

19 July 2023

Companies Announcement Office
Via Electronic Lodgement

PENINSULA DELAYS PRODUCTION AND ACCELERATES IN-HOUSE RESIN PROCESSING ON NEWS OF KEY CONTRACT TERMINATION

KEY POINTS

- Resin processing provider Uranium Energy Corp (“**UEC**”) has notified Peninsula that it is terminating the agreement to treat loaded resins and produce dry yellowcake from the Lance ISR Projects
- The processing agreement contains a mutual provision for 270-day notice of contract termination
- Peninsula will accelerate plans for in-house resin processing and dry yellowcake production at the Lance Projects
- The strategy shift is likely to significantly delay the production restart at Lance whilst delivering a faster ramp-up to full capacity under a more efficient and capital-effective operation
- Accelerating plans for Stage 2 of the 2022 DFS establishes Peninsula as a fully independent end to end producer of yellowcake
- Peninsula’s talented and experienced team is capable and well-suited to efficiently execute the revised plan
- Evaluation of the capital and timing requirements of the revised plan is underway and will be advised to the market once completed
- As at 30 June 2023, Peninsula had available cash balance of US\$21.5m and balance of 210,000lbs uncommitted strategic inventory valued at US\$11.8m (UxC 30JUN2023 price of US\$56.00/lb).
- Peninsula is holding a conference call today at 10am WST / Midday EST. Details to register are outlined in the announcement

Since mid-2015, Peninsula Energy Limited and its wholly owned subsidiary, Strata Energy Inc. (together “**Peninsula**” or the “**Company**”) (ASX:PEN, OTCQB: PENMF) has been party to a resin processing agreement (the “**Agreement**”) under which loaded resins generated at the Company’s flagship Lance Projects (“**Lance**”) are treated at Uranium Energy Corp’s (“**UEC**”) Irigaray Central Processing Plant to produce a finished yellowcake product. Peninsula has received notification that UEC is terminating the Agreement. The Agreement contains a mutual 270-day notice of termination provision.

Considering the unanticipated notice of termination, Peninsula will not plan to use UEC’s resin processing capacity during the remaining term of the Agreement. The Company has instead adopted a plan to accelerate the in-house development of an expanded and fully optimised production plant to produce a high-quality yellowcake product free of impurities, aligning with the re-start of production at Lance.

The decision to accelerate the in-house development of resin processing and yellowcake production, as outlined in Stage 2 of the 2022 Definitive Feasibility Study (“**DFS**”), is likely to result in a significant delay to the previously announced imminent re-start of production at Lance.

Initial analysis indicates the revised plan will ultimately deliver a faster ramp-up to full capacity under a more efficient and capital-effective operation. Implementing in-house processing from the start of production will ensure the Company can independently execute its business plan which includes producing uranium at an expanded rate, without a reliance on services from industry competitors.

The Ross process plant at Lance was constructed in 2015 as a satellite production facility. Although fully licensed for production of a finished uranium yellowcake product, the facility was only built to produce uranium-bearing ion-exchange resins.

The prior business strategy, based on the 2022 DFS for the Ross & Kendrick areas of Lance, anticipated a move toward in-house resin processing following an approximate two-year period of third-party processing. Work has now started on requirements to bring forward this timetable for the construction of additional process plant circuits to enable in-house yellowcake production.

Having been on the verge of a production restart, the Lance team will continue to advance plant site preparation and wellfield development activities for the future restart of commercial uranium production operations.

A full evaluation of the capital and timing requirements of the revised business plan is underway and will be advised to the market once completed.

Peninsula remains in a strong pre-production position. As at 30 June 2023, Peninsula had a cash balance of US\$21.5m and a strategic inventory balance of 210,000lbs U₃O₈ valued at US\$11.8m (UxC 30JUN2023 price \$56/lb). Combined, Peninsula has liquid assets of US\$33.4m and no long-term debt obligations.

Peninsula's Managing Director and CEO, Mr Wayne Heili said, *"Faced with the unexpected challenge of not being able to rely on the processing services of our long-term service provider, we are now recalibrating our business plan to operate independently from our industry peers and to bring forward the in-house capability to produce finished yellowcake. While a delay to our planned restart is disappointing, we anticipate emerging with an expanded production capacity and a lower operating cost profile because of this endeavour. We are also evaluating an accelerated schedule towards full capacity. Analysis of the impact of this action on operational plans and funding requirements are underway and we will keep the market posted on key developments as they occur."*

Trading Halt

This is the announcement that was referred to in the Company's request for trading halt on Monday 17 July 2023.

Conference Call

Peninsula will host a conference call today at 10am (WST) / Midday (EST).

Participants are required to pre-register for the call at the link below. Once pre-registered you will receive a calendar invite and a unique code which is to be quoted when dialling into the call.

To ask a question, participants will need to dial "*1" (star, 1) on your telephone keypad.

Pre-Registration Link: <https://s1.c-conf.com/diamondpass/10032366-qy7vbf.html>

An archive of the conference call will be available on the Peninsula website following the event.

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 has made the decision to restart its 100% owned Lance Projects in Wyoming, USA. This is the final step in a project transformation initiative at Lance to transition from an alkaline ISR operation to a low pH ISR operation. Lance is one of the largest uranium development projects in the United States and once in production, Peninsula will be in strong position to supply a growing market, as the importance of nuclear power continues to gain momentum and support, as a critical part of the green energy mix.

[Uranium extraction for a green energy future](#)