



18 March 2020

Companies Announcement Office
Via Electronic Lodgement

PENINSULA DEBT REDUCTION

Peninsula Energy Limited (**Peninsula or Company**) is pleased to advise that it has reduced the balance of its debt by US\$750,000 through a debt for equity swap with significant shareholder Resource Capital Fund VI L.P. (**RCF**) at a premium to the last closing price.

HIGHLIGHTS

- **Face value of total debt reduced by US\$0.750 million to US\$16.250 million**
- **Partial monetisation of a uranium concentrate sale and purchase agreement to further reduce debt nearing completion**
- **RCF to be issued approximately 6.7 million Peninsula shares in exchange for the debt reduction**
- **Shares to be issued to RCF valued at A\$0.165 per share – the same price as the recently completed Placement and Entitlement Offer and a premium of 65% to the last closing price**
- **RCF shareholding in Peninsula to increase to 9.9%**

Debt Reduction

Peninsula and RCF have signed an agreement whereby RCF will subscribe for 6,684,492 fully paid ordinary shares in the Company (**Shares**) as a prepayment of part of the loan amount owed by the Company to RCF under the existing US\$17.0 million term debt facility. The existing term debt facility is held by RCF, Pala Investments Limited and associates of Collins Street Value Fund (refer to ASX announcements on 5 and 25 November 2019 for further details of the term debt facility). Following the issue of the Shares, the aggregate amount of the term debt will be decreased by US\$750,000 to US\$16.250 million.

In determining the number of Shares to be issued to RCF in exchange for the debt reduction, an issue price of A\$0.165 per Share was used, which is the same price paid for shares by subscribers in the recently completed Placement and Entitlement Offer. The issue price of A\$0.165 per Share represents a 65% premium to the closing price of Peninsula shares on 17 March 2020. Upon issue of the Shares to RCF, the shareholding of RCF in the Company shall increase to 9.9% and the proportionate share of the remaining debt balance will be RCF (47.3%), Pala Investments Limited (29.0%) and associates of Collins Street Value Fund (23.7%).

Commenting on the RCF partial debt for equity swap, Peninsula's Managing Director / CEO Wayne Heili, stated "*RCF have been a supporter of Peninsula since their initial investment in the Company in 2014 as part of the funding for construction of our flagship Lance project in Wyoming, USA. We are pleased that they have once again demonstrated their support for the Company by subscribing for shares at a premium in return for a partial debt reduction.*"

Issue of the shares to RCF is not subject to shareholder approval and falls within the Company's placement capacity under ASX Listing Rule 7.1.

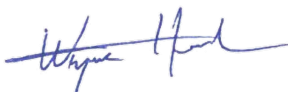
Partial Monetisation of Uranium Concentrate Sale and Purchase Agreement

As announced on 5 November 2019, the Company is progressing a monetisation of part of an existing uranium concentrate sale and purchase agreement. Upon completion of the partial monetisation, all proceeds received by the Company will be used to further reduce its debt balance.

Based on the current spot price for uranium, upon completion of this transaction, the Company expects to realise at least US\$11 million. Finalisation of the partial monetisation has taken longer than expected, however, the Company remains confident that the documents to complete the transaction will be in a form to be executed in the near future as the parties to the transaction are currently negotiating the final points in the respective agreements.

In the event that the partial contract monetisation is not completed by 30 April 2020, the maturity date of the term debt shall revert from the current maturity date of 22 April 2021 to 31 October 2020, unless otherwise agreed by the holders of the debt.

Yours Sincerely,



Wayne Heili
Managing Director/CEO

This release has been approved by the Board of Directors.

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.