

28 May 2021

Companies Announcement Office
Via Electronic Lodgement

A\$15 MILLION EQUITY RAISE FOR URANIUM PURCHASE

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HIGHLIGHTS

- Peninsula has agreed to purchase 300,000 pounds of uranium at a price of US\$31.35 per pound
- Peninsula has completed an A\$13.4 million placement at 15 cents per share to fund the purchase of uranium
- Placement was well-supported by new and existing international and domestic institutions
- Strategic purchase of uranium assists Peninsula as it transitions the Lance Project in Wyoming to a low pH ISR operation
- Industry observers forecasting uranium market fundamentals towards recovery
- A Share Purchase Plan will be offered to eligible shareholders to raise up to a maximum of A\$2.0 million at the same share price as the placement

Peninsula Energy Limited (“**Peninsula**” or “**the Company**”) is pleased to announce that it has entered into arrangements to procure 300,000 pounds of natural uranium concentrates (“**U₃O₈**”) which are to be fully funded by a share placement.

The Company has received commitments from institutional and high net worth investors for A\$13.4 million through a share placement at 15 cents per share (**Placement**). Commitments were received from both existing shareholders and new investors.

The net proceeds of the Placement will be used to settle the purchase of 300,000 pounds of U₃O₈. A binding agreement has been entered into to purchase physical uranium concentrates at a price of US\$31.35 per pound, which is reflective of the prevailing uranium spot price. Settlement is due in June 2021 and the uranium will be stored at the Cameco Facility located in Ontario Canada.

The Board of Peninsula believes the acquisition of physical uranium is strategically aligned with the planned preparations for the Company’s flagship Lance Project transition to low pH ISR operations. The acquired uranium inventory may ultimately provide a source of funding for the restart of operations at Lance following a final investment decision. Working inventory of uranium also creates flexibility in securing the supplementary offtake arrangements required for a restart and efficiencies in managing the Company’s current long-term sales contract book.

The Board also believes that holding physical uranium during a period when there is a focused and continued drive by the United States Government to support and revitalise the domestic uranium industry, is a low-risk strategy that has the potential to deliver considerable upside value for shareholders.

Peninsula is already in a unique position for a uranium junior with long-term sales contracts extending until 2030 at prices significantly above current levels. Uranium purchase agreements have already been arranged to provide material for the earlier of the existing sales commitments. The Company forecasts realising a net cash margin of US\$7 million to US\$8 million in CY2021 and US\$8 million to US\$9 million in CY2022.

Managing Director / CEO, Mr Wayne Heili said, *“The acquisition of physical uranium underpins our focus on the transition of the Lance Project to a low pH ISR operation. Adding physical uranium to our balance sheet provides significant flexibilities and potential upside as we move towards the restart of operations.”*

“Importantly, holding uncommitted uranium inventories at a time when there is a strong and continued push by the United States Government to support nuclear power generation and the domestic production of critical minerals like uranium, enhances our ability to successfully participate in expanding market opportunities.”

Placement Details

The Company will issue a total of 89,335,163 fully paid ordinary shares (10% of current issued capital) at an issue price of 15 cents per share to raise A\$13.4 million before costs. The Placement shares are expected to be issued on or around Thursday 3 June 2021 under the Company’s Listing Rule 7.1 placement capacity and therefore are not subject to shareholder approval.

The issue price represents a discount of 19% to the last closing price on 25 May 2021 of 18.5 cents and a 13% discount to the 20-day volume weighted average price of 17.2 cents prior to 25 May 2021. Placement shares will rank equally with existing fully paid ordinary shares on issue.

Canaccord Genuity (Australia) Limited and Shaw and Partners Limited acted as Joint Lead Managers to the Placement.

Indicative Placement Timetable

Event	Date
ASX announcement and return to trade	Friday, 28 May 2021
Settlement of Placement	Thursday, 3 June 2021
Expected date of ASX quotation of Placement shares	Friday, 4 June 2021

Share Purchase Plan Details

The Share Purchase Plan (SPP) is expected to be open to eligible Peninsula Energy shareholders as at 5:00pm (Perth time) on the record date of Thursday, 27 May 2021 (**Record Date**) whose registered address is in Australia and New Zealand (Eligible Holders). Eligible holders will be invited to invest up to a maximum of A\$30,000 per shareholder in the SPP, subject to any scale back, to raise up to a maximum of A\$2.0 million (or approximately 13,333,333 shares).

The proceeds from the SPP will be used for corporate purposes and working capital.

New shares issued under the SPP will be offered at the Placement Price of 15 cents per share. No brokerage will be payable by subscribing shareholders.

Following completion of the Placement and SPP, the Company will have a total of approximately 996,020,121 shares on issue.

Indicative SPP Timetable


Event	Date
SPP record date	5:00pm (Perth time) Thursday, 27 May 2021
Opening date	Friday, 4 June 2021
Closing date	Friday, 18 June 2021
Allotment date	Tuesday, 29 June 2021
Anticipated quotation of SPP New Shares on ASX	Wednesday, 30 June 2021

Further details on the SPP and an SPP offer booklet will be distributed to Eligible Shareholders shortly and released on the ASX.

Trading Halt

This is the announcement that was referred to in the Company's request for a trading halt on Wednesday 26 May 2021.

Yours sincerely



Wayne Heili
Managing Director / CEO

This release has been approved by Peninsula's Board of Directors.

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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.

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This announcement contains "forward-looking statements". All statements other than those of historical facts included in the Presentation are forward-looking statements including estimates of resources, timing of permit and license amendments, and rates of uranium extraction and recovery. However, forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, uranium price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of the Presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable laws or regulations (including the ASX Listing Rules).