Thursday, 9 January 2020
Issue and allotment of New Shares under the Entitlement Offer	Monday, 13 January 2020
Dispatch of holding statements and lodgement of Appendix 2A	Monday, 13 January 2020
New Shares commence trading on a normal settlement basis	Tuesday, 14 January 2020

These dates are indicative only and are subject to change. Peninsula reserves the right to vary these dates, including extending the closing date of the Entitlement Offer or accepting late applications, without prior notice but subject to the Corporations Act, ASX Listing Rules and other applicable laws.

Peninsula also reserves the right to withdraw the Entitlement Offer at any time, in which case Peninsula will refund application monies (being the amount paid for New Shares applied for on a duly completed application form) in accordance with the Corporations Act and will do so without interest.

Further details

For further information on the Entitlement Offer you should contact the Company by telephone on 08 9380 9920 (within Australia) or +61 8 9380 9920 (outside Australia) or consult your professional adviser.

Yours sincerely



Jonathan Whyte
Company Secretary