15 November 2024

Companies Announcement Office
Via Electronic Lodgement

PENINSULA ENERGY/LANCE PROJECT UPDATE

KEY POINTS

- Site preparations at the Company's flagship Lance Uranium Project continue to progress towards recommencement of production operations in December 2024
- The Lance Central Processing Plant ("**CPP**") expansion construction contract is being transitioned to a fixed cost basis
- The final CPP capital cost is projected to be US$9.5M higher than previous estimate
- PEN maintained a cash balance of US$68M at 31 October 2024 and is funded well beyond first production
- Working capital and debt facility funding discussions are advanced
- CY2025 ramp-up production profile revised downward to 600,000 lbs U_3O_8 reflecting current status of projectwide development (previous range of 700,000 to 900,000 lbs)
- Overall CY2026 and CY2027 production projections not materially impacted by early ramp-up stage delays
- Kendrick Area permitting process advances to final review and approval stage
- Managing Director, Wayne Heili has indicated his intention to resign from the MD/CEO role in 2025. An executive search process has been commenced for a new MD.
- The Company is currently advancing Senior Management and Board succession with a COO appointment imminent

Peninsula Energy Limited and its wholly owned U.S. subsidiary, Strata Energy Inc. (together "**Peninsula**" or the "**Company**") (**ASX:PEN, OTCQB:PENMF**) is pleased to provide updated status information and production forecasting for the Company's Lance Projects ("**Lance**") in Wyoming USA, on track for a December 2024 production restart. Additionally, the Company advises that it has initiated a comprehensive planning process with respect to succession of long-standing Directors and Senior Management.

The Company has agreed with it's lead construction contractor to fix the remaining cost at a lump sum level and to provide mechanical and performance guarantees on the work. The agreed final cost is US$9.5M higher than prior estimates.

The Company maintains a healthy cash balance with an unaudited balance at 31 October 2024 of approximately US$68 million and is fully funded well beyond first production. Further, the Company is holding advanced stage discussions with potential lenders to secure a working capital debt facility in the event such facility may be needed during the production ramp-up.

Table 1: CPP Construction Cost Estimate

May 2024 Estimate	Final Total Fixed Price	Variance
US$39.3M	US$48.8M	US$9.5M

The Company initated preconditioning operations of the newly developed Header House 11 ("**HH-11**") area of Mine Unit 3 ("**MU-3**") in early November. The start of preconditioning was delayed approximately 6 weeks as the site team experienced challenges in the commissioning of the new acid storage and delivery systems. With the commissioning issues now resolved, and HH-11 preconditioning flows operating at full capacity, the Company has determined that the header house is operating at approximately 67% of the overall design flow rate.

The delays in preconditioning together with flowrate variability has led the Company to further revise its projected production guidance for the initial year of production ramp-up (CY2025) downward to approximately 600,000 pounds U_3O_8 and to withdraw other guidance in relation to CY2025. Peninsula does not expect these delays to be cumulative. The cumulative production estimate for CY2026 and CY2027 remains broadly in line with earlier estimates as the Company continues to develop and bring on-line new wellfield production areas.

Table 2: Lance Production Guidance

Period	AUG-2024 Estimate	NOV-2024 Estimate	Mid-Point Variance
CY2025	0.7 to 0.9 Mlbs	0.6 Mlbs	(0.2) Mlbs
CY2026	1.4 to 1.6 Mlbs	1.1 to 1.3 Mlbs	(0.3) Mlbs
CY2027	1.4 to 1.6 Mlbs	1.5 to 1.7 Mlbs	0.1 Mlbs
3-Year Total	**3.5 to 4.1 Mlbs**	**3.2 to 3.6 Mlbs**	**(0.4) Mlbs**

As the Company obtains further operational data during the production ramp-up in the first quarter of 2025, the Company will update it's uranium sales profile and cash flow forecast.

Peninsula MD/CEO Wayne Heili has advised the Chairman of the Board of his desire to step down from the position in 2025 following the selection of a suitably qualified successor. In the interim, Mr. Heili will continue to dedicate his full time efforts to the success of the Company. Mr. Heili will move into a technical advisory role following the transition.

In recognition of the long-standing tenure of a number of members of the Board of Directors and senior management executives, the Company has commenced a succession planning process. The Company advises that it is in final negotiations with a well-qualified Chief Operating Officer ("**COO**") candidate. An announcement on the appointment of a COO is expected to be made in the coming weeks.

Peninsula's Managing Director and Chief Executive Officer Mr Wayne Heili said: "*Our teams of workers are busy across the Lance Projects preparing for the resumption of uranium production operations before the end of the year. The progress is evident on many fronts and the team is to be commended for continuing to proceed with safety at the forefront while keeping to the overall schedule.*

"While some aspects of the project development are slightly lagging earlier projections, it is pleasing to know there are no indications that the impacts will extend beyond the initial ramp-up phase.

"Peninsula has benefited from the long-term dedication of it's experienced and capable senior management team and Directors who have made an enduring personal commitment to seeing the Lance Projects back into production. With that objective now in plain sight, this is the proper time to introduce fresh eyes and a different balance of skills that are required to meet the needs of a fully advanced uranium production company.

"Finally, after considerable reflection, I wish to share my personal desire to enjoy a more moderately paced lifestyle than that afforded by the responsibilities of my present position. It has been my true privilege to work with the Peninsula team over the past seven plus years in tackling some very challenging technical and corporate issues. I believe that Peninsula is now in a far better position to succeed with its uranium production ambitions and that this is the proper time to hand the leadership reigns over to an individual with a more commercial skillset to match the Company's anticipated future needs. I look forward to maintaining a close relationship with the Company while serving in an advisory capacity."

Funding

The Company maintains a healthy cash balance with an unaudited cash balance at 31 October 2024 of approximately US$68 million and is funded well beyond first production.

Peninsula's appointed financial adviser (BurnVoir Corporate Finance) continues to assist with the arrangement of working capital and debt facilities to support the Company's working capital requirements, and to provide balance sheet flexibility. The Company is in ongoing discussions with US Government funding agencies.

Plant Construction Update

Peninsula is currently expanding the Ross uranium recovery plant and auxiliary facilities at Lance, which were originally constructed in 2015 as an alkaline In-Situ Recovery ("**ISR**") satellite plant, for an expanded production capacity using the low-pH ISR process, and to include the complete central processing plant capability of producing a finished dry yellowcake product. The expanded CPP ("**Phase II**" expansion) houses additional ion-exchange circuit capacity along with new resin elution, precipitation, filtration and product drying circuits. On completion of Phase II construction, the Lance Projects will be home to a 5,000 GPM uranium recovery ion-exchange process plant with the capability to independently produce up to 2 million pounds per annum of dry yellowcake ("**U_3O_8**") product.

Currently, the Phase II expansion plant building has been fully enclosed and the major construction efforts have moved indoors.

Plant construction efforts have shifted focus to the installation of the building HVAC systems, pipe racks, cable trays, additional equipment and pipework and electrical connections. Construction teams are working around the clock, 13 out of 14 days in each two-week period. Substantial progress is easily noted on a weekly basis.

While most of the major process equipment has been delivered to the site and installed, a notable exception is the two yellowcake dryers (purchased as used equipment) which are offsite for refurbishment. The vendor has advised the Company of a two-month delay in the anticipated completion of the first unit, placing the delivery around the end of December 2024. As product drying is the final process step, and the dryers will be housed in a separately partitioned portion of the plant facility, the Company is able to work around the delivery delay and still anticipates commencing production operations in December. The plant is designed with ample in-process loaded resin and elution storage capacity in advance of the yellow cake drying circuit, which will allow concurrent operations and finalisation of construction.

Figure 1: The Ross Central Processing Plant under construction, early November 2024

Figure 2: Structural steel and Ion Exchange systems under construction inside the CPP

The Company and its appointed engineering, procurement and construction services contractors, Samuel Engineering, Inc and Samuel EPC, LLC (together as "**Samuel**") have agreed on final pricing to convert the EPC contract for the CPP to a fixed lump sum contract, including allowances for mechanical and performance guarantees on selected critical equipment, for an additional cost of US$ 6.3 million over the previous budget estimate. The owners' team estimated costs for other (non-Samuel) workstreams undertaken at the central processing plant has increased by US$3.2 million. The total cost overrun of US$9.5 million is allocated across the budget categories (engineering, labor, materials, transportation, change of scope, etc.) and not specifically to any individual components. With the remaining construction priced at a fixed lump sum level, the Company projects the final plant expansion capital cost to be approximately US$49 million. The cost overage of US$9.5 million will be absorbed within the Company's current cash position. The Company is fully funded to first production and well beyond.

The amended agreement with Samuel includes performance guarantees on the engineering design meeting the design specifications of the project. Therefore, if a system does not perform to the design level, Samuel will revise the system at their own cost. The original terms and conditions of the contract including a 12 month warranty remain applicable.

Wellfield Development Update

In addition to plant construction activities, the Company's employee and drilling contractor teams continue to advance the development of new wellfield facilities. The Company is actively developing new wellfield production areas identified as Mine Unit 3 ("**MU-3**") and Mine Unit 4 ("**MU-4**").

The Company currently has twelve drilling rigs operating under contract to install ISR pattern wells (injection and production wells) and monitoring wells in the new mine unit areas. Well installation in MU-3 is projected to be completed around calendar year end.

Well installation and surface facility construction of Header House 11 ("**HH-11**"), the first of three large header house modules planned in MU-3 has been completed, and the area has been turned over to the operational team for pre-conditioning. Well installation (drilling) in Header House 12 ("**HH-12**") is projected to be complete in November while well installation in Header House 13 ("**HH-13**") is projected to be complete by year end. Surface facility construction in HH-12 and HH-13 areas will commence in earnest after well installation. In MU-4, the installation of monitoring wells along with additional mineral delineation drilling is currently ongoing.

The Company has assessed the drilling programme progress against the budgeted schedule for CY2024. Although the rig count has increased from 3 to 12 during the year, the pace at which new rigs are joining the programme is slower than projected. A consequence of the lower rig availability is that the production ramp-up cannot proceed as rapidly as previously projected, a factor which has been taken into account in the Company's revised CY2025 production guidance. To remediate the issue, the Company has now put in place contracts for three additional drill rigs which are expected to arrive at site within the next 1 to 2 months. The target average rig count for CY2025 is 16. The Company continues to pursue additional mitigating measures to bring the overall development programme back to schedule.

Operational Activities

The previously developed wellfield areas of Mine Units 1 and 2 ("**MU-1**, **MU-2**") are available for resumption of uranium recovery operations. Selected areas within MU-1 have been actively preconditioned and are being maintained in standby until the plant is available for operations. The preconditioning of HH-11 in MU-3 was initiated in early November, approximately 1.5 months behind schedule. The delayed timing was primarily related to operational commissioning issues with the new sulfuric acid delivery systems, not the header house. The acid system issues have been resolved and the system is now fully functional.

Figure 3: HH-11 and surrounding wellfield area at MU-3

With the initiation of wellfield flows for preconditioning of MU-3, HH-11, it was determined that the collective flowrate of the header house is currently approximately 67% of the overall design flow rate. While remedial actions are being evaluated, it is noted that a lower overall flow rate would result in a slower ramp-up rate for the area. The likely impact on the ramp-up timing has been assessed and included in the updated production guidance, below.

The prior modelling for MU-3 reflected an average production well flow rate of 18 GPM. This assumption was based on the operating history of Mine Units 1 and 2. Outside of actual operations, there are few methods to accurately forecast average flow per well in an undeveloped area. With HH-11's realised flow of 12 GPM, the model assumption for the remaining two header houses in MU-3 has been adjusted downward for the new production forecast. The team has prepared a comparative analysis of relevant data obtained from both MU-3 and MU-4 and determined that the MU-4 will generate a higher relative flow rate, between that of MU's 1 and MU-3. This modified assumption has also been incorporated into the current production forecast model.

The production restart scheduled for late CY2024 will be marked by the progressive commissioning of the new CPP circuits following the initial recovery of uranium delivered to the plant ion-exchange circuit from wellfield solutions. The plant design incorporates two parallel process circuits, each capable of approximately 1 Mlbs per annum of yellowcake production. The construction schedule continues to have mechanical completion and pre-commissioning of the first circuit in December, with the exception of the yellowcake dryer, as noted previously. The second circuit, unneeded in CY2025, will be finished following the completion of the first circuit.

In recent months, a free-standing building was constructed to house fine solids separation and removal equipment. The process equipment has been installed along with the piping and electrical connections. The circuit was pre-commissioned and turned over to operations in November. The fine solids removal circuit has a design capacity of 1,000 GPM and is intended for use with the wellfield preconditioning process to enhance operational efficiency.

Production Guidance Update

The Company previously revised production guidance for CY2025 in late July 2024[1] based on then-current development progress and estimates. An approximate range of between 0.7M lbs and 0.9M lbs of produced yellowcake was estimated. Based on the Company's current evaluation of plant and wellfield construction progress along with the early-stage flow observations of the HH-11 operational performance, Peninsula is withdrawing its previous guidance in relation to CY2025 and has determined to revise its projected production guidance for the initial year of production rampup (CY2025) downward to 600,000 pounds.

Additionally, the company offers revised production estimate ranges for calendar years 2026 and 2027 at the following levels, which do not materially deviate from prior guidance.

Table 2: Three-Year Lance Production Guidance

Period	AUG-2024 Estimate	NOV-2024 Estimate	Mid-Point Variance
CY2025	0.7 to 0.9 Mlbs	0.6 Mlbs	(0.2) Mlbs
CY2026	1.4 to 1.6 Mlbs	1.1 to 1.3 Mlbs	(0.3) Mlbs
CY2027	1.4 to 1.6 Mlbs	1.5 to 1.7 Mlbs	0.1 Mlbs
3-Year Total	3.5 to 4.1 Mlbs	3.2 to 3.6 Mlbs	(0.4) Mlbs

The Company will continue to monitor and assess the reasonableness of the material assumptions used in the estimation of future production targets as new data becomes available during the commissioning of the CPP and wellfields over coming months.

The Company's CY2025 uranium sales profile will be revised in consultation with our valued and supportive customers in consideration of the current production ramp-up projections.

[1] Refer to announcement released on 30 July 2024 titled "Lance Project Update" and the announcement released on 31 August 2023 titled "Lance Production to Restart in late 2024 under revised Ross and Kendrick Life of Mine Plan". The Company confirms that the material assumptions used in the estimation of production targets continue to apply and have not materially changed from this announcement.

Kendrick Area Permitting Update

At the end of CY2022, the Company applied to the State of Wyoming WDEQ Land Quality Division for the inclusion of the Kendrick Project area into the Ross Project Area Permit to Mine and Source Materials Licenses. Typically, the review process for an amendment of this type is expected to take approximately two years.

The WDEQ has completed their technical review of the applications and has recommended the Permit to Mine be approved pending completion of a public notice period, which has commenced. Provided the notice period closes without receiving meritorious public comments, the Permit to Mine would receive final approval prior to year end. The amendment to the Source Materials License has also received conditional agency approval and will follow a similar final approval process following sequentially after the Permit to Mine.

Approval of the Permit and the License will allow the Company to conduct production operations throughout the Kendrick area. The Ross and Kendrick areas collectively hold a JORC compliant resource base of 26.2 Mlbs U_3O_8, equating to at least 10 years of production ready resources[2].

The current Lance production model presently excludes the contiguous Barber Resource Area, which is not yet licensed for production. The expanded plant functionality will be available to process future output

from the 31.9 Mlbs U_3O_8 resource base at Barber, highlighting the opportunity for significant future growth at the Lance Projects.

[2] Refer to announcement released on 31 August 2023 titled "Lance Production to Restart in late 2024 under revised Ross and Kendrick Life of Mine Plan". The Company confirms that the material assumptions used in the estimation of production targets continue to apply and have not materially changed from this announcement.

Succession Planning for MD/CEO

Peninsula MD/CEO Wayne Heili has advised the Board of Directors of his desire to step down from the position in 2025 following the search for and acceptance of a suitably qualified successor, a process which has now commenced. Mr. Heili will continue to dedicate his full time efforts to the success of the Company until a mutually agreed upon date, yet to be determined. Following the appointment of a new CEO, Mr. Heili has agreed to remain available to the Company in an advisory capacity.

Peninsula Chairman John Harrison commented, "*The Company and its shareholders are indebted to Wayne for his leadership, technical acumen and professional discipline through a complex time in the Company's history. His in-depth knowledge and application of the science required to exploit the Lance Projects ore body has enabled us to bring the Company back into production with a fully modernised and expanded production facility. Wayne has successfully overseen the completion of the work he was asked to do for the Company and we applaud this achievement. We are particularly pleased and grateful that he has agreed to continue in his position until his successor is in place and to make himself and his knowledge available to the Company in a consulting role going forward.*"

To increase the operational management and leadership experience within the Company, final negotiations are in progress regarding the appointment of a suitably qualified Chief Operating Officer ("**COO**"). An announcement on the appointment of a COO is expected to be made in the coming weeks.

Succession Planning for the PEN Board of Directors

The Board of Peninsula recognises the dedicated efforts of the present members, some over a lengthy period of time, while the entire Company worked to advance the Lance Projects to the point of production readiness. The current Board considers that resumption of production at the Lance Projects will mark a suitable time to review its own composition and whilst maintaining continuity and oversight of the necessary management recruitment process and the production ramp-up, the longer-serving members of the Board have indicated a wish to stand down over the course of 2025.

Mr Harrison Barker has served as a non-executive director since 2015 and has indicated that he will step down from that position at a time suitable to the Company during 2025. Mr Barker also acts as a valued representative of the Company in discussions with current and potential customers, a role for which his previous professional career in the nuclear power generation industry equips him well. The Company will continue to retain Mr Barker's services in this capacity after he steps down as a Director.

Mr Mark Wheatley, originally a nominee of Resource Capital Funds, has served as a Non-executive Director since 2016 and has indicated that he will not stand for re-election at the Company's 2025 Annual General Meeting.

Mr John Harrison has served as a Non-executive Director since 2014 and Non-Executive Chairman of the Board since 2016. Mr Harrison has indicated that he intends to oversee the recruitment of a suitably qualified successor for Peninsula MD/CEO Wayne Heili and of suitably qualified individuals to take the place of retiring Non-executive Directors, including that of the Non-Executive Chairman, after which he intends to step down as a Director himself, during 2025.

- **ENDS –**

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

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About Peninsula Energy Limited

Peninsula Energy Limited (ASX:PEN) is one of the only ASX-listed uranium companies providing US production and direct market exposure. Its' 100% owned Lance Projects in Wyoming is due to re-commence production in December 2024 following a central processing plant capacity expansion construction project.

Lance is one of the largest, independent near-term uranium development projects in the US. With a track record of meeting delivery requirements since 2016, Peninsula has 10 years of sales contracts in place with major utilities in both the US and Europe. Once back in production, Lance will establish Peninsula as a fully independent end-to-end producer of yellowcake, well-placed to become a key supplier of uranium and play an important role in a clean energy future.

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Appendix 1

[1] Lance Projects Classified JORC-Compliant Resource Estimate (U_3O_8) as at 31 December 2023

Classification	Tonnes (M)	U_3O_8 (Mkg)	U_3O_8 (Mlbs)	Grade (% U_3O_8)	Location
Measured	3.3	1.7	3.8	0.051	Wyoming, USA
Indicated	11.0	5.5	12.4	0.051	Wyoming, USA
Inferred	38.3	18.9	41.7	0.049	Wyoming, USA
Total	**52.6**	**26.3**	**58.0**	**0.050**	

(i) Due to rounding, total values may not appear to equal the sum of estimated resource. The above tables are provided by an independent consultant outlined in the competent person statement below.

[1] Dagger Project Classified JORC-Compliant Resource Estimate (U_3O_8) as at 23 October 2023

Classification	Tonnes (M)	U_3O_8 (KTonnes)	U_3O_8 (Mlbs)	Grade (ppm U_3O_8)	Location
Inferred	3.0	3.1	6.9	1,037	Wyoming, USA
Total	**3.0**	**3.1**	**6.9**	**1,037**	

** Reported above a 0.02 % eU_3O_8 grade and a 0.2 GT cut-off*

[1]JORC Table 1 included in an announcement to the ASX released on 14 November 2018: "Revised Lance Projects Resource Tables", updated in the "Annual Report to Shareholders" released on 29 September 2023 and ASX Announcement released on 23 October 2023: "Peninsula Establishes Significant New Uranium Development Project" and ASX Announcement released on 13 May 2024: "Mineral Resource Increases 19.6% within current Lance Life of Mine Area". 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.