



10 February 2020

Companies Announcement Office  
*Via Electronic Lodgement*

**PENINSULA ENERGY LIMITED QUARTERLY RESULTS WEBCAST PRESENTATION**

Peninsula Energy Limited (**Peninsula**) advises that it held an investor update webcast on 6 February 2020 including the attached presentation to cover the December 2019 quarter.

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

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

Yours sincerely

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

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

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



# ASX Listed - U.S. Uranium Investment Opportunity

December 2019 Quarter Webcast | 6 February 2020



# Disclaimer & Competent Person

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

## ***Competent Person Statement***

The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves at 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’. Mr. Schiffer consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

# AGENDA



*Flagship asset: Lance Projects in-situ recovery uranium mine in Wyoming, USA*

- 🌀 Strengthening the Balance Sheet
- 🌀 Corporate Overview
- 🌀 Lance Update
- 🌀 The Uranium Market Catalysts
- 🌀 Peninsula's Sales Portfolio
- 🌀 Investment Highlights

Use of nuclear power continues to increase in a world that is demanding more low-carbon electric power generation

# Strengthening the Balance Sheet



## 4Q19 Placement

- ⦿ A\$7.0 M secured through placement
- ⦿ 42.4M Shares placed at A\$0.165/share

## Entitlement Offer

- ⦿ A\$0.94M acceptances of A\$2.1M Entitlement Offer
- ⦿ 7.0M remaining shortfall Shares may be placed at BOD discretion




## Binding Debt Restructure

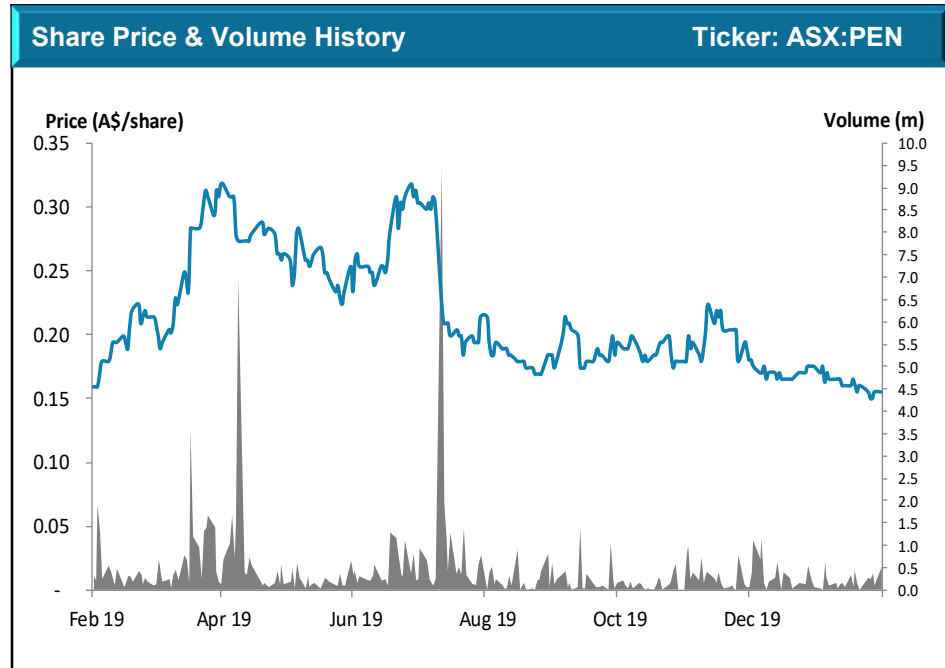
- ⦿ Reduce debt through planned partial uranium sales contract monetisation
- ⦿ Extend repayment date of residual debt to 22 April 2021

# Corporate Overview



Capital Structure	
Shares on issue*	301m
Share price (3-Feb-20)	A\$0.155
Market capitalisation (3-Feb-20)	A\$47m
Enterprise Value (3-Feb-20)	A\$64m
Available Cash (31-Dec-19)	US\$5.5m
Debt (31-Dec-19)	US\$17.0m

Shareholding*	Holding (%)
 PARADICE INVESTMENT MANAGEMENT	9.6%
 RESOURCE CAPITAL FUNDS	7.9%
 COLLINS ST VALUE FUND	3.1%
 orano	1.9%
<b>Top 20 Shareholders</b>	<b>54.4%</b>



Board	
John Harrison - Chairman	Harrison Barker – NED
Wayne Heili – MD/CEO	David Coyne – FD/CFO
Mark Wheatley - NED	

\*Undiluted as at 3 February 2020

# Debt Reduction Terms Binding



## Debt Reduction

- ☞ Agreement reached with Lenders<sup>1</sup>
- ☞ Proceeds from uranium contract monetisation, when completed, of ~US\$10-11m to be applied to reduce debt

## Term & Coupon

- ☞ Revised maturity date of 22 April 2021 if monetisation complete by 30 Apr 2020 (31 Oct 2020 otherwise)
- ☞ Straight term debt, bullet repayment
- ☞ Coupon reduced to 10%

## Balance Sheet

- ☞ Debt balance expected to be US\$6-7m after partial contract monetisation is completed
- ☞ Non-current liability on the balance sheet

De-risked balance sheet provides greater financing flexibility when funding for low pH transition & ramp-up occurs

1) Refer to ASX announcement dated 05-NOV- 2019

# Project Updates | Lance





# Lance Project – Production Ready Asset



## Exceptional Asset

- ☉ Lance is the only uranium recovery project located in the US authorised to use the industry leading low pH method
- ☉ Lance holds the largest defined uranium resource of any recently producing project in the United States

## Scalable Production

- ☉ Lance is licensed to produce up to 3M lbs U3O8 per annum
  - ☉ Current (Stage-1) plant capacity of 1.15M lbs U3O8 per annum
- ☉ 53.6M lbs U3O8 JORC (2012) compliant resource base<sup>1</sup>

## Operational Readiness

- ☉ Mining operations currently idled due to low level of near term production requirements
- ☉ Implementation funding and operational green light pending market conditions and progression of de-risking & optimisation activities

<sup>1</sup> – See Appendix 1

# Low pH Transition at Lance

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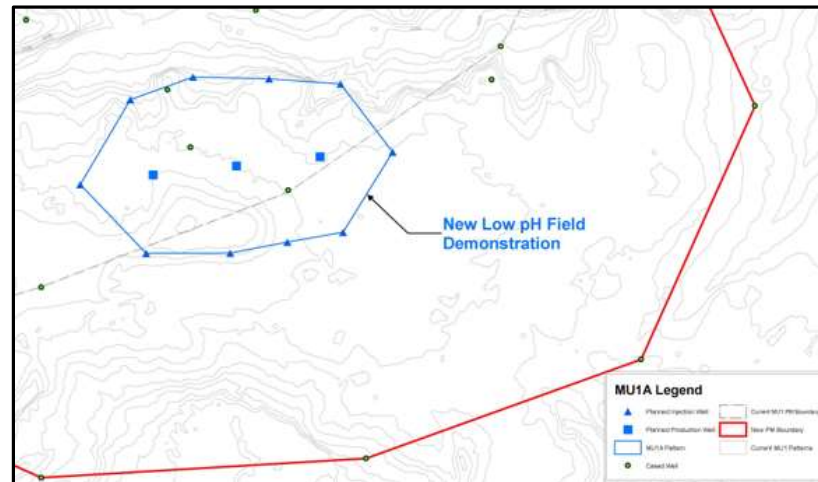
## Regulatory Benchmarks

- Completed major amendments for low pH ISR
- Received authorisation for low pH ISR operations in existing mine units

## Low pH Technical De-risking & Optimisation Activities

- Preparing for new low pH field demonstration in fresh mining area
- Conduct low pH resin optimisation test work and studies
- Evaluate design improvements for fines removal methods

# Proposed New Low pH Field Demonstration



- Proposed new field demonstration in southern portion of Mine Unit 1
- Further de-risk low pH transition by trialling low pH in a small area not previously subjected to alkaline solutions
- Validate and/or enhance parameters used in Sept 2018 Low pH FS – head grade, recovery, flow rates, acid consumption and acidification rate
- Lixiviant flow from wellfield to be used for resin optimisation and fines handling workstreams
- On track to commence acid injection late Q1/early Q2 CY2020

# Low pH Implementation Plan

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## Phase 1

- ✓ Field Demonstration of Mining and Initial Restoration
- ✓ **Complete**

## Phase 2

- ✓ Commercial use of low pH in MU's 1 & 2
- ✓ **Authorised**

## Phase 3

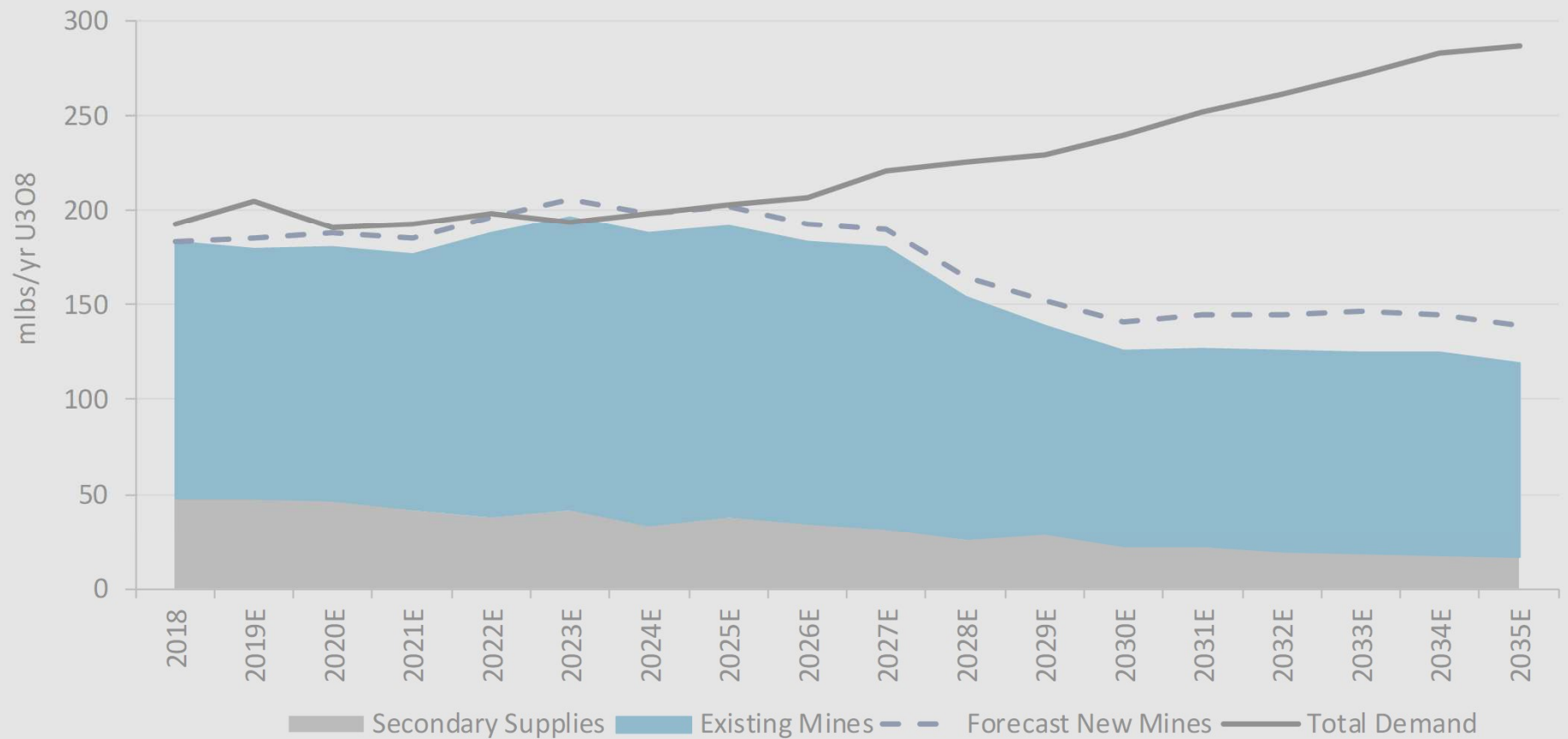
- ✓ Field groundwater restoration demonstration
- ✓ Interim Restoration Report (**IRR**) submitted for WDEQ approval in December 2019

## Phase 4

- ✓ IRR approval expected to provide regulatory authorisation for commercial use of low pH authorised in all future new mine units



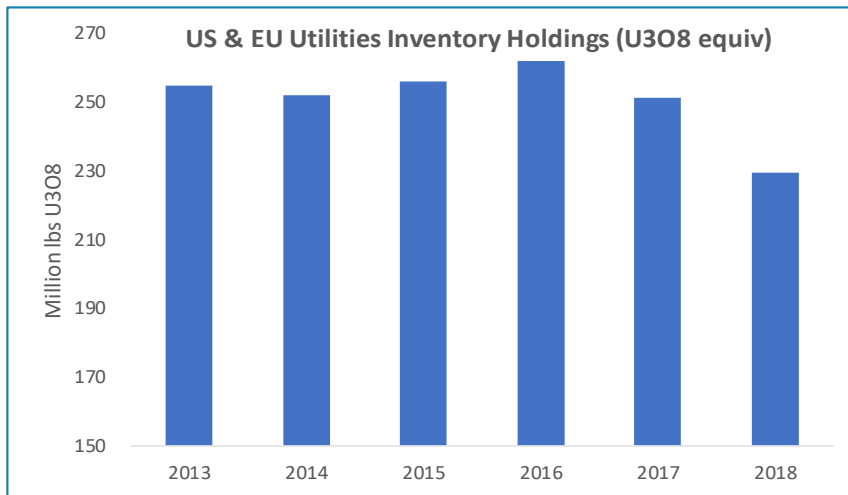
# The Uranium Market



# Triggers for Uranium Price Improvement



- Utility buyers seeking regulatory certainty in the US
- Sanctions, waivers, tariffs, Russian Suspension Agreement, NFWG, etc.



- Utility inventories moving toward minimum levels
- Many mining companies are purchasing rather than producing, reducing the inventory of available physical uranium

The foundation is being laid right now!

# US Nuclear Fuel Working Group (NFWG)



## ☉ What has transpired to date

- President Trump established the working group in July 2019
- Working group delivered their report to the White House in October 2019
- No official pronouncements have been made by the White House yet

## ☉ What is the market speculating

- Wyoming Governor Gordon on 31 Jan 19 stated that White House budget for FY2021 proposes US\$150m for US government uranium purchases
- If implemented, this would equate to ~3.0M<sup>1</sup> lbs of uranium purchased from US mining projects per year starting in the next US fiscal year

## ☉ What would this mean for Peninsula if implemented

- Increased market opportunities for our US mined uranium
- Prices likely to be at a level that support US mining investment
- Support for positive low pH transition investment decision
- Increased activity and employment on site

1) Assumes that average selling price is US\$50/lb U3O8

# Sales Contract Portfolio (Pre-monetisation)



## Five sales agreements with major utilities

- Weighted sales price between US\$51-53/lb  $U_3O_8$
- Contract portfolio carries through year 2030

## Up to 6.2 million pounds $U_3O_8$ remaining under contract

- 4.2 million lbs  $U_3O_8$  committed deliveries
- Up to 1.9 million lbs  $U_3O_8$  optional at customer election between 2021 & 2026

## Material origin clauses allow purchased $U_3O_8$ for deliveries in CY2020

- Already contracted to purchase 175,000 lbs  $U_3O_8$  for delivery in 2020 at avg fixed purchase price of <US\$26/lb  $U_3O_8$
- 191,000 lbs  $U_3O_8$  of deliveries in CY2020 to be met from contracted purchases and existing 16,000 lbs  $U_3O_8$  inventory

## Sales portfolio represents ~20% of projected Lance FS LOM production



# Conclusion



# Take-Away Points



## U.S. Domestic Producer

- ☉ Peninsula is well positioned to benefit from U.S. Government initiatives
- ☉ The only low pH uranium ISR project in the U.S.

## Long Life Project

- ☉ Lance has the largest defined ISR uranium resource in the US with clear visibility and short timeline to re-start production

## Valuable Contract Book

- ☉ The only U.S. based uranium project with long-term sales contracts extending to 2030

## Attractive Valuation

- ☉ Low EV/lb resource compared to peer group with substantial share price re-rating events over next 12 months
- ☉ Uranium markets are positioning for a strong upward move



# Contact Details

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## FURTHER INFORMATION

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# Appendix 1 – Resources & Competent Person Statement



Lance Projects Resource Estimate as at 31 December 2018				
Classification	Tonnes (million)	U3O8(kg)	Grade (ppm U3O8)	U3O8(lbs)
Measured	3.4	1.7	487	3.7
Indicated	11.1	5.5	495	12.1
Inferred	36.2	17.2	474	37.8
<b>Total</b>	<b>50.7</b>	<b>24.4</b>	<b>479</b>	<b>53.6</b>

1) JORC Table 1 included in an announcement to the ASX released on 14 November 2018: “Revised Lance Projects Resource Tables”. Peninsula confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.