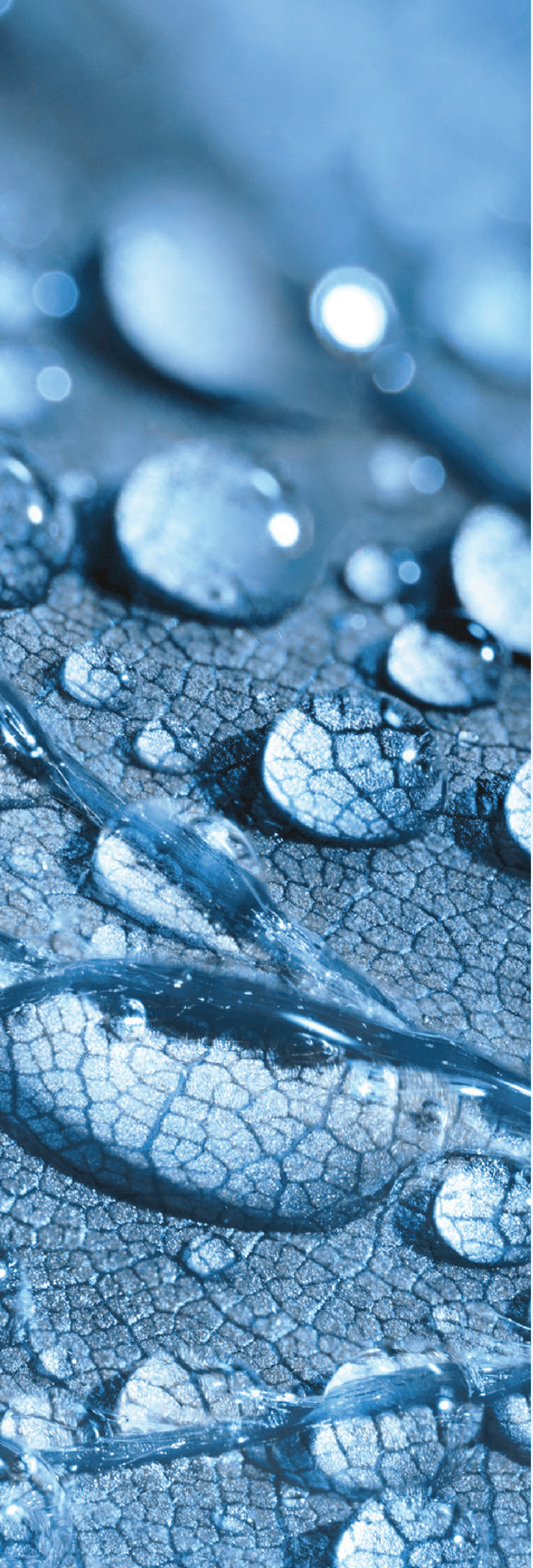
PENINSULA ENERGY LIMITED

Annual Report 2020

Peninsula Energy Limited is an ASX listed company that owns the Lance Uranium Projects in Wyoming, USA which are in transition from an alkaline to a low pH in-situ recovery operation.



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Chairman's Report

Dear Shareholder

It is my pleasure to present to shareholders the 2020 Annual Report for Peninsula Energy Ltd.

It has been a very productive year for your Company and importantly, we have firmly put in place the building blocks to ensure the ongoing growth of the business through 2021.

In particular, the events at the end of the period where we raised more than A$40 million from shareholders has put us in the strongest financial position that we have been in for some time.

We used a portion of that money, approximately A$25 million, to repay completely our outstanding term debt, which was due to mature in October 2020, together with accrued interest obligations, leaving us with a still-healthy cash balance to pursue the transformation of our Lance Projects in the US to low pH ISR uranium operations.

In addition, we have secured a net cash margin of US$6-8 million in the calendar year 2021 through our established uranium contract book that will further underpin our funding requirements.

The focus for us now turns to the activities at our flagship Lance Projects and over the next 12 to 18 months these will be site-specific technical, process development and optimisation activities to prepare Lance fully as the only commercial low-pH uranium ISR operation in the US. With the laboratory phase drawing to a successful completion, we have commenced a low pH field demonstration in an unmined area to confirm commercial operations.

The COVID-19 pandemic resulted in an upheaval in the global uranium market, with significant disruptions to mining casting a renewed emphasis on supply diversity and security, which helped stimulate some strengthening in prices.

In the US, the release of recommendations from the the US Nuclear Fuel Working Group (NFWG) provided promising signals to the likes of Peninsula. The recommendations included reviving the strength of the domestic US uranium mining industry through direct purchases to establish a US Uranium Reserve. Your Company is the only ASX-listed company that has the ability to take advantage of that government buying programme.

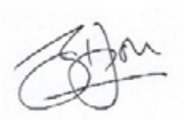
We are very fortunate that with our strong balance sheet we can continue to progress Lance with the benefit of knowing that if markets warrant, we could make an investment decision in parallel to the optimisation workstreams and be in commercial production within a six-month timeframe.

Of course, we would not be in this position were it not for the hard work and dedication of our people, particularly during the trying period of COVID-19.

I would like to thank my fellow board members, our management team and our entire workforce for their efforts in getting our Company to where it is today.

Finally, I would like to thank our shareholders for their ongoing support. This is a very exciting time for Peninsula. We are in a strong position financially and we have a very clear development roadmap that we are following. Working from the advantage of our existing long-term offtake contracts, we are particularly well positioned to take advantage of any improvement in the uranium contracting market, especially in the United States.

I look forward to what the next 12 months has in store and to sharing our success with shareholders.



John Harrison
Non-Executive Chairman
29 October 2020

It has been a very productive year for your Company and importantly, we have firmly put in place the building blocks to ensure the ongoing growth of the business through 2021.

The Board acknowledges and emphasises the importance of all Directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

Corporate Governance Statement

Unless disclosed below, all the best practice recommendations of the 4th edition of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2020.

Board Composition

The skills, experience, and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the Directors' Report.

The names of the Directors of the Company, or who have served as a Director during the year, are:

- John Harrison — Non-Executive Chairman (Independent)
- Wayne Heili — Managing Director / Chief Executive Officer
- Harrison Barker — Non-Executive Director (Independent)
- Mark Wheatley — Non-Executive Director (Independent)
- David Coyne — Finance Director / Chief Financial Officer (resigned as Chief Financial Officer effective 17 July 2020 but continues to serve as a Non-Executive Director)

When determining whether a Non-Executive Director is independent, the Director must not fail any of the following materiality thresholds:

- Less than 10% of Company shares are held by the Director and any entity or individual directly or indirectly associated with the Director;
- No sales are made to or purchases made from any entity directly or indirectly associated with the Director; and
- None of the Directors' income or the income of an individual or entity directly or indirectly associated with the Director is derived from a contract with any member of the economic entity other than income derived as a Director of the entity.

Non-Executive Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Company's expense. Written approval must be obtained from the Chairman prior to incurring any expense on behalf of the Company.

The Board has formally adopted a Nomination Committee Charter but given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Nomination Committee Charter. When the Company is of sufficient size, a separate Nomination Committee will be formed. The Company regularly assesses the skills and competencies required on the Board.

Ethical Standards

The Board acknowledges and emphasises the importance of all Directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring Directors and employees to:

- Act honestly and in good faith;
- Exercise due care and diligence in fulfilling the functions of office;
- Avoid conflicts and make full disclosure of any possible conflict of interest;
- Comply with the law; and
- Encourage the reporting and investigating of unlawful and unethical behaviour.

Directors are obliged to be independent in judgement and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

Lance Projects, Wyoming USA

Diversity

The Board has adopted a Diversity Policy as per the recommendations. The Diversity Policy addresses equal opportunities in the hiring, training, and career advancement of directors, officers, and employees. The Diversity Policy outlines the processes by which the Board will set measurable objectives to achieve the aims of its Diversity Policy, with focus on gender diversity within the Company.

The Company is committed to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees and is utilised to enhance the Company's performance.

The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives if and when such objectives are set. The Company is focused on providing a range of business and employment opportunities for all members of the communities in which it operates in.

Gender Diversity

Given the current challenges facing the uranium mining industry, and the relatively small size of the Company at this point in time, the Board has not determined measurable objectives for increasing gender diversity. All personnel are employed and/or promoted on their merits.

Women Employees, Executives and Board Members

The Company and its consolidated entities have three female employees:

- an accounts payable officer;
- a land administrator; and
- a cleaner

whom represent approximately 9% of the total employees, executives and/or board members of the Company and its consolidated entities. There are currently no female members on the Board of the Company.

Trading Policy

The Board has formally adopted a Share Trading Policy in line with Corporate Governance guidelines which restricts Directors and employees/consultants from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

The Company is committed to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees.

Audit and Risk Management Committee

The Audit and Risk Management Committee consisted of two Non-Executive Directors during the year and has an independent Chairman. The number of directors on the Committee during the year was inconsistent with the ASX Corporate Governance Council recommendations, however the composition is appropriate for the size of the Company and the financial expertise of the Committee members. On 4 September 2020, the Company appointed a third Non-Executive Director to the Audit and Risk Management Committee. The Chief Financial Officer and Company Secretary are also present at all Audit and Risk Management Committee meetings. The Audit and Risk Management Committee operates under a formal charter.

The names and qualifications of those appointed to the Audit and Risk Management Committee and their attendance at meetings of the Committee are included in the Directors' Report.

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of Directors, changes to the constitution and receipt of annual and interim financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Peninsula Energy Limited, to lodge questions to be responded to by the Board and/or the CEO and can appoint proxies.

Risk Management

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. The Chief Financial Officer has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed as required. The volatile economic environment has emphasised the importance of managing and reassessing the Company's key business, social and environmental risks.

Remuneration Policies

The Remuneration Committee is responsible for determining and reviewing the appropriate compensation arrangements and policies for the Key Management Personnel, in accordance with the policies and procedures outlined in the Remuneration Committee Charter. The Remuneration Committee reviews executive packages annually by reference to Company performance, executive performance, comparable information from industry sectors and other listed companies.

The Company's Remuneration Policy is to ensure remuneration packages properly reflect each person's duties and responsibilities and support the Company's business objectives. The Policy is designed to attract the highest calibre directors, executives and senior staff, and reward them for performance which results in long-term growth in shareholder value.

Executives and selected senior staff are also entitled to participate in the employee share, restricted share unit and option arrangements.

The amount of remuneration for all Key Management Personnel of the consolidated group, including all monetary and non-monetary components, is detailed in the Remuneration Report within the Directors Report. Shares given to Key Management Personnel are valued at the market price of those shares. Options are valued independently using a Black-Scholes model.

The Board believes that the remuneration structure implemented as of 1 July 2015 results in the Company being able to attract and retain the best directors, executives, and senior staff to run the consolidated group. It will also provide executives with the necessary incentives to work and grow long-term shareholder value.

The payment of cash bonuses, share options and other incentive payments are reviewed by the Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All cash bonuses, share options and other incentives must be linked to predetermined performance criteria. The Board can exercise its discretion in relation to approving incentives, cash bonuses and share options and can recommend changes to the Remuneration Committee's recommendations. Any changes must be justified by reference to measurable performance criteria or other relevant circumstances applicable to the Company.

Remuneration Committee

The Remuneration Committee consists of three Non-Executive Directors and has an independent Chairman, consistent with the ASX Corporate Governance Council recommendations.

The names of the members of the Remuneration Committee and their attendance at meetings of the committee are detailed in the Directors' Report.

There are no schemes for retirement benefits for Directors other than the statutory superannuation for Non-Executive Directors.

Other Information

Further information relating to the Company's corporate governance practices and policies has been made available publicly on the Company's website at www.pel.net.au.

> With our strong balance sheet, the focus for us now turns to the site-specific technical, process development and optimisation activities at our flagship Lance Projects.

Directors' Report

Your Directors present their report, together with the financial statements of the consolidated group (or Peninsula), being the Company and its controlled entities, for the financial year ended 30 June 2020.

Directors

The names of Directors in office at any time during or since the end of the year are:

- John Harrison
- Wayne Heili
- Harrison Barker
- Mark Wheatley
- David Coyne (resigned his role as Chief Financial Officer on 17 July 2020 but continues to serve as a Non-Executive Director)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the consolidated group during the financial year consisted of uranium development and mining. There were no other significant changes in the nature of the consolidated group's principal activities during the financial year.

Operating Results and Review of Operations for the Year

Peninsula Energy Limited (**PEN**) is an ASX listed uranium mining company which commenced in-situ recovery (**ISR**) uranium operations in December 2015 at its Lance Projects in Wyoming, USA (**Lance Projects**). Alkaline based operations at the Lance Projects were idled in July 2019 as the Company focussed its efforts on the planned transition to low pH operations.

The consolidated group ended the 2020 financial year with a cash balance of US$11.9 million. In June 2020, the Company successfully raised A$40.3 million through a fully underwritten renounceable entitlement offer which allowed it to fully repay its corporate term debt balance on 30 June 2020.

A principal amount of US$16.82 million (~A$24.7 million) was paid to extinguish the existing debt, together with accrued interest for the June 2020 quarter of US$0.41 million (~A$0.6 million).The Company also completed a placement of US$4.7 million (A$7.0 million) to institutional and sophisticated investors in December 2019 and a US$1.4 million (A$2.1 million) Entitlement Offer in January and February 2020.

Cash proceeds received from the sale of 191,000 pounds of uranium during the 2020 financial year were US$7.48 million. These sales were comprised of uranium concentrate mined from the Lance Projects (approximately 24,000 pounds), complemented by on-market uranium concentrate purchased by the Company in combination with held inventory. Of the US$7.48 million cash proceeds from these sales, US$6.08 million was recognised as revenue within the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The remainder, US$1.4 million, was allocated to Derivative Fair Value Movement to recognise the partial unwinding of a financial derivative asset in accordance with International Accounting Standards.

The consolidated group loss for the year ended 30 June 2020 after providing for income tax amounted to US$7.6 million (2019: US$43.01 million), noting that the prior year was impacted by the non-cash impairment expense of US$23.74 million against the Lance Projects. In 2020 a gross profit of US$0.1 million has been recognised (2019: gross loss of US$8.3 million) as the alkaline based operations at the Lance Projects were idled in July 2019. Outside of production costs, the major expenses in 2020 were the US$6.6 million costs incurred to maintain the Lance Projects in standby mode and progress the transition to low pH operations, US$4.2 million finance costs primarily related to the corporate term debt repaid on 30 June 2020, and US$2.7 million in corporate and administration expenses. A derivative fair value gain of US$7.4 million has been recorded in 2020 due to the recognition of a new derivative financial asset relating to the 1 million lbs U_3O_8 of open source origin component of an existing long term sales agreement. In July 2020, the Company entered into a purchase agreement to procure 400,000 lbs U_3O_8 for delivery in CY2021 into this sales agreement.

In accordance with International Accounting Standards the Company has been required to recognise a new derivative financial asset on the entire 1 million lbs U_3O_8 of open source origin component under the sales agreement. The derivative financial asset fair value is based on the present value of the difference between the revenue under the sales agreement and revenue that a similar agreement would generate if entered into at 30 June 2020, and will differ from the actual cash received in the future.

Review of Operations 2020

An overview of operations during the year is as follows:

Wyoming, USA – Lance Uranium Projects
(Peninsula Energy 100%)

The Lance Projects are located on the north-east flank of the Powder River Basin in Wyoming.

Lance Projects – Licensed for Low pH Mining

Summary

The Lance Projects were licensed and constructed by Peninsula's wholly owned US subsidiary Strata Energy Inc (**Strata**) and commenced commercial operations in 2015. In October 2017 the Company announced the outcomes of research initiatives aimed at improving the operating performance at the Lance Projects, including encouraging laboratory test results using lower pH solutions (mild acids), which returned increased peak uranium solution grades averaging nearly 1.0 g/L with uranium recoveries typically over 90%. The Company believes that a transition to a low pH recovery system will not only positively transform the Lance Projects but could also position the Company to rapidly grow production when uranium markets improve.

Regulatory Approvals

In April 2018 Strata formally submitted a request to the Wyoming Department of Environmental Quality (**WDEQ**) Land Quality Division to amend its existing Permit to Mine (**PTM**) to allow for the use of a low-pH recovery solution in the Ross Permit Area of the Lance Projects. In October 2018, Strata formally submitted a request to the WDEQ Uranium Recovery Program to amend its existing Source Materials License (**SML**) for the use of low pH solutions.

On 20 March 2019 Strata received final approval of the PTM amendment from the WDEQ and on 31 July 2019 the WDEQ formally approved the SML amendment, confirming that the low pH mining methodology complies with Wyoming regulatory standards and requirements. Following the successful outcomes of low pH field trials, the required Interim Operations Report (**IOR**) was submitted to the WDEQ in September 2019 and approved by the WDEQ in November 2019. With the approval of the IOR, the Company gained full regulatory authorisation to use the industry leading low pH ISR method in Mine Units 1 and 2, the already mined areas at the Lance Projects.

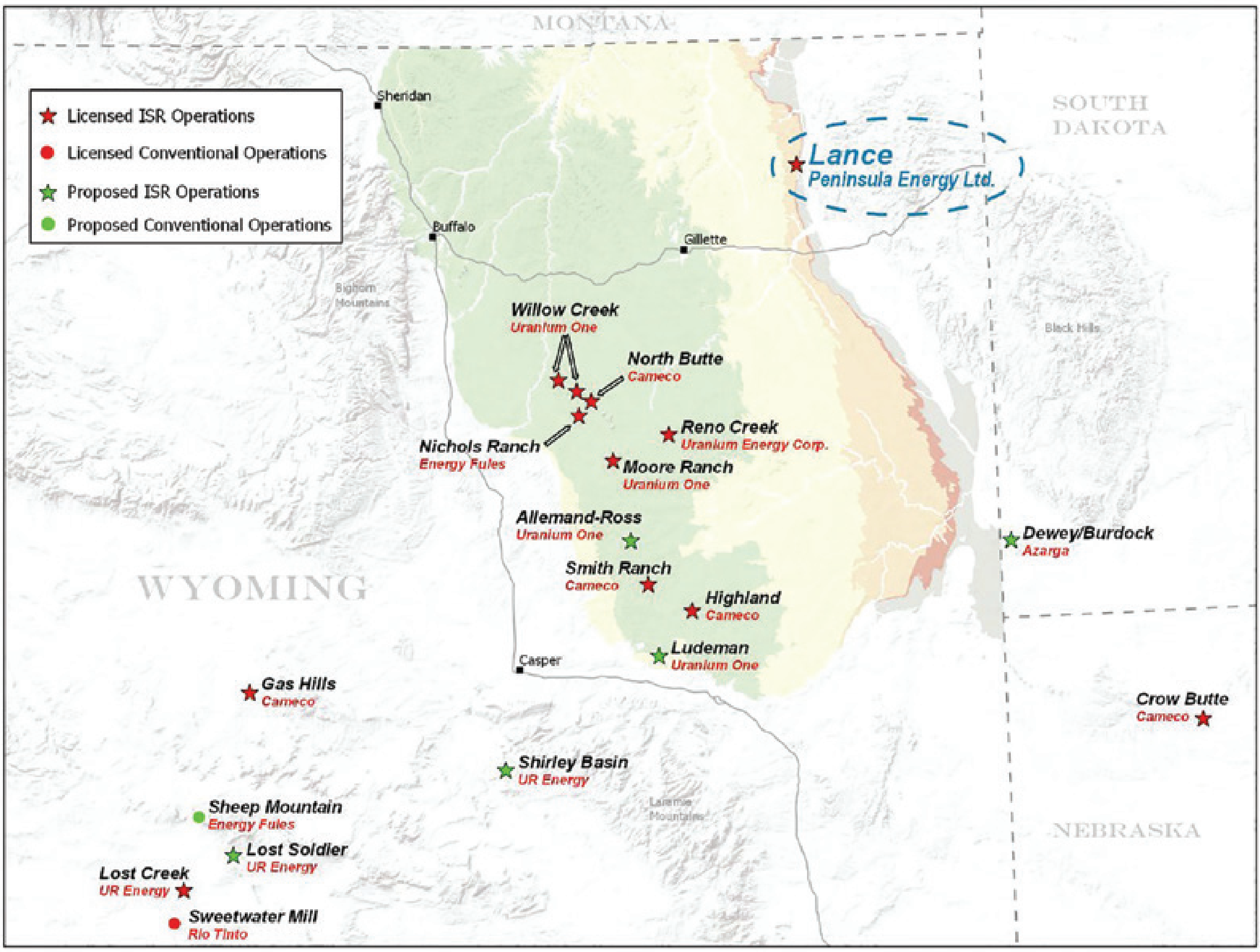


Figure 1: Lance Projects Location, Wyoming, USA

Figure 2: Constructed Ion Exchange Test Columns for MU1A Field Demonstration

In December 2019, the Company submitted the Interim Restoration Report (**IRR**) to the WDEQ. Approval of the IRR is the final step in the process of gaining authorisation to use the low pH ISR method throughout the project license area, including unmined areas in the Ross Permit Area. The IRR for the low pH field demonstration was approved by the WDEQ in April 2020, paving the way for the Company to develop new mining units using the low pH ISR method across the entire Ross Permit Area at the Lance Projects.

License amendment applications are being prepared for the use of oxidants with the low-pH ISR process and for the use of the ponds for solids management in future operations. Current licences and permits for Lance allow use of oxidants and the ponds during the limited scale field demonstration without amendments. The Company can also commence low-pH operations without these process enhancements, which were not described in the original low-pH amendment approvals. Starting in previously mined areas where oxidant is not necessarily will allow time for the completion of the desired licence amendments prior to commencing production activities in new mining units.

The Company expects completion of these identified licence amendment activities in CY2021.

The Lance Projects are the ONLY US-based uranium projects authorised to use the industry leading low pH ISR process.

Low pH Technical De-risking activities

A large JORC Code compliant uranium mineral resource remains at Lance. Alkaline based commercial operations were suspended in July 2019 to allow the site team to focus on preparing for a transformation of the Project process chemistry applications. Over the past year, the Strata team successfully obtained the necessary amendments to its regulatory authorisations which allow Lance to operate using a low pH ISR process in addition to the originally authorised alkaline ISR process.

Approximately 57% of uranium produced globally in 2019 was extracted via the low pH ISR process. Companies which utilise this process populate the lowest quartile of cash costs for global uranium producers. Importantly, Lance is the only US-based uranium project authorised to use this industry leading method.

Laboratory extraction tests using a low pH solution have been conducted on Lance core samples since early 2017. The test protocols were designed to simulate the successful low pH ISR processes utilised in Australia and Kazakhstan. Overall, the laboratory testing results indicated that a low pH process would significantly benefit the Lance production rates while also potentially improving the overall project cost profile, which is supported by the feasibility study completed in September 2018 (**the 2018 FS**).

The laboratory work was further validated in CY2019 by the positive results of a field leach trial (**FLT**) conducted in a partially mined area of Lance. The FLT focused on the impact of the acidification and neutralisation stages on mining and aquifer restoration, rather than technical optimisation. Following an evaluation by the Company of the entire body of low pH research and technical work it was determined that additional testing could provide valuable insight into potential process optimisation concepts.

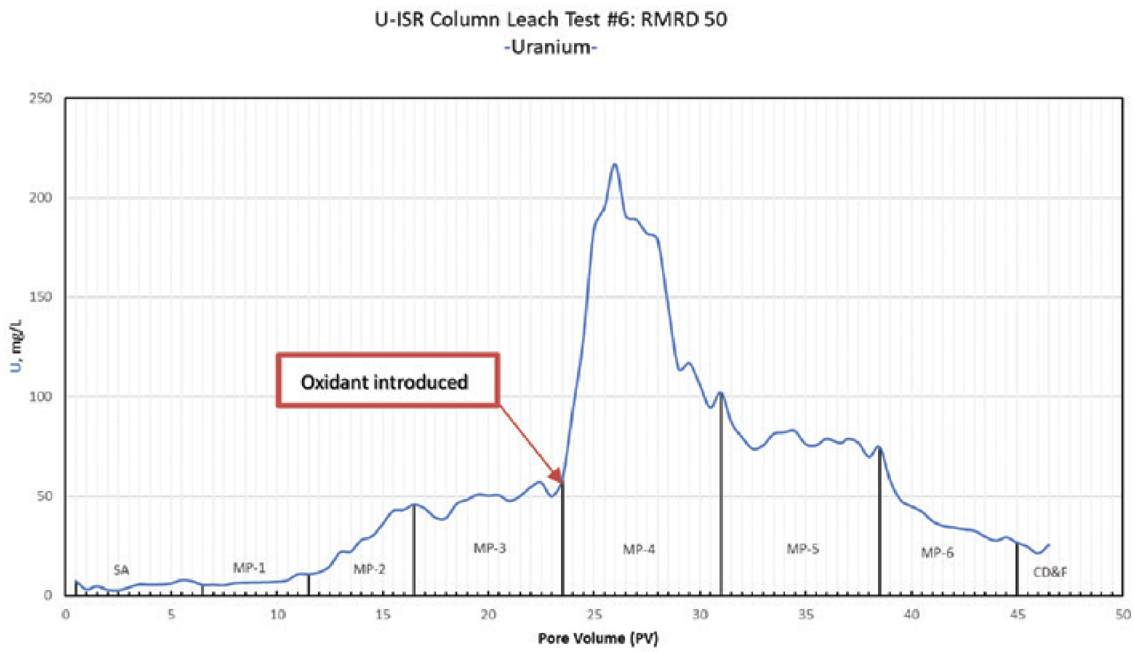


Figure 3: Uranium grade (mg/L U) quadrupled after the introduction of an oxidant

Additional Column Leach Studies in 2020 – Unmined Areas

To further investigate the use of low pH lixiviates (ISR leach solutions), Strata collected fresh core samples from an area that had not been impacted by alkaline ISR production operations (now the MU1A area). Side by side columns were prepared to explore differences in "soft" (slow) and "hard" (rapid) start-up acidification procedures and the subsequent acid requirements.

While the "hard" acidification procedure, the standard process in all prior testing, delivered better results, neither column generated results that were comparable to previous column tests. A hypothesis was developed that the introduction of an oxidant may be necessary to effect rapid uranium dissolution when the mineral is not previously oxidised by alkaline mining.

Extending the duration of the test, a controlled amount of oxidant was introduced to the feed stream of the soft acidification column test. There was an immediate positive response as the uranium grade quadrupled. This is illustrated in the following chart which presents the test results of uranium grade (mg/L U) against the processed volumes (pore volume). Oxidant was first introduced during test mining phase #4 (MP-4).

Oxidant was introduced in the later stages of the second column (which had higher acid concentrations) producing a similar effect. In both tests, the uranium grade reached its peak level within five pore volumes of the initial introduction of the oxidant. Both tests were operated for an extended period due to inefficient leach chemistries prior to introducing an oxidant.

Figure 4: Lance Projects, Wyoming USA

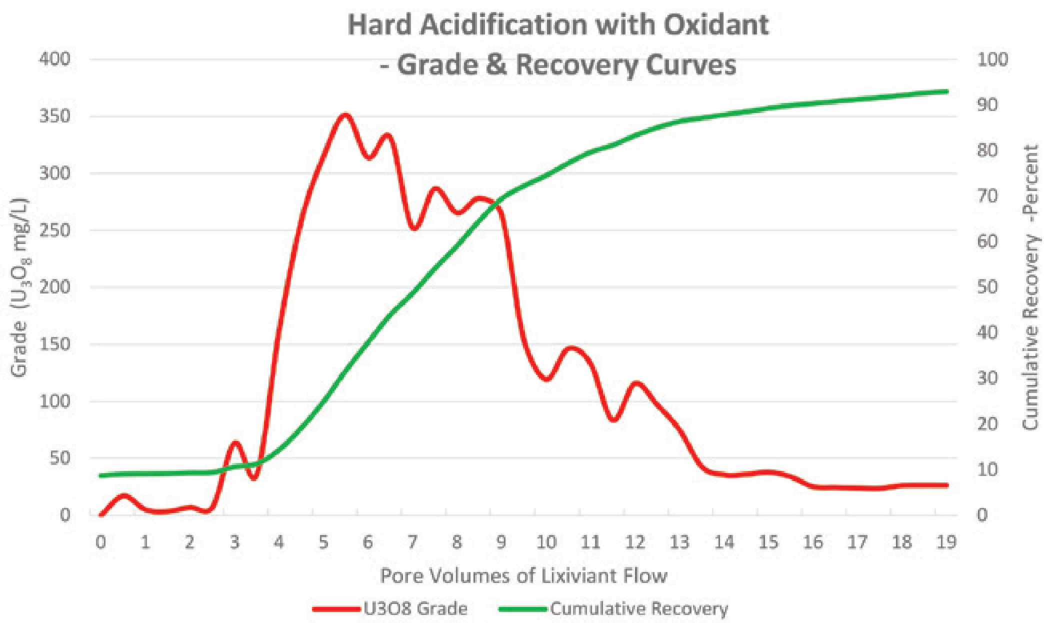


Figure 5: Uranium grade and Recovery results from column test using fresh core from an unmined area and using oxidant from the start

The general conclusion derived from these tests was that in the absence of pre-oxidation of the core samples (which occurred in previously mined areas under the alkaline method), additional oxidant is required for effective low pH leaching, even though the system contains ample iron (ferric iron is an oxidant which is essential in the low pH leach system).

Additional column leach studies were designed to assess the impact of the addition of an oxidant from the commencement of leaching. Fresh core samples were collected from test holes located within an undeveloped area of the planned Mine Units 3 and 4. Two side by side column tests were prepared to again compare the effects of soft and hard start up acidification procedures, but in these tests, oxidant was introduced with the feed stream from commencement.

Uranium concentrations and recovery rates derived from these two tests provide meaningful and encouraging results. The hard acidification test with oxidant again outperformed the soft acidification test with respect to uranium grade and recovery. The hard acidification test with oxidant yielded recovery rates of 50% after 7 pore volumes, 88%, after 14 pore volumes, and 93% upon the test completion at 19 pore volumes. The test yielded a peak grade of 351 mg/l U_3O_8 and an average grade of 120 mg/l U_3O_8.

A chart of the uranium grade and recovery performance of the most recent hard acidification column test is included above (*Figure 5*).

These results have been compared to the 2018 FS assumptions as presented in *Figure 6* and *Figure 7*. Most critically, the recovery curves for both are comparable within the bounds of reasonable test variation. Both the 2018 FS and the column test result show a recovery level of approximately 90% after 14 PV's of flow.

The peak and average grade obtained in the column test are substantially higher than the 2018 FS levels, as expected, and reflect the higher-grade core sample used compared to the average grade modelled in the 2018 FS. Higher grade areas of ore bodies are expected to deliver higher grade uranium solutions, but recovery rates can vary, so having this particular test on a higher grade sample of Lance ore confirming the 2018 FS model is encouraging.

The 2018 FS model assumptions with respect to acid consumption were also strongly validated by the recent column tests. The acid requirement projection used in the 2018 FS was 58 pounds of sulfuric acid per pound of recovered U_3O_8. The hard acidification test result was 55 pounds per pound of recovered U_3O_8 and the soft acidification test result was 50 pounds per pound. Additional acid and additional processed PV's would be required in the soft acidification test to achieve a comparable overall uranium recovery level.

The 2020 laboratory research studies have produced results that strongly validate the 2018 Feasibility Study parameters.

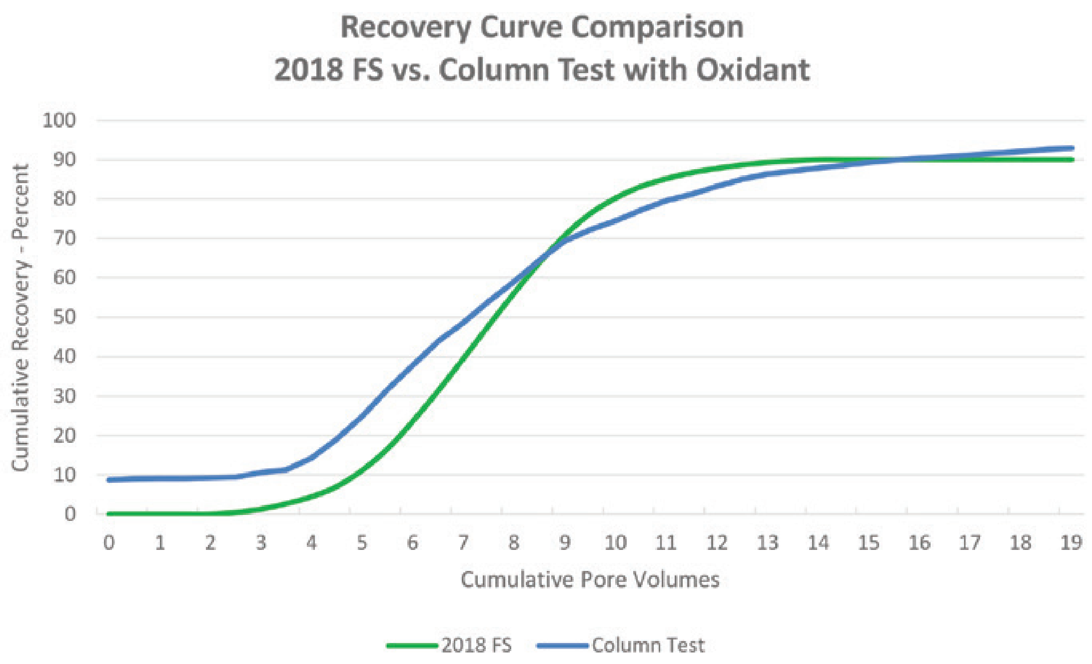


Figure 6: Uranium Recovery Curve Comparisons

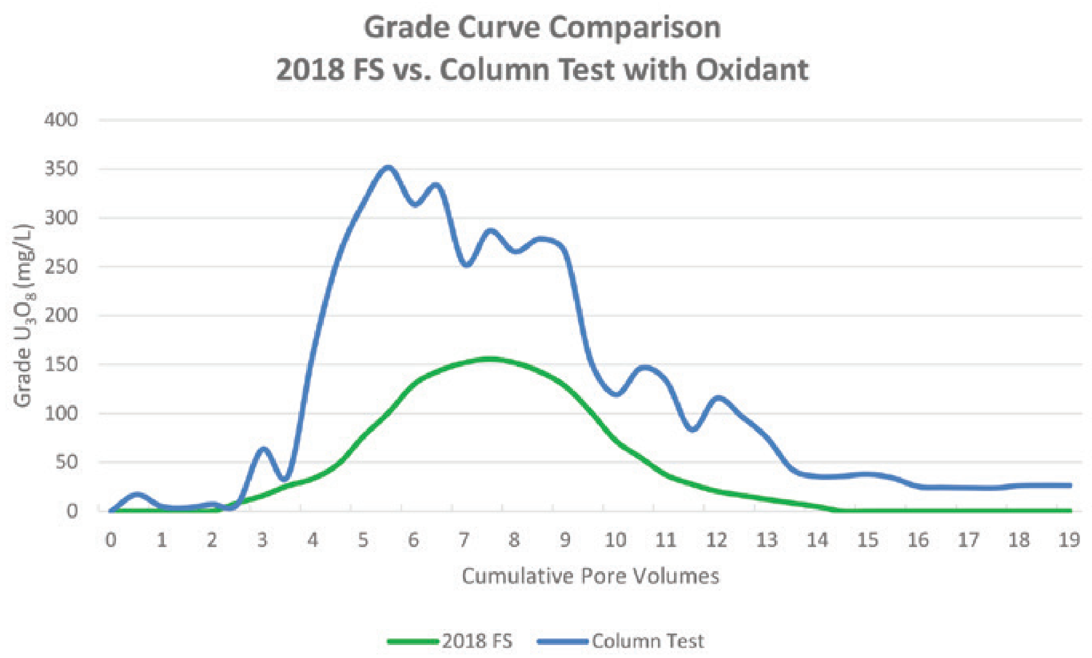


Figure 7: Uranium grade curve comparisons

Outcomes of the column leach tests described above were announced on the ASX after the end of the 2020 financial year (see ASX release dated 11 August 2020).

Figure 8: Lance Projects, Wyoming, USA

Ion Exchange Resin Performance

Ion exchange resin performance is affected by high levels of dissolved and suspended solids in feed solutions. Resin manufacturers produce a large selection of resin types tailored to meet the variable and demanding needs of industry. Changing from an alkaline to a low pH ISR process alters the resin requirements for the process plant at Lance. The actual performance of the ion exchange uranium recovery system during the CY2019 field leach trial indicated the need to focus additional research attention on this important processing step.

During the financial year, a multitude of laboratory scale resin loading and elution (resin stripping) tests have been conducted on a wide selection of commercially available resins, using synthetic, lab generated and field-generated uranium-rich low-pH solutions. The laboratory test work has led to the selection of a preferred resin type for use in future commercial production operations.

The selected resin has the potential to positively impact the operating costs at Lance by achieving higher resin loading factors under the actual operating conditions. The Company intends to confirm the resin performance criteria as a component of the second low pH field demonstration, which commenced after year end (see Events Since the End of the Financial Year).

Lance Projects Operational Performance

With production activities idled in July 2019 and throughout the remainder of the financial year, there was negligible production during the reporting period. Operational performance for the 2020 financial year is shown in Table 1 below.

	Units	Sept 2019	Dec 2019	Mar 2020	June 2020	Total
U_3O_8 Captured	lbs	731	4,891	62	24	5,708
U_3O_8 Dried and Drummed	lbs	31,035	-	-	-	31,035
U_3O_8 Sold	lbs	75,000	-	116,000	-	191,000
Cash Sale Price	US$/lb	45.06	N/A	35.35	N/A	39.16

Table 1: Lance Projects Operating Performance Summary

U_3O_8 captured in the December 2019 quarter is higher than other quarters during the year following the completion of reconciliations for uranium drying campaigns completed during the 2019 calendar year. This resulted in a positive reconciliation which was recognised in the December 2019 quarter.

During the June 2020 quarter, a drill rig was re-mobilised to site to complete the installation of mining wells required for the new field demonstration in an unmined area of Mine Unit 1 (**MU1A**) that forms a key component of low pH optimisation activities over the next 18 months. Additionally, ion exchange columns for the MU1A demonstration were constructed during the June 2020 quarter and MU1A wellfield preparation activities were completed in early July 2020.

As at 30 June 2020, a total of 27 employees are directly employed on the project (excluding drilling and contractor personnel).

Figure 9: Header House Interior, Lance Projects, Wyoming USA

Uranium Sales and Marketing

Peninsula sold 191,000 pounds of U_3O_8 pursuant to long-term contracts during the 2020 financial year.

75,000 pounds of U_3O_8 sales were made by the Company in September 2019 (24,000 pounds sourced from the Lance Projects) at an average realised cash price of US$45.06 per pound U_3O_8.

116,000 pounds of U_3O_8 sales were made by the Company in March 2020 at an average realised cash price of US$35.35 per pound U_3O_8. The delivery was completed using uranium purchased on-market in combination with held inventory.

Sales proceeds from these deliveries was approximately US$7.48 million, resulting in an average realised cash price of US$39.16 per pound U_3O_8 during the 2020 financial year, which is significantly higher than the average spot price for the financial year. Revenue from the sale of uranium recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income was US$6.08 million. The difference between the cash proceeds amount and recognised accounting revenue of US$1.4 million was allocated to Derivative Fair Value Movement to recognise the partial unwinding of a financial derivative asset in accordance with International Accounting Standards.

The portfolio of uranium concentrate sale and purchase agreements held by the Company contains a combination of committed sales and optional sales. Optional sales are offered at the election of the respective customer. The remaining portfolio of uranium concentrate sale and purchase agreements held by the Company is currently up to 5.5 million pounds U_3O_8 (4.2 million pounds U_3O_8 committed; up to 1.3 million pounds U_3O_8 optional). Delivery obligations under the contracts continue through to 2030. The Company's weighted average future sales price now sits at the upper end of the guided US$51-$53 per pound range.

Subsequent to the end of the financial year, Peninsula entered into a binding purchase agreement with UG USA, a subsidiary of ORANO, to procure 400,000 lbs U_3O_8 for delivery in CY2021. The Company currently has 450,000 lbs U_3O_8 of committed sales to its customers in CY2021.

The price to be paid under the purchase agreement is confidential but in line with market reported prices at the time for U_3O_8 to be delivered in CY2021. The agreed pricing is fixed and is not subject to any form of escalation or adjustment.

Purchased uranium will be delivered to Peninsula in allotments during the year to align with the timing of deliveries to customers. Payment for the purchased uranium is also aligned with the receipt of proceeds from the sales.

The Company continues to engage with its existing and potential new customer base regarding possible new long-term uranium concentrate sale and purchase agreements targeting pricing mechanisms that would support increased production scenarios under the planned transition to low pH ISR mining at the Lance Projects.

South Africa - Karoo Uranium Exploration Projects
(Peninsula Energy 74%, BEE Group 26%)

Withdrawal from Karoo Projects

As previously advised, efforts by the Company to sell Karoo were unsuccessful and the carrying value of the project was impaired down to the estimated recoverable value of freehold farmland in 2019. Peninsula has withdrawn fully from any further development activities for the Karoo Projects. The Company is working together with its joint venture partners and the South African regulators to ensure an orderly exit from the project, including completion of remaining restoration and rehabilitation activities.

Subsequent to the end of the financial year the Company received further additional feedback from the National Nuclear Regulator (NNR) in August 2020 on additional information submitted in November 2019. The NNR has requested further information regarding the characteristics of waste rock material intended to be used in the rehabilitation process. Feedback from the Department of Water and Sanitation on water use license applications is also awaited.

The NNR conducted site visits to inspect the Company's rehabilitation measures on areas where Certificate of Registration surrender applications have been submitted during the year. The Department of Minerals and Energy issued one more closure certificate during the year.

Peninsula continues to progress the sale of the remaining freehold farmland previously held in the Karoo Basin, with proceeds expected to be sufficient to cover remaining rehabilitation costs. ZAR 3.5 million (USD $0.2 million) was realised from the disposal of three of these farms during the year. As at the end of the financial year, three farms remain to be sold.

Because of the decisions to withdraw from development activities and sell the freehold farmland, the Karoo Projects have been separately disclosed as assets held for sale in the financial statements. Any project expenditure and profit or loss on sale of the freehold farmland has been recognised as a profit or loss from discontinuing operations.

Mineral Resource Governance

Peninsula Energy Limited ensures that the Mineral Resource estimates for its Lance Projects are subject to appropriate levels of governance and internal controls. The Mineral Resource estimation procedures are well established and are subject to annual review internally and externally, undertaken by suitably competent and qualified professionals. This review process has not identified any material issues or risks associated with the existing Mineral Resource estimates. The Company periodically reviews the governance framework in line with the development of the business.

Peninsula reports its Mineral Resources in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition'.

Competent Persons named by the Company are Members or Fellows of the Australian Institute of Mining and Metallurgy and/or Members of Recognised Overseas Professional Organisations included in the list promulgated by ASX and qualify as Competent Persons as defined in the JORC Code.

The Company has updated its Mineral Resources as at 31 December 2019, with the JORC compliant resource increasing by 29,000 pounds U_3O_8. The December 2018 resource was depleted by 29,526 pounds of production in CY2019. This was offset by an increase of resources in Mine Unit 1 of 39,276 pounds and Resource Area 4 of 19,243 pounds due to the inclusion of newly acquired data. Resource Area 4 is an unmined area that is yet to be developed within the Ross Permit Area. Ore tonnes also changed due to mining depletion and are adjusted on an annual basis.

The tables below set out the Company's Mineral Resources as at 31 December 2018 and 31 December 2019.

Resource Classification	Tonnes Ore (M)	U_3O_8 kg (M)	U_3O_8 lbs (M)	Grade (ppm U_3O_8)	Location
Measured	3.4	1.7	3.7	489	Wyoming, USA
Indicated	11.1	5.5	12.1	496	Wyoming, USA
Inferred	36.2	17.2	37.8	474	Wyoming, USA
Total	**50.7**	**24.4**	**53.6**	**480**	

Table 2: Lance Projects Classified Resource Summary (U_3O_8) as at 31 December 2019

Resource Classification	Tonnes Ore (M)	U_3O_8 kg (M)	U_3O_8 lbs (M)	Grade (ppm U_3O_8)	Location
Measured	3.4	1.7	3.7	487	Wyoming, USA
Indicated	11.1	5.5	12.1	495	Wyoming, USA
Inferred	36.2	17.2	37.8	474	Wyoming, USA
Total	**50.7**	**24.4**	**53.6**	**479**	

Table 3: Lance Projects Classified Resource Summary (U_3O_8) as at 31 December 2018

Totals may not add due to rounding.

Competent Person Statement

The information in this report 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'.

Corporate

Fully Underwritten A$40.3 million Entitlement Offer completed and Term Debt Repaid in Full

In June 2020, the Company successfully completed a A$40.3 million fully underwritten renounceable entitlement offer at A$0.071 per share (**June Entitlement Offer**). The Company received applications from eligible shareholders for 231.79 million ordinary shares, raising A$16.46 million under the Entitlement Offer, which represented a 40.9% take up. The resulting shortfall from the June Entitlement Offer of 335.29 million shares was taken up in full by the underwriter and sub-underwriters, in accordance with the terms of the underwriting agreement.

The transformational equity raise allowed Peninsula to fully repay its corporate term debt balance on 30 June 2020. A principal amount of US$16.82 million (~A$24.7 million) was paid, together with accrued interest for the June 2020 quarter of US$0.41 million (~A$0.6 million). This debt repayment leaves the Company in a strong financial position to pursue the optimisation activities discussed earlier in this report.

By extinguishing the term debt, Peninsula saves ~US$2 million a year in interest payments, whilst also retaining the full value of its long-term uranium concentrate sale and purchase agreements.

The Entitlement Offer was fully underwritten by Canaccord Genuity (Australia) Limited (Canaccord), who also acted as lead manager and bookrunner. The Entitlement Offer was co-managed by Euroz Securities Limited. Canaccord entered into sub-underwriting arrangements with a number of persons to sub-underwrite the majority of the underwritten amount.

A$7.0 million Placement and A$2.1 million Entitlement Offer completed

In November 2019, the Company successfully completed a placement of A$7.0 million to institutional and sophisticated investors of 42.42 million ordinary shares at an issue price of A$0.165 per share (**Institutional Placement**).

In addition to the Institutional Placement, eligible shareholders were offered the opportunity to participate in a pro-rata renounceable entitlement offer on the same terms as the Institutional Placement. The Entitlement offer was to raise approximately A$2.1m pursuant to the issue of up to 12.66 million ordinary shares at an issue price of $0.165 per share (**December Entitlement Offer**).

The Company received applications from eligible shareholders for 5.70 million New Shares, raising A$0.94 million, representing a 45% take up. The resulting shortfall of 6.96 million shares were successfully placed during the March 2020 quarter, completing the December Entitlement Offer and raising the full amount of A$2.1m.

Cost Saving Measures

In recognition of the volatility in global financial markets during the financial year, and the impacts of the COVID-19 pandemic, the Company initiated a series of substantive cost saving measures in March 2020.

The Company has maintained a focus on cost minimisation for the past several years however it was deemed necessary to implement these additional measures to reduce costs as much as practicable, while it progresses the low pH transition at the Lance projects. The additional measures included:

- Modification to working agreements for several members of the leadership team at the Lance Project, decreasing the ongoing site payroll costs, yet, importantly, retaining the technical and leadership expertise and experience required for a future restart of operations.
- Significant reduction in corporate administrative costs. The existing Perth office was closed effective 17 April 2020, with several functions undertaken by the Perth based team transferred to existing personnel located at site in Wyoming or to part-time consulting positions.
- Salaries and fees for the Managing Director / CEO, Finance Director / CFO, Non-Executive Chairman and Non-Executive Directors were reduced by 20% in March 2020. These reductions were subsequently reviewed, and salaries and fees reverted back to base levels from the beginning of August 2020.

US Nuclear Fuel Working Group

In April 2020 the US Secretary of Energy released the recommendations from the US Nuclear Fuel Working Group (**NFWG**). The NFWG report stated that the US government will take bold action to revive and strengthen the domestic US uranium mining industry. Included within the NFWG recommendations are the following key actions that Peninsula believes could provide substantial benefits to our Lance Project in Wyoming:

- Direct purchases of uranium and nuclear fuel services to expand five-fold the American Assured Fuel Supply strategic inventory stockpile by purchasing 17 to 19 million pounds over a 10-year period of US produced U_3O_8.
- Department of Energy (DOE) Inventory Management Policy Changes
  - Ending of DOE bartering of uranium and nuclear fuel components
  - Evaluation of DOE inventory management practices
- Streamlined regulatory reform and land access for uranium production
- Supporting Department of Commerce efforts to extend the Russian Suspension Agreement
  - Prevent dumping of uranium and nuclear fuel services
  - Consider lowering the market share cap for Russian material imported into the US

Details of how the above actions are to be implemented are expected to be defined in the near future.

Financial Position

The consolidated group's cash position excluding security deposits and performance bonds as at 30 June 2020 was US$11.9 million. The net assets of the consolidated group have increased by US$26.2 million from 30 June 2019 to US$66.9 million at 30 June 2020, largely due to the A$40.3 million renounceable entitlement offer which allowed full repayment of the corporate term debt facility.

The Company had 882,129,638 shares on issue as at 30 June 2020 and 27,425,000 unlisted options, at various exercise prices.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

- In July 2019, alkaline based operations at the Lance Projects were idled.
- In September 2019, the required IOR was submitted to the WDEQ in and approved by the WDEQ in November 2019. With the approval of the IOR, the Company gained full regulatory authorisation to use the industry leading low pH ISR method in Mine Units 1 and 2, the already mined areas at the Lance Projects.
- In November 2019, the Company commenced a placement and entitlement offer that raised gross proceeds of A$9.1 million (entitlement offer completed in the March 2020 quarter).
- In December 2019, the Company submitted the IRR to the WDEQ. The IRR for the low pH field demonstration was approved by the WDEQ in April 2020, paving the way for the Company to develop new mining units using the low pH ISR method across the entire Ross Permit Area at the Lance Projects.
- In April 2020, the US Secretary of Energy released the recommendations from the US NFWG. The NFWG report stated that the US government will take bold action to revive and strengthen the domestic US uranium mining industry. These recommendations are detailed further in the Review of Operations.
- In June 2020, the Company successfully raised A$40.3 million through a fully underwritten renounceable entitlement offer which allowed it to fully repay its corporate term debt balance on 30 June 2020. A principal amount of US$16.82 million (~A$24.7 million) was paid to extinguish the existing debt, together with accrued interest for the June 2020 quarter of US$0.41 million (~A$0.6 million).

Dividends Paid or Recommended

The Directors of the parent entity do not recommend the payment of a dividend in respect of the current financial year ended 30 June 2020.

Events Since the End of the Financial Year

In July 2020, the Company announced the appointment of experienced mining and uranium executive Mr Ron Chamberlain as Chief Financial Officer and Joint Company Secretary. Mr Chamberlain is a finance professional with more than 30 years' experience in resources, and in particular more than 10 years specialising in the uranium sector. He has previously held the roles of CFO for Paladin Energy, acting CFO and Non-Executive Director of Extract Resources and more recently CFO at Vimy Resources. He also has significant experience in the US, where he lived and worked in his role as Vice President US Operations with Iluka Resources, overseeing treasury, risk, and finance. Mr Chamberlain replaced Mr David Coyne who has resigned his full-time role with the Company but remains on the Board as a Non-Executive Director.

In July 2020, the Company entered into a binding purchase agreement with UG USA, a subsidiary of ORANO, to procure 400,000 lbs U_3O_8 for delivery in CY2021. The price to be paid under the purchase agreement is confidential but in line with reported market prices in July 2020 for U_3O_8 to be delivered in CY2021. The agreed pricing is fixed and is not subject to any form of escalation or adjustment.

In July 2020, wellfield circulation in MU1A commenced to establish baseline operating conditions for the second low pH field demonstration. Acidification of the trial area commenced on 4 August 2020. In addition to preparing the wells for the field demonstration, scaled down ion exchange columns were constructed to match the anticipated flow rates of the MU1A trial area. Resins of the type selected from laboratory testing will be loaded into the columns for evaluation during the demonstration. The primary objective of the MU1A low pH field demonstration is to confirm the optimal operating conditions as indicated by the laboratory studies.

COVID-19

The group continues to progress and execute its planned activities wherever possible subject to governmental, legal, health, safety and other necessary or imposed restrictions and concerns related to COVID-19. COVID-19 has not materially impacted the transition to low pH operations at the Lance Projects, but it does remain an uncertainty moving forward. COVID-19 uncertainty may inhibit the divestment of the Karoo Projects in South Africa.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

Likely Developments and Expected Results of Operations

Likely future developments in the operations of the consolidated group are referred to in the Annual Report. Other than as referred to in this report, further information as to likely developments in the operations of the consolidated group and expected results of those operations, to the date of this report, are considered insufficiently developed or so variable in nature as to quantification they remain unable to be accurately reported.

Environmental Regulations

The consolidated group's operations are subject to significant environmental regulation and penalties under relevant jurisdictions in relation to its conduct of exploration, development, and mining of uranium deposits. The Directors are of the opinion that sufficient procedures and reporting processes have been established to enable the consolidated group to meet its responsibilities and that the consolidated group's other business segment operations are not subject to any significant environmental regulations under Australian Law and International Legislation where applicable.

Information on Directors

The names and details of the Directors of Peninsula in office as at the date of this report are:

Mr John Harrison

Non-Executive Chairman (Appointed 1 September 2014)

Mr Harrison brings to Peninsula a wealth of broking and corporate finance experience acquired over a 45-year career, including 20 years of investment banking in London. During this time, Mr Harrison developed an extensive international contact base advising companies across a range of commodities (including uranium), as well as related engineering and service businesses, in both an M&A and Equity Capital markets context. He acted for numerous companies quoted on the Main List and the Alternative Investment Market of the London Stock Exchange, as well as the Australian, Johannesburg and Toronto Exchanges. During his investment banking career, Mr Harrison was the Managing Director at Numis Securities in London in charge of the Corporate Finance resources sector and subsequently UK Chairman of specialist Anglo-Australian resources advisory and broking business RFC Ambrian. He was founding Chairman of UK coking coal development company West Cumbria Mining Ltd and is currently a Non-Executive Director of that company. Mr Harrison has the following interest in shares and options in the Company as at the date of this report – 58,800 ordinary shares and 240,000 unlisted options exercisable at A$0.4572 (A$0.50: 2019) on or before 30 November 2022 (50% of the unlisted options vested on 1 July 2019 and the remaining 50% vested on 1 July 2020).

Mr Wayne Heili

Managing Director / Chief Executive Officer (Appointed 3 April 2017)

Mr Heili has spent the bulk of his 30+-year professional career in the uranium mining industry. Prior to joining Peninsula he most recently served as President and Chief Executive Officer of Ur-Energy, Inc. where he successfully oversaw the design, construction, commissioning and ramp-up of the Lost Creek in-situ uranium project in Wyoming USA. Prior to joining Ur-Energy, Inc., Mr Heili served as Operations Manager of the Christensen/Irigaray in-situ uranium mines in Wyoming and has experience in ISR and conventional uranium mines in Texas. He holds a Bachelor of Science in Metallurgical Engineering from Michigan Technological University and is a past President of the Uranium Producers of America. Mr Heili has the following interest in shares and options in the Company as at the date of this report – 2,549,200 ordinary shares, 817,796 Restricted Share Units and 900,000 unlisted options exercisable at A$0.4572 (A$0.50: 2019) on or before 30 November 2022.

Mr Harrison Barker

Non-Executive Director (Appointed 3 August 2015)

Mr Barker retired 1 June 2015 from the Generation segment of Dominion Resources with over 40 years of fossil and nuclear fuel commercial and technical responsibilities. Since 1992, Mr Barker had been the manager responsible for Dominion's procurement of nuclear fuel and the related processing steps of conversion from U_3O_8 to UF6, enrichment of UF6, and fabrication of nuclear fuel assemblies. He is a former Chair of the Nuclear Energy Institute's Utility Fuel Committee, and a past member of the World Nuclear Fuel Market Board of Directors (Chairman for two years). He served on an Advisory Board to American Uranium Corporation while they attempted to develop the Wyoming Reno Creek uranium deposit. From 1975 to 1984 he worked as an engineer and supervisor in the areas of nuclear fuel quality assurance, nuclear core design, nuclear fabrication contract administration, nuclear fuel procurement, spent fuel transportation and disposal planning during a period when Dominion was building its regulated nuclear operating fleet in Virginia. Mr Barker holds a Bachelor of Science degree in Electrical Engineering and a Master's in Nuclear Engineering Science both from the University of Florida. Mr Barker has the following interest in shares and options in the Company as at the date of this report – nil interest in shares, 180,000 unlisted options exercisable at A$0.4572 (A$0.50: 2019) on or before 30 November 2022 (50% of the unlisted options vested on 1 July 2019 and the remaining 50% vest on 1 July 2020).

Mr Mark Wheatley

Non-Executive Director (Appointed 26 April 2016)

Mr Wheatley is a chemical engineer with corporate finance experience and a career spanning more than 30 years in mining and related industries. He has worked in the uranium industry since 2003 and been involved in ISL project exploration, feasibility studies, start up, production, rehabilitation, and closure. His uranium experience includes the roles of Chairman and CEO of Southern Cross Resources Inc., the operator of the Honeymoon ISR uranium project, Non-Executive Director of Uranium One Inc. and Uranium Resources Inc. Mr Wheatley is currently a Non-Executive Director of Ora Banda Mining Limited. His other board roles have included Non-Executive Chairman of Xanadu Mines Ltd, Gold One International Ltd, Goliath Gold Mining Ltd, Norton Gold Fields Ltd and non-executive directorships of St Barbara Ltd and Riversdale Resources Limited. Mr Wheatley has the following interest in shares and options in the Company as at the date of this report – 361,326 ordinary shares and 180,000 unlisted options exercisable at A$0.4572 (A$0.50: 2019) on or before 30 November 2022 (50% of the unlisted options vested on 1 July 2019 and the remaining 50% vested on 1 July 2020).

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Mr David Coyne

Finance Director / Chief Financial Officer (Resigned as Chief Financial Officer and Joint Company Secretary on 17 July 2020 but remains as a Non-Executive Director)

Mr Coyne has over 25 years' experience in the mining, and engineering and construction industries, both within Australia and internationally. Prior to joining Peninsula, Mr Coyne held senior executive positions with Australia listed companies Macmahon Holdings Limited and VDM Group Limited, and with unlisted global manganese miner Consolidated Minerals. Over the past 10 years, Mr Coyne has been directly involved in a number of equity and debt raising transactions and has been the project director on a company-wide systems implementation project. Mr Coyne has previously served on the Board of listed iron ore miner, BC Iron Limited, where he also held the role of Chairman of the Audit and Risk Management Committee. Mr Coyne has the following interest in shares and options in the Company as at the date of this report – 1,168,585 ordinary shares, 571,041 Restricted Share Units and 450,000 unlisted options exercisable at A$0.4572 (A$0.50: 2019) on or before 30 November 2022.

Joint Company Secretary

The following persons held the position of Joint Company Secretary at the end of the financial year:

Mr Jonathan Whyte (Appointed 12 April 2006)

Mr Whyte is a Chartered Accountant and has extensive corporate, company secretarial financial accounting experience across a number of listed and unlisted resource sector companies. Mr Whyte is currently Company Secretary of ASX listed Ironbark Zinc Limited and Infinity Lithium Corporation Limited and is Company Secretary of AIM listed Empyrean Energy Plc. Mr Whyte previously worked in the investment banking sector in London over a period of 6 years for Credit Suisse and Barclays Capital Plc. Mr Whyte has the following interest in shares and options in the Company as at the date of this report – 803,104 ordinary shares and 250,000 unlisted options exercisable at A$0.5072 (A$0.55: 2019) on or before 30 November 2022.

Mr David Coyne (Appointed as Joint Company Secretary on 1 April 2020 and resigned on 17 July 2020)

Refer biography above.

Meetings of Directors

During the financial year fourteen meetings of Directors were held. Attendances by each Director who held office during the financial year were as follows:

			Committee Meetings			
	Directors Meetings		Audit and Risk Management Committee		Remuneration Committee	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
John Harrison	14	14	-	-	1	1
Wayne Heili	14	14	-	-	-	-
Harrison Barker	14	14	2	2	1	1
Mark Wheatley	14	13	2	2	1	1
David Coyne	14	14	-	-	-	-

Options

At the date of this report, the unissued ordinary shares of Peninsula under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number Under Option
Various	30/11/2022	A$0.4572	1,950,000
19/12/2017	30/11/2022	A$0.5072	2,975,000
04/10/2018	22/04/2022	A$0.4572	22,500,000

Option-holders do not have any rights to participate in any issue of shares or other interests in the Company or any other entity.

There have been no unissued shares or interests under option of any controlled entity within the consolidated group during or since reporting date.

For details of options issued to Directors and Executives as remuneration, refer to the Remuneration Report.

No amounts are unpaid on any of the shares. No person entitled to exercise the options had or has any rights by virtue of the option to participate in any share issue of any other body corporate.

Indemnifying Directors and Officers

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each Director and Officer against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was US$56,934 to insure the Directors and Officers of the Company.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-Audit Services

The Board of Directors, in accordance with advice from the Audit and Risk Management Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Audit and Risk Management Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid to the current external auditors:

Service	2020 US$000s	2019 US$000s
Taxation Services	33	49
Total	33	49

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 33 of the Annual Report.

ASIC Legislative Instrument 2018/191: Rounding of Amounts

The Company is an entity to which ASIC Legislative Instrument 2018/191 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Remuneration Report - Audited

This report outlines the remuneration structure which is in place for Executive Directors, Non-Executive Directors and other Key Management Personnel.

Key Management Personnel include:

Non-Executive Directors

- John Harrison — Chairman (Non-Executive Director)
- Harrison Barker — Non-Executive Director
- Mark Wheatley — Non-Executive Director

Executive Directors

- Wayne Heili — Managing Director / Chief Executive Officer
- David Coyne — Finance Director / Chief Financial Officer (resigned 17 July 2020 but continues to serve as a Non-Executive Director)

Other Key Management Personnel

- Ralph Knode — Chief Executive Officer, Strata Energy, Inc.
- Jonathan Whyte — Company Secretary

This Remuneration Report, which has been audited, outlines the Key Management Personnel remuneration arrangements for the consolidated group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The principles adopted have been approved by the current Board of the Company and have been set out in the remuneration summary.

Principles Used to Determine the Nature and Amount of Remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework which has been set out in detail under the remuneration structure below aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- aligns shareholders and executive interests;
- performance based and aligned to strategic and business objectives; and
- transparency.

Key Management Personnel

Fees and payments to Key Management Personnel reflect the demands which are made on, and the responsibilities of, the Key Management Personnel. Fees and payments are reviewed annually by the Remuneration Committee. The Remuneration Committee also ensures that Key Management Personnel fees and payments are appropriate and in line with the market. There are no retirement allowances or other benefits paid to Key Management Personnel other than superannuation guarantee amounts (or overseas equivalent retirement benefit plans) as described in this remuneration report.

The executive remuneration and reward framework has three components:

- base pay and short-term incentives;
- share-based payments; and
- other remuneration such as superannuation / retirement benefits and long service leave.

The combination of these comprises the Key Management Personnel total remuneration. Fixed remuneration, consisting of base salary and superannuation / retirement benefits are reviewed annually by the Remuneration Committee, based on individual and area of responsibility performance, the overall performance of the Company and comparable market remuneration structures / amounts.

Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Non-Executive Directors. Non-Executive Directors' fees and payments are reviewed annually by the Remuneration Committee. For the period up to 29 February 2020, exclusive of the superannuation guarantee the annual remuneration for Non-Executive Board Members was as follows:

- Non-Executive Chairman - A$100,000 per annum;
- Non-Executive Director - A$65,000 per annum; and
- A Non-Executive Director who serves as Chair of a Board Committee shall also receive an additional A$10,000 per annum in recognition of the additional demand on time required by the Non-Executive Director.

From 1 March 2020, the Company removed the additional A$10,000 per annum fee payable to Non-Executive Directors who serve as Chair of a Board Committee. From 1 April 2020, the Company further reduced fees payable to Non-Executive Directors by 20% in light of the COVID 19 pandemic and the financial climate at the time. The temporary 20% reduction in fees ceased on 31 July 2020 and normal fees were reinstated from 1 August 2020.

There are no retirement allowances or other benefits paid to Non-Executive Directors other than superannuation guarantee amounts as required. Only Australian resident Non-Executive Directors are eligible for superannuation guarantee amounts.

Assessing Performance

The remuneration committee is responsible for assessing performance against targets and determining the amount of short-term and long-term incentives to be paid. To assist in this assessment, the committee receives detailed reports on performance from management. While annual gateways are established, and individual targets set for management, award and payment of short- and long-term incentives remain subject to the discretion of the remuneration committee and the Board of the Company.

In assessing performance, the remuneration committee considers not only the achievement against targets that have been set, but also the overall financial and market valuation (share price) performance of the Company. Recent and historical financial and market valuation performance are taken into consideration, however due to the planned transition to low pH operations at the Lance Projects, the remuneration committee believes that setting and achieving targets predominantly aligned to transitioning to low pH operations are the most appropriate form of incentivisation for the Company at this point in time.

Summary of Approach to Remuneration

In April 2015, the Remuneration Committee undertook a comprehensive review of remuneration practices and commissioned a benchmarking exercise of the Company's remuneration framework by external advisors. This review resulted in significant changes to the Company's remuneration framework, with the new remuneration structure taking effect from 1 July 2015.

The key outcomes of the review were:

- developing an overarching remuneration framework to formalise reward structures and to establish a framework to guide remuneration practices going forward;
- benchmarking Executive Director, Executive Officer and Non-Executive Director remuneration and consideration of typical market practice of global uranium peer companies to determine the competitiveness of then current remuneration arrangements and to identify areas for change;
- design of a new short-term incentive (STI) plan to drive the collective efforts of the workforce in realising the short-term business strategy; and
- design of a new equity-based long-term incentive (LTI) plan for executives to encourage long-term sustainable performance.

The objective of the Company's executive reward structure is to ensure reward for performance is competitive and appropriate for the results delivered. The structure is intended to align executive reward with the achievement of strategic objectives and the creation of value for shareholders and reflects current market practice for delivery of reward. The Board aims to ensure that executive reward practices are aligned with good reward governance practices to ensure that executive remuneration is:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the consolidated group's strategic and business objectives, and the creation of shareholder value;
- transparent; and
- aligns shareholder and executive interests.

This structure remained in place for the 2020 financial year and continues to remain in place for the 2021 financial year.

Fixed Remuneration
(Base salary inclusive of statutory superannuation)

An annual review of the fixed remuneration for each employee across the Company is undertaken by the Remuneration Committee. The annual review during the 2020 financial year resulted in no cost of living salary increases for employees of the Company. As no cost of living increase was granted in the 2020 financial year, it will be re-assessed in December 2020. As the majority of the Company's employees are resident in the United States, the Company will now annually review salaries and wages from a cost of living perspective in December each year. An end of calendar year review is more typical in the United States.

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered.

Short-Term Incentives

Purpose

To align with market practices of peer uranium companies and to provide a competitive total remuneration package, the Board uses a comprehensive Short Term Incentive ("**STI**") Plan to motivate and reward executives for the achievement of key strategic goals. The quantum offered under the STI Plan is expressed as a set percentage of base salary, with executives' performance assessed against metrics contained within a weighted scorecard over a 12-month period.

	Managing Director / CEO	Other Key Management Personnel
STI Target as a % of base salary [1]	50%	20%-40%
KPI alignment	100% aligned to corporate goals	90% aligned to corporate goals 10% aligned to personal performance

Notes:

(1) STI percentage for other Key Management Personnel range from 20% to 40%, depending on an individual's role and level of seniority in the Company.

Annual Corporate Goals

The STI Plan provides rewards where significant meritorious performance is achieved with any payouts earned being made in cash and capped to avoid excessive risk-taking behaviour. The majority of these metrics are specific, measurable and applicable to the key business outcomes required per the annual business plan of the Company. The payments are made at a time chosen by the Board following the completion of each financial year after the Board has had an opportunity to assess the outcomes of performance against objectives, assessed the operational and financial performance of the Company during the financial year and also considered the outlook for the uranium mining industry.

Corporate Gateway

A primary corporate gateway is also applied so that the STI would be reduced to nil in all cases if the corporate gateway is not achieved. Once the corporate gateway is achieved, the STI is measured based on a mix of corporate and personal goals for each executive.

For the year ended 30 June 2019, the STI corporate gateway goal was:

"The development and implementation of a business plan which resulted in sufficient funding being available to the Company to deliver Board approved objectives through to December 2019."

As at 30 June 2019, the Company had not fully achieved the STI corporate gateway goal. No STI payments were paid or awarded to Key Management Personnel for the 2019 financial year, however a scaled back deferred bonus pool of up to US$150,000 was established for payment to senior executives for successful completion of activities rolled over from the 2019 financial year that delivered funds sufficient to execute the Company's planned low pH de-risking activities.

If any such payment was to be made to senior executives from the US$150,000 bonus pool, it would be in addition to any STI awards or payments for the 2020 financial year.

In January 2020, the Remuneration Committee determined that sufficient funding had been secured to deliver the Company's planned low pH de-risking activities and the deferred 2019 bonus pool became payable to senior executives.

The STI corporate gateway for the 2020 financial year was defined as follows:

"Through further testing and risk mitigation efforts, an operating scenario is developed for low pH implementation reducing risks and optimising costs, supported by substantially completed required permitting actions."

The STI gateway for the 2020 financial year was determined as being met by the Remuneration Committee based on the Company's achievements throughout the year. Even though the gateway was met, in the light of prevailing market conditions the Remuneration Committee exercised its discretion to scale back the overall STI amount to be paid, with a scale back of 40% applied to Key Management Personnel.

On this basis STI payments of US$240,436 were awarded to Key Management Personnel for the 2020 financial year. This excludes payments of US$150,000 made from the deferred 2019 bonus pool noted above.

Corporate Goals

Metrics within the weighted scorecard are cascaded from the organisational strategy and generally fall within the following key strategic imperatives.

Strategic Goals	Performance Measure	Weighting (varies for each Executive)
Corporate responsibility goals which incorporates achieving metrics under people, health, safety, environment and corporate responsibility	Leading and lagging measures for safety and environmental performance and community engagement	10-20%
Project development and operations	Cost and schedule targets for the Lance Projects, low pH transition objectives for the Lance Projects	20-60%
Capital management and financial strength	Company is adequately funded to achieve its objectives	20-50%
Clients and markets	Targets for the signing of new uranium concentrate sale and purchase agreements	20-30%

Personal Goals

Personal goals are measured by individual performance against a balanced scorecard applicable to the executive's business unit or area of responsibility. The balanced scorecard for each individual is intended to be agreed with their immediate supervisor at the commencement of the financial year. Performance against the goals will be assessed at the completion of the financial year.

Final performance ratings for all Key Management Personnel are presented to and reviewed by the Remuneration Committee prior to the finalisation of the STI payment for any financial year. The Board retains discretion to modify the final STI payment for any individual, including the discretion to decrease the STI payment to an amount lower than that determined by assessment of final performance ratings.

Long-Term Incentives

In June 2015, the Board introduced a more structured approach to the delivery of equity to executives. The Board utilised the services of an external advisor to assist in setting the value of annual Long Term Incentive Plan ("LTI") available to executives and in the selection of the form of equity instrument to be used.

The LTI grants may be made to senior and executive employees (Eligible Participants) annually with vesting conditions to apply which will align executives' interests with those of shareholders and the generation of long-term sustainable value. The value of grants made under the plan are made with reference to a set percentage of base salary, with the ability to earn an LTI grant assessed against a pre-determined Company performance gateway for that year. Once an LTI grant has been made to an Eligible Recipient, the grant shall vest in equal tranches over the next three financial years following the date of grant. The Eligible Recipient must still be employed by the Company on a vesting date to be entitled to receive the vested LTI.

Through the requirement for the Eligible Participant to remain employed with the Company as a condition of annual vesting of previously earned LTI amounts, the Board views this mechanism as an attractive means of incentivising long-term retention of key personnel and aligning long term executive performance with shareholder interests.

The Company primarily uses Restricted Share Units (RSU) as the form of LTI and has established a LTI plan (Plan) for this purpose. A RSU is a right to acquire one fully paid ordinary share in the Company, which will initially be held by the trustee of the Plan. The Eligible Participant will be entitled to receive one share for each RSU that has vested and has not lapsed or expired. Until the Eligible Participants RSUs have vested and they have acquired Shares, a RSU will not give the Eligible Participant a legal interest in any shares, though the Eligible Participant will be able to participate in dividends and can direct the trustee to vote the underlying shares in certain circumstances.

For the financial year ended 30 June 2020, a total of 9,130,217 RSUs were awarded to Key Management Personnel and shall vest in three equal tranches to the recipients annually, commencing on 1 July 2021.

Key terms of the 2020 financial year LTI structure were:

	Managing Director / CEO	Other Key Management Personnel
LTI Target as a % of base salary[1]	50%	30%-40%
Gateway Performance Hurdle financial year 2020	Achieve WDEQ approval to progress to Stage 4 (new mine areas) of the Implementation Plan (as it is defined within the Permit to Mine).	
Vesting period	Equal tranches over the three years following the date of award of each RSU series.	

Notes:

(1) LTI percentage for other Key Management Personnel range from 30% to 40%, depending on an individual's role and level of seniority in the Company.

In April 2020, the Wyoming Department of Environmental Quality (WDEQ) approved the Interim Restoration Report for the low pH field restoration demonstration at the Lance Project in Wyoming, paving the way for the Company to develop new mining units using the low pH ISR method across the entire Ross Permit Area at Lance. This decision concluded the final phase (Stage 4) of the risk informed, performance based, stepwise implementation plan for low pH ISR designed by the WDEQ and the Company.

The approval from the WDEQ fulfilled the requirements for the LTI gateway for the 2020 financial year.

On the basis that an Eligible Participant remains employed by Peninsula as at the relevant dates below, a RSU Amount will be earned at the end of each year with a third vested over each of the following three years. A Participant will become entitled to be issued with or transferred the corresponding RSUs as they are earned as shown in the following tabular example (which presumes that the relevant performance hurdle for the award of RSUs is achieved each year):

1 July 2020	1 July 2021	1 July 2022	1 July 2023	1 July 2024
Vest 1/3 of RSU Award 1	Vest 1/3 of RSU Award 1	Vest 1/3 of RSU Award 1	-	-
Grant RSU Award 2	Vest 1/3 of RSU Award 2	Vest 1/3 of RSU Award 2	Vest 1/3 of RSU Award 2	-
Performance hurdle set for FY2020 Award 3	Grant RSU Award 3	Vest 1/3 of RSU Award 3	Vest 1/3 of RSU Award 3	Vest 1/3 of RSU Award 3

Note that in the above illustrative example, the grant of any RSU is subject, amongst other things, to meeting performance hurdle gateways each financial year. If the gateway performance hurdle is not met and/or other factors do not justify the grant of RSUs in any period, no grant is made and subsequent vesting for that financial year does not occur.

The number of annual RSUs to be awarded to an Eligible Participant will be calculated by dividing the Eligible Participant's RSU Amount by the volume weighted average price of ordinary shares of Peninsula over the period 30 business days prior to the end of the respective financial year ending 30 June, as follows:

$$\frac{\text{Base salary x LTI percentage (applicable to role)}}{\text{30-day VWAP as at 30 June}}$$

2017 Retention Incentive

In late calendar year 2017 the Company established an incentive retention scheme (**Retention Scheme**) designed to reward staff of Peninsula and Strata for their continued service as the Company commenced the process to transition to low pH operations at the Lance Projects. At that time, Mr Heili was only recently appointed as Managing Director/CEO and therefore no Retention Scheme incentive was offered to Mr Heili.

Payments under the Retention Scheme became payable in cash on the condition that the recipient remained employed until the date that was six months after the WDEQ approved the amendments to the Permit to Mine and Source Materials License (the "Amendments") to allow low pH mining in the Ross Permit Area of the Lance Projects. The WDEQ transmitted its approval of the second of the Amendments on 1st August 2019 and Retention Scheme payments to eligible participants became payable on 1st February 2020.

The Non-Executive Directors decided to award US$153,000 to Mr Heili, which corresponds to an amount that would have been available to him under the 2017 employee retention incentive scheme. As a strong indication of the confidence that Mr Heili has in the low pH transition at the Lance Projects, and in near term improvements in the prospects for US uranium mining projects, Mr Heili elected to take the full amount of his award as shares in lieu of cash. Subject to shareholder approval, 1,293,323 shares are to be issued to Mr Heili, determined using a 5-day volume weighted average price up to 2 January 2020 of A$0.169 per share. This share price is fixed and not subject to change.

In addition, Mr Coyne elected to take A$60,000 of his award as shares in lieu of cash. Subject to shareholder approval, 355,030 shares are to be issued to Mr Coyne, determined using the same 5-day volume weighted average price of A$0.169 per share.

Employment Details of Directors and Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, directors and members of Key Management Personnel of the consolidated group. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of share options, shares or restricted share units for the year ended 30 June 2020.

		Remuneration Related to Performance		Remuneration Not Related to Performance		
Key Management Personnel	Position Held at 30 June 2020	Non-Salary Cash Based Incentives %	Non-Salary Equity Based Incentives %	Fixed Salary/ Fees – Equity Based %	Fixed Salary/ Fees – Cash Based %	Total %
John Harrison	Chairman (Non-Executive)	-	-	-	100	100
Wayne Heili	Managing Director / Chief Executive Officer	22	25	-	53	100
Harrison Barker	Director (Non-Executive)	-	-	-	100	100
Mark Wheatley	Director (Non-Executive)	-	-	-	100	100
David Coyne [1]	Finance Director / Chief Financial Officer	33	9	-	58	100
Ralph Knode	Chief Executive Officer (Strata Energy Inc.)	32	4	-	64	100
Jonathan Whyte [2]	Joint Company Secretary	17	-	-	83	100

Notes:

(1) Mr Coyne resigned as Finance Director and CFO effective 17 July 2020 but continues to serve as a Non-Executive Director.

(2) On 17 April 2020, the terms of Mr Whyte's service contract were materially changed because of the Company reducing the days per month that Mr Whyte would provide services to the Company. Contractual termination provisions were paid to Keyport Investments Pty Ltd, through which Mr Whyte is engaged, and Mr Whyte is no longer eligible to participate in the Company incentive schemes. Mr Whyte continues to provide company secretarial services to the Company on a reduced basis as described in Service Contracts below.

Service Contracts

The employment terms and conditions of Key Management Personnel are formalised in contracts of employment. Terms of employment require that the relevant group entity provide an executive contracted person with a minimum one-month notice prior to termination of contract. A contracted person deemed employed on a permanent basis may terminate their employment by providing at least one month's notice. Termination payments are not payable on resignation or under circumstances of unsatisfactory performance. On termination notice by the Company, any rights that have vested, or that will vest during the notice period, will be released. Rights that have not yet vested will be forfeited. Unless otherwise stated, the commencement date of the employment agreement is the appointment date to the role.

Mr John Harrison
Chairman (Non-Executive)

- Terms of agreement – no fixed term;
- Base chairman fees of A$100,000, exclusive of superannuation (reduced by 20% from 1 April 2020 to 31 July 2020);
- Remuneration Committee Chairman fee of A$10,000 (removed from 1 March 2020); and
- No termination benefit is specified in the agreement.

Mr Wayne Heili
Managing Director / Chief Executive Officer

- Executive service employment agreement – no fixed term;
- Base salary of US$332,928 per annum, exclusive of retirement benefits and Company provided medical insurance coverage (reduced by 20% from 1 April 2020 to 31 July 2020);
- Notice period – 6 months; and
- 6-month termination payment under certain circumstances.

Mr Harrison Barker
Director (Non-Executive)

- Terms of agreement – no fixed term.
- Base director fees of A$65,000, exclusive of superannuation (reduced by 20% from 1 April 2020 to 31 July 2020); and
- No termination benefit is specified in the agreement.

Mr Mark Wheatley
Director (Non-Executive)

- Terms of agreement – no fixed term;
- Base director fees of A$65,000, exclusive of superannuation (reduced by 20% from 1 April 2020 to 31 July 2020); and
- Audit & Risk Management Committee Chairman fee of A$10,000 (removed from 1 March 2020); and
- No termination benefit is specified in the agreement.

Mr David Coyne
Finance Director / Chief Financial Officer (resigned as Chief Financial Officer effective 17 July 2020, but continues to serve as a Non-Executive Director after 17 July 2020)

- Terms of agreement – no fixed term;
- Base salary of A$392,598, exclusive of superannuation (reduced by 20% from 1 April 2020);
- Notice period – 3 months; and
- 9-month termination benefit under certain circumstances.

Mr Ralph Knode
Chief Executive Officer - Strata Energy Inc.

- Terms of agreement – no fixed term;
- Base salary of US$321,500, exclusive of retirement benefits and Company provided medical insurance coverage (reduced to US$215,400 from 9 March 2020);
- Notice period – 3 months; and
- 12-month termination benefit under certain circumstances.

Mr Jonathan Whyte
Company Secretary

From 1 July 2019 – 17 April 2020:

- Consultancy agreement – no fixed term;
- Daily rate of A$1,380;
- Notice period – 1 month; and
- 3-month termination benefit under certain circumstances.

From 18 April 2020 – Mr Whyte is no longer considered a key management personnel of the Company.

Practical Application of Fixed and Variable Remuneration Components in the Year Ended 30 June 2020

In summary, remuneration for the year ended 30 June 2020 in the Table of Benefits and Payments below comprise base salaries and fees described above and the result of the various incentive schemes put in place since 2017 and also described above, namely:

- The Retention Bonus scheme that was set in 2017 after no cash or equity incentives were paid for the 2017 financial year and were designed to retain and reward crucial employees for their continued service as the Company achieved the necessary regulatory approval to transition to a low pH mining method;
  - Mr Heili elected to take all of his Retention Bonus and Mr Coyne part of his Retention Bonus in Peninsula shares at A$0.169 per share;
- The scaled back bonus pool of up to US$150,000 deferred from the 2019 financial year (in which no STI payments to Key Management Personnel were made) established for payment to senior executives for successful completion of activities rolled over from 2019 that delivered funds sufficient to execute the Company's planned low pH de-risking activities;
- The FY2020 STI Scheme, the results of which were also scaled back by 40% (as compared to the amount payable based on key performance indicator outcomes); and
- Accrual of awards under the Company's FY2020 LTI Scheme that will vest over the next 3 years.

Table of Benefits and Payments for the Year Ended 30 June 2020

Key Management Personnel	Year	Salary & Fees US$	Incentives: Cash based [1] US$	Incentives: Shares [1] US$	Incentives: Options [7] US$	Super-annuation US$	Other Benefits [8] US$	Total US$
Directors								
John Harrison	2020	68,198	-	-	-	-	-	68,198
	2019	78,674	-	-	17,989	-	-	96,663
Wayne Heili[2]	2020	323,618	140,685	319,464	7,974	12,883	10,284	814,908
	2019	326,430	-	158,003	20,444	13,910	13,042	531,829
Harrison Barker[3]	2020	51,457	-	-	-	-	-	51,457
	2019	67,289	-	-	13,492	-	-	80,781
Mark Wheatley	2020	45,894	-	-	-	4,567	-	50,461
	2019	53,642	-	-	13,492	5,096	-	72,230
David Coyne[2]	2020	248,431	165,029	40,248	4,026	17,794	31,110	506,638
	2019	275,288	-	107,972	10,369	18,601	-	412,230
Evgenij Iorich[4]	2020	-	-	-	-	-	-	-
	2019	13,151	-	-	-	-	-	13,151
Other Executives								
Ralph Knode	2020	315,135	170,095	135,881	-	13,224	19,004	653,339
	2019	315,237	-	126,072	28,068	13,905	10,092	493,374
Jonathan Whyte[5]	2020	175,731	52,816	-	-	-	80,153	308,700
	2019	190,928	-	51,238	20,048	-	-	262,214
Willie Bezuidenhout[6]	2020	-	-	-	-	-	-	-
	2019	246,167	-	109,792	-	-	-	355,959
Total	**2020**	**1,228,464**	**528,625**	**495,593**	**12,000**	**48,468**	**140,551**	**2,453,701**
	2019	**1,566,806**	**-**	**553,077**	**123,902**	**51,512**	**23,134**	**2,318,431**

Notes:

(1) Amounts include cash and shares for STI and Retention Scheme arrangements and RSUs for LTI awards (refer table below).

In late 2017 the Company established a Retention Scheme designed to reward staff of Peninsula and its wholly owned subsidiary, Strata, for their continued service as the Company commenced the process to transition to low pH operations at the Lance Projects. Payments under the Retention Scheme become payable in cash on the condition that the recipient remains employed until the date that is six months after the Wyoming Department of Environmental Quality (WDEQ) approved the amendments to the Permit to Mine and Source Materials License (the "Amendments") to allow low pH mining in the Ross Permit Area of the Lance Projects. The WDEQ transmitted its approval of the second of the Amendments on 1st August 2019 and Retention Scheme payments to eligible participants became payable on 1st February 2020.

Amounts for STI and LTI for the financial year ended 30 June 2020 have been accrued as at 30 June 2020 but are to be paid subsequent to year end.

(2) On 3 February 2020, the Company announced that Mr Heili elected to take the full amount (US$153,000) of his Retention Scheme award as shares in lieu of cash at a price of A$0.169 per share. These have been accrued as at 30 June 2020 but are to be issued subsequent to year end, subject to shareholder approval at the Annual General Meeting.

Mr Coyne has elected to take part of his Retention Scheme award (US$40,248) as shares in lieu of cash at a price of A$0.169 per share. These have been accrued as at 30 June 2020 but are to be issued subsequent to year end, subject to shareholder approval at the Annual General Meeting.

(3) Mr Barker's remuneration includes US$10,035 (2019: US$20,800) for additional time spent representing the Company at various nuclear conferences, customer meetings and other industry events during the year.

(4) Mr Iorich resigned as Non-Executive Director effective 12 October 2018.

(5) On 17 April 2020, the terms of Mr Whyte's service contract were materially changed because of the Company reducing the days per month that Mr Whyte would provide services to the Company. Contractual termination provisions were paid to Keyport Investments Pty Ltd, through which Mr Whyte is engaged, and Mr Whyte is no longer eligible to participate in the Company incentive schemes. Mr Whyte continues to provide company secretarial services to the Company on a reduced basis.

(6) Mr Bezuidenhout resigned as Chief Executive Officer – South Africa effective 31 October 2018. In accordance with his employment agreement, Mr Bezuidenhout was paid a termination benefit of R2,253,992 (US$158,997) and was issued 676,043 fully paid ordinary shares.

As Mr Bezuidenhout ceased being a member of Key Management Personnel on 31 October 2018, his remuneration excludes R440,260 (US$31,056) in consulting fees for additional time spent facilitating the divestment and exit of the Company from the Karoo Projects which were incurred between 1 November 2018 and 30 June 2019.

(7) On 19 December 2017, unlisted options with an original exercise price of A$0.50 (exercise price reduced to A$0.4572 effective 9 July 2020) were issued to Executive Directors as approved by shareholders at the Annual General Meeting held on 28 November 2017. The options were valued independently using the Black Scholes option model and are being expensed over the vesting period of the options, refer to the Notice of Annual General Meeting released on 27 October 2017 for detailed valuation assumptions. The director incentive options will be held on trust for directors and will vest in equal proportions over a three-year period with the first vesting date being 1 July 2018.

(8) Other Benefits in the above table include medical benefits for Mr Heili and Mr Knode, accrual for long service leave for Mr Coyne, and termination benefits for Mr Whyte following a material change to the service agreement in place to 17 April 2020.

Table of Restricted Share Units for the Year Ended 30 June 2020

	Grant Details			For the Financial Year Ended 30 June 2020			Overall		
Key Management Personnel	Date	Number	Value US$	Vested No.	Converted No.	Cancelled No.	Fair Value Brought to Account %	Fair Value Not Yet Brought to Account %	Lapsed %
Restricted Share Units - Shares									
Directors									
Wayne Heili[1]	30/8/2018	797,374	153,000	265,791	-	-	100%	-	-
Wayne Heili[2]	20/11/2019	828,006	163,200	-	-	-	100%	-	-
David Coyne[1]	30/8/2018	581,481	111,575	193,827	-	-	100%	-	-
David Coyne[2]	20/11/2019	565,821	107,972	-	-	-	100%	-	-
Other Executives									
Ralph Knode[1]	30/8/2018	644,153	123,600	214,718	-	-	100%	-	-
Ralph Knode[2]	20/11/2019	660,673	126,072	-	-	-	100%	-	-
Jonathan Whyte[1]	30/8/2018	272,746	52,334	90,915			100%		
Jonathan Whyte[2]	20/11/2019	268,512	51,238	-			100%		
Total		4,618,766	888,991	765,251	-	-	100%	-	-
Restricted Share Units - Options									
Directors									
Wayne Heili[3]	19/12/2017	900,000	133,405	600,000	-	-	100%	-	-
David Coyne[3]	19/12/2017	450,000	66,493	300,000	-	-	100%	-	-
Other Executives									
Ralph Knode[4]	19/12/2017	350,000	56,981	350,000	-	-	100%	-	-
Jonathan Whyte[4]	19/12/2017	250,000	40,701	250,000	-	-	100%	-	-
Total		1,950,000	297,580	1,500,000	-	-	100%	-	-

Notes:

(1) LTI RSUs were approved for issue by the Board subsequent to year end in recognition of milestones achieved during the financial year to 30 June 2018. RSUs are held in trust for the recipients to vest over a three-year period. The number of RSUs issued has been determined using a share price of A$0.26 per share.

(2) LTI RSUs were approved for issue by the Board subsequent to year end in recognition of milestones achieved during the financial year to 30 June 2019. RSUs are held in trust for the recipients to vest over a three-year period. The number of RSUs issued has been determined using a share price of A$0.2721 per share.

(3) On 19 December 2017, unlisted options were issued to Executive Directors as approved by shareholders at the Annual General Meeting held on 28 November 2017. The options were valued independently using the Black Scholes option model and are being expensed over the vesting period of the options, refer to the Notice of Annual General Meeting released on 27 October 2017 for detailed valuation assumptions. The director incentive options will be held on trust for directors and will vest in equal proportions over a three-year period with the first vesting date being 1 July 2018.

(4) On 19 December 2017, unlisted options were issued to employees under existing contracts. The options were valued using the Black Scholes option model and were expensed over the vesting period of the options. The employee incentive options were held on trust for the various recipients until the future vesting date being 6 months after the relevant regulatory body approves the amendments to the permits and licenses to allow low pH mining in the Ross Permit area. The final amendment approval was received by the Company on 1 August 2019 and the options fully vested on 1 February 2020.

Number of Shares Held by Key Management Personnel as at 30 June 2020

Key Management Personnel	Balance at 1 July 2019	On-Market Trades	Entitlement Offer Takeup	Net Change Other[1]	Balance at 30 June 2020
Directors					
John Harrison	20,000	-	38,800	-	58,800
Wayne Heili	417,000	-	1,324,616	265,791	2,007,407
Harrison Barker	-	-	-	-	-
Mark Wheatley	103,852	20,000	237,474	-	361,326
David Coyne	249,679	-	304,103	232,369	786,151
Other Executives					
Ralph Knode	507,060	-	38,218	438,415	983,693
Jonathan Whyte[2]	151,326	-	-	(151,326)	N/A
Total	**1,448,917**	**20,000**	**1,943,211**	**785,249**	**4,197,377**

* LTI RSUs have been excluded from the table above as they are held in trust for the recipients until respective vesting dates and conditions are met.

Notes:

(1) The movement in Net Change Other refers to the transfer of RSUs that have vested to Mr Heili, Mr Coyne, and Mr Knode.

(2) On 17 April 2020, the terms of Mr Whyte's service contract were materially changed because of the Company reducing the days per month that Mr Whyte would provide services to the Company. Mr Whyte continues to provide company secretarial services to the Company on a reduced basis.

Number of Options Held by Key Management Personnel as at 30 June 2020

Key Management Personnel	Balance at 1 July 2019	Options Expired	Options Exercised	Net Change Other[2]	Balance at 30 June 2020	Total Vested
Directors						
John Harrison[1]	287,849	(47,849)	-	-	240,000	120,000
Wayne Heili	300,000	-	-	300,000	600,000	600,000
Harrison Barker[1]	234,737	(54,737)	-	-	180,000	90,000
Mark Wheatley[1]	245,000	(65,000)	-	-	180,000	90,000
David Coyne	150,000	-	-	150,000	300,000	300,000
Other Executives						
Ralph Knode	-	-	-	350,000	350,000	350,000
Jonathan Whyte[3]	-	-	-	-	N/A	N/A
Total	**1,217,586**	**(167,586)**	**-**	**800,000**	**1,850,000**	**1,550,000**

* LTI RSUs have been excluded from the table above as they are held in trust for the recipients until respective vesting dates and conditions are met.

Notes:

(1) On 4 December 2018, the Company issued 600,000 unlisted options exercisable at A$0.50 (now A$0.4572 at 30 June 2020) on or before 30 November 2022 to Mr Harrison, Mr Barker and Mr Wheatley as approved at the Annual General Meeting held on 29 November 2018. 50% of the unlisted options vest on 1 July 2019 and the remaining 50% vest on 1 July 2020.

(2) The movement in Net Change Other refers to the transfer of unlisted options that have vested to Mr Heili, Mr Coyne and Mr Knode during the 2020 financial year.

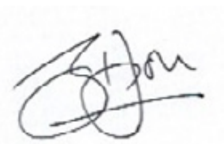
(3) On 17 April 2020, the terms of Mr Whyte's service contract were materially changed because of the Company reducing the days per month that Mr Whyte would provide services to the Company. Mr Whyte continues to provide company secretarial services to the Company on a reduced basis.

Voting at Last Annual General Meeting

At the last AGM, shareholders indicated their support of the Company's remuneration practices with 98% of the votes cast being in favour of the adoption of the Remuneration Report.

End of Audited Remuneration Report

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.



John Harrison
(Non-Executive Chairman)

30 September 2020

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF PENINSULA ENERGY LIMITED

As lead auditor of Peninsula Energy Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Peninsula Energy Limited and the entities it controlled during the period.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	Notes	2020 US$000s	2019 US$000s
Continuing Operations			
Revenue	2	6,078	6,592
Cost of sales	3(a)	(5,958)	(14,844)
Gross Gain/(Loss)		**120**	**(8,252)**
Other income	2	602	175
Standby mode and low pH transition costs	3(b)	(6,582)	-
Corporate and administration expenses	3(c)	(2,707)	(2,042)
Depreciation expense		(27)	(95)
Impairment expense	3(d)	-	(23,738)
Foreign exchange gain/(loss)		5	(82)
Derivative fair value movement	9	7,448	(2,237)
Other expenses	3(e)	(808)	(1,097)
Loss before interest and tax from continuing operations		**(1,949)**	**(37,368)**
Finance costs		(4,218)	(3,308)
Net loss before income tax		**(6,167)**	**(40,676)**
Income tax expense	4	(1,527)	(271)
Loss for the year from continuing operations		**(7,694)**	**(40,947)**
Gain/(Loss) for the year from discontinued operations	8	94	(2,060)
Loss for the year		**(7,600)**	**(43,007)**
Other comprehensive loss:			
Other comprehensive loss may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		529	(15)
Total comprehensive loss for the year		**(7,071)**	**(43,022)**
(Loss)/Profit for the year attributable to:			
Equity holders of the Parent		(7,639)	(42,521)
Non-controlling interests		39	(486)
		(7,600)	**(43,007)**
Total comprehensive loss for the year attributable to:			
Equity holders of the Parent		(7,369)	(42,511)
Non-controlling interests		298	(511)
		(7,071)	**(43,022)**
Loss per share attributable to the members of Peninsula Energy Limited:			
Loss for the year			
Basic (cents per share)	23	(2.68)	(17.58)
Diluted (cents per share)	23	(2.68)	(17.58)
Loss for the year from continuing operations			
Basic (cents per share)	23	(2.70)	(16.93)
Diluted (cents per share)	23	(2.70)	(16.93)

The above consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2020

	Notes	2020 US$000s	2019 US$000s
Current Assets			
Cash and cash equivalents	5	11,935	5,269
Trade and other receivables	6	553	968
Inventory	7	473	1,488
Held for sale assets	8	759	929
Other financial assets	9	2,578	1,596
Total Current Assets		**16,298**	**10,250**
Non-Current Assets			
Trade and other receivables	6	3,066	3,123
Property, plant and equipment	11	18,816	18,887
Mineral development	12	37,356	36,427
Other financial assets	9	6,717	1,644
Total Non-Current Assets		**65,955**	**60,081**
Total Assets		**82,253**	**70,331**
Current Liabilities			
Trade and other payables	14	1,167	1,887
Borrowings	15	572	16,039
Provisions	16	200	197
Liabilities associated with held for sale assets	8	560	685
Provision for income tax	4	-	271
Total Current Liabilities		**2,499**	**19,079**
Non-Current Liabilities			
Borrowings	15	43	-
Provisions	16	11,325	10,567
Deferred tax liabilities	4	1,527	-
Total Non-Current Liabilities		**12,895**	**10,567**
Total Liabilities		**15,394**	**29,646**
Net Assets		**66,859**	**40,685**
Equity			
Issued capital	17	240,598	207,493
Reserves	18	7,513	7,103
Accumulated losses		(180,272)	(172,633)
Equity attributable to equity holders of the Parent		67,839	41,963
Non-controlling interest	10	(980)	(1,278)
Total Equity		**66,859**	**40,685**

The above consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2020

	Notes	Issued Capital US$000s	Accumulated Losses US$000s	Share-Based Payments Reserve US$000s	Foreign Currency Translation Reserve US$000s	Total US$000s	Non-controlling interest US$000s	Total Equity US$000s
30 June 2018		**205,099**	**(130,112)**	**15,386**	**(8,915)**	**81,458**	**(767)**	**80,691**
Transactions with Owners								
Shares issued during the year	17(b)	615	-	(615)	-	-	-	-
Share-based payments	22	12	-	980	-	992	-	992
Share-based payments – discontinued operations	17(b)	110	-	-	-	110	-	110
Issue of shares under debt facility agreement	17(b)	1,657	-	257	-	1,914	-	1,914
Total Transactions with Owners		**2,394**	**-**	**622**	**-**	**3,016**	**-**	**3,016**
Comprehensive Loss								
Foreign exchange translation reserve		-	-	-	(15)	(15)	-	(15)
Non-controlling interest		-	-	-	25	25	(25)	-
Gain/(Loss) for the year		-	(42,521)	-	-	(42,521)	(486)	(43,007)
Total Comprehensive Loss		**-**	**(42,521)**	**-**	**10**	**(42,511)**	**(511)**	**(43,022)**
30 June 2019		**207,493**	**(172,633)**	**16,008**	**(8,905)**	**41,963**	**(1,278)**	**40,685**
Transactions with Owners								
Shares issued during the year	17(b)	34,108	-	(638)	-	33,470	-	33,470
Share-based payments	22	12	-	778	-	790	-	790
Issue of shares under debt facility agreement	17(b)	1,207	-	-	-	1,207	-	1,207
Share issue costs	17(b)	(2,222)	-	-	-	(2,222)	-	(2,222)
Total Transactions with Owners		**33,105**	**-**	**140**	**-**	**33,245**	**-**	**33,245**
Comprehensive Loss								
Foreign exchange translation reserve		-	-	-	529	529	-	529
Non-controlling interest		-	-	-	(259)	(259)	259	-
Gain/(Loss) for the year		-	(7,639)	-	-	(7,639)	39	(7,600)
Total Comprehensive Loss		**-**	**(7,639)**	**-**	**270**	**(7,369)**	**298**	**(7,071)**
30 June 2020		**240,598**	**(180,272)**	**16,148**	**(8,635)**	**67,839**	**(980)**	**66,859**

The above consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2020

	Notes	2020 US$000s	2019 US$000s
Operating Activities			
Receipts from customers		7,480	8,156
Payments to suppliers and employees		(13,882)	(14,916)
Interest paid		(1,982)	(191)
Interest received		53	189
Income taxes paid		(206)	(160)
Insurance proceeds received		508	-
Net cash (used in) operating activities	31	**(8,029)**	**(6,922)**
Investing Activities			
Payments for mineral development		(237)	(1,115)
Receipts from mineral exploration performance bonds and rental bonds		53	2,688
Proceeds from sale of property, plant and equipment		236	488
Payments of property, plant & equipment		(107)	(383)
Net cash (used in)/provided by investing activities		**(55)**	**1,678**
Financing Activities			
Proceeds from equity issues		33,499	-
Share issue costs		(2,222)	-
Proceeds from borrowing		516	-
Repayment of borrowings		(16,921)	(832)
Payments for borrowing costs		(127)	(622)
Net cash provided by/(used in) financing activities		**14,745**	**(1,454)**
Net increase/(decrease) in cash held		6,661	(6,698)
Cash and cash equivalents at the beginning of financial year		5,269	11,959
Effects of exchange rate fluctuations on cash held		5	8
Cash and cash equivalents at the end of the financial year	5	**11,935**	**5,269**

The above consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Note 1: Statement of Significant Accounting Policies

This note provides a list of significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes below. These policies have been consistently applied to all years presented, unless otherwise stated. The financial statements are for Peninsula Energy Limited and controlled entities (consolidated group).

Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Peninsula Energy Limited is a for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements of Peninsula Energy Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on an accruals basis and going concern basis, and is based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

The consolidated financial statements were approved for issue by the board of directors on 30 September 2020.

Adoption of New and Revised Accounting Standards

A number of new or amended standards became applicable for the current reporting period resulting in the initial adoption of IFRS 16 *Leases.*

Impact of Adoption

The consolidated group has adopted IFRS 16 with a date of initial application of 1 July 2019 under the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption was minimal and has resulted in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

Right-of-Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

New and Amended Standards Issued and not yet adopted by the consolidated group

The following applicable accounting standards, amendment of standards and interpretations have recently been issued but are not mandatory for financial years ended 30 June 2020. These standards have not yet been adopted by the consolidated group as at the financial reporting date:

Standard Reference	Application Date	Nature of Change	Impact on Company's Financial Report
AASB 2020-1 (issued March 2020) Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current	Annual reporting periods beginning on or after 1 January 2022	There are four main changes to the classification requirements: 1. The requirement for an 'unconditional' right has been deleted from paragraph 69(d) because covenants in banking agreements would rarely result in unconditional rights. 2. The right to defer settlement must exist at the end of the reporting period. If the right to defer settlement is dependent upon the entity complying with specified conditions (covenants), the right to defer only exists at reporting date if the entity complies with those conditions at reporting date. 3. Classification is based on the right to defer settlement, and not intention (paragraph 73), and 4. If a liability could be settled by an entity transferring its own equity instruments prior to maturity (e.g. a convertible bond), classification is determined without considering the possibility of earlier settlement by conversion to equity, but only if the conversion feature is classified as equity under IAS 32.	As these amendments only apply for the first time to the 30 June 2023 statement of financial position (and 30 June 2022 comparative balance sheet), the entity is not yet able to make an assessment of the impacts regarding the right to defer settlement, compliance with bank covenants, and intention to settle.
AASB 2020-3 (issued June 2020) AASB 9 Financial Instruments	Annual reporting periods beginning on or after 1 January 2022	Clarifies which fees an entity includes when it applies the '10 percent' test to assess whether there has been a modification or substantial modification to a financial liability. An entity should only include fees paid or received between the entity (the borrower) and the lender and fees paid or received on the other's behalf.	There will be no impact on the financial statements when these amendments are first adopted because they apply prospectively to financial liabilities that are modified or exchanged on or after the beginning of the first annual reporting period to which this amendment applies, i.e. annual periods beginning on or after 1 July 2022.
AASB 2020-3 (issued June 2020) AASB 116 Property, Plant	Annual periods beginning on or after 1 January 2022	Some entities produce samples when testing whether the asset is functioning properly. The proceeds from selling these items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are to be recognised in profit or	These amendments apply retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary to be capable of operating in the manner intended by

Standard Reference	Application Date	Nature of Change	Impact on Company's Financial Report
and Equipment		loss (i.e. not deducted from the cost of property, plant and equipment). Additional disclosures are also required. This amendment could have a significant impact on entities in the extractives sector, for example, in relation to minerals sold during the excavation phase of a mine.	management, on or after the beginning of the earliest period presented in the financial statements to which the amendment first applies (i.e. 1 July 2021). When these amendments are first adopted from 1 July 2022, the cumulative effect of initially applying the amendments will be recognised as an adjustment to opening balances of retained earnings on 1 July 2021.
AASB 2020-3 (issued June 2020) AASB 137 Provisions, Contingent Liabilities and Contingent Assets	Annual periods beginning on or after 1 January 2022	Costs of fulfilling a contract need to be considered when assessing whether a contract is onerous. The amendment clarifies that costs of fulfilling a contract are costs that relate directly to a contract. Such costs can be: • Incremental costs of fulfilling a contract, or • An allocation of other costs that relate directly to fulfilling contracts. Examples include: • Direct materials relating to a contract • Direct labour costs relating to a contract, and An allocation of depreciation charge for an item of property, plant and equipment used in fulfilling the contract.	These amendments only apply to contracts with unfulfilled obligations at the beginning of the first annual reporting period to which this amendment applies, i.e. annual periods beginning on or after 1 July 2022. The cumulative effect of initially applying the amendments will be recognised as an adjustment to opening balances of retained earnings on 1 July 2022.
AASB 2019-5 (issued November 2019) Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia	Annual reporting periods beginning on or after 1 January 2020	This amendment adds paragraph 17 to AASB 1054 Australian Additional Disclosures. New paragraph 17 clarifies that, in complying with paragraph 30 of AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, entities intending to assert compliance with IFRS must also disclose the potential effect of IFRS standards that are yet to be issued by the AASB.	Disclosure impact only

Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Peninsula Energy Limited at the end of the reporting year. A controlled entity is any entity over which Peninsula Energy Limited has the power to govern the financial and operating policies of, so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights is considered.

Where controlled entities have entered or left the consolidated group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 10 of the notes to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Business combinations by the group are accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Rounding of amounts

The consolidated group has applied the relief available to it under ASIC Legislative Instrument 2017/191. Accordingly, amounts in the Financial Report have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Value Added Taxes

Revenues, expenses and assets are recognised net of the amount of value added taxes, except where the amount of value added tax incurred is not recoverable from the relevant tax authority. In these circumstances the value added tax is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of value added tax. Cash flows are presented in the cash flow statement on a gross basis, except for the value added tax component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of value added tax recoverable from, or payable to, a taxation authority.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. When the consolidated group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in the financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Key Estimates, Judgements and Assumptions

The preparation of the consolidated group's financial statements requires management to make estimates, judgements and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. This uncertainty includes the COVID-19 pandemic which to date has not material impacted the activities of the group. The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are disclosed in the relevant notes.

Note 2: Revenue and Other Income

	2020 US$000s	2019 US$000s
Revenue from continuing operations		
Sale of uranium concentrate	6,078	6,592
Total revenue from continuing operations	**6,078**	**6,592**
Other income		
Interest received	34	175
Insurance claim proceeds	508	-
Sundry income	60	-
Total other income	**602**	**175**

Accounting Policy

All revenue is stated net of the amount of value added tax (VAT), goods and services tax (GST) or other similar taxes.

Sales Revenue

Revenue from uranium concentrate sales is recognised when control of goods pass to the purchaser, including delivery of the product and transfer of legal title, the selling price is set or determinable, and collectability is reasonably assured.

The revenue recognised in the financial statements represents the delivery of uranium concentrate at a deemed 'fair value market' price. The difference between this deemed price and the contracted cash is recorded as part of the derivative asset. On deliveries to conversion facilities ("Converter"), the Converter credits the Company's account for the volume of accepted uranium. Based on delivery terms in a sales contract with its customer, the Company instructs the Converter to transfer title of a contractually specified quantity of uranium to the customer's account at the Converter. The Company recognises revenue at the point in time when the Converter has completed the transfer of title of the uranium to the customer.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets, is the rate inherent in the instrument.

Note 3: Material Profit or Loss Items

		2020 US$000s	2019 US$000s
a)	**Cost of sales**		
	Production costs before depreciation and amortisation	1,395	9,526
	Depreciation and amortisation	42	1,917
	Purchased uranium	3,678	1,661
	Inventory movement	843	1,724
	Inventory Net Realisable Value write-down/(reversal)	-	16
	Total cost of sales	**5,958**	**14,844**
b)	**Standby mode and low pH transition costs**[1]	**6,582**	**-**
c)	**Corporate and administration expenses**		
	Selling and marketing expenses	128	130
	Corporate and other administration expenses	2,579	1,912
	Total corporate and administration expenses	**2,707**	**2,042**
d)	**Impairment Expense**		
	Lance CGU – Pre-tax	-	(23,738)
	Lance CGU – Taxation benefit	-	4,985
	Lance CGU – Taxation benefit not recognised	-	(4,985)
	Total Impairment Expense	-	**(23,738)**
e)	**Other expenses**		
	Share-based payments expense (Note 22)	790	992
	Loss on sale of fixed assets	18	105
	Total other expenses	**808**	**1,097**

Included within the above costs and expenses:

	2020 US$000s	2019 US$000s
Employee benefits expense	1,759	1,276
Rental expense on operating leases		
• minimum lease payments	-	99

[1] In July 2019 the Lance Projects ceased alkaline ISR operations and as a result the project standby mode and transition costs to the low pH ISR process have been separately disclosed in 2020, but any costs relating to the sale of uranium concentrate have been disclosed in cost of goods sold.

Key Estimates, Judgements and Assumptions

The Statement of Profit and Loss and Other Comprehensive Income in 2020 includes separate presentation of standby mode and low pH transition costs that are based on judgement that these expenses are not related to cost of sales.

Accounting Policy – Impairment of Assets

Development activities commence after commercial viability and technical feasibility of the project is established. At the end of each reporting period, the consolidated group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal (FVLCD) and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Lance Projects Cash Generating Unit

An impairment indicator was identified for the Lance Projects Cash Generating Unit (CGU) in both 2020 and 2019, because the enterprise value of the consolidated group was below the carrying value of the Lance Projects CGU.

In assessing the recoverable amount for the Lance Projects CGU in 2019, it was determined that property, plant and equipment, and mineral properties, were impaired, resulting in a pre-tax impairment expense of US$23.74 million.

In assessing the recoverable amount for the Lance Projects CGU in 2020, it was determined that there was no impairment of property, plant and equipment, and mineral properties, resulting in no 2020 impairment expense. The Directors took into consideration a number of factors when assessing the enterprise value, including but not limited to the liquidity and value of the Company's shares, control premiums, and the fully underwritten renounceable entitlement offer completed in June 2020.

In determining whether a pre-tax impairment expense exists in 2020 and 2019, the Company has compared the FVLCD as at balance date of the CGU to the carrying value of the Lance Projects CGU. In determining the FVLCD the Company has considered valuations under the Income Approach.

For the Income Approach the Company has used a life of mine cash flow model for the Ross and Kendrick permit areas using the low pH mining method plus a market value per pound of in-situ resource for the Barber permit area. The Barber permit area was valued in this manner due to the levels of inferred resource within the overall resource statement. This approach differs, and is a more conservative approach, from that used in the low pH Feasibility Study released by the Company in September 2018.

The estimates of future cash flows are based on significant assumptions including:

- Future uranium prices, specifically prices for uncontracted uranium under the consolidated group's preferred selling model of long-term contracts. In 2019 uncontracted uranium is assumed to be sold at nominal spot prices sourced from Consensus Economics Inc as at June 2019 ranging from US$29.30/lb U_3O_8 in CY2019 to US$44.70/lb U_3O_8 in CY2023. In 2019 a US$5.00/lb premium for term contracts was added to the spot prices and escalation of 2.0% per annum was applied post-CY2023. In 2020 uncontracted uranium is assumed to be sold at nominal spot prices sourced from Consensus Economics Inc as at June 2020 ranging from US$39.60/lb U_3O_8 in CY2022 to US$45.40/lb U_3O_8 in CY2024. In 2020 a US$5.00/lb premium for term contracts was added to the spot prices and escalation of 2.0% per annum was applied post-CY2025;

- In the 2019 year 6.2 million lbs U_3O_8 (or 41%) of life of mine sales are assumed to be made under the existing uranium concentrate sale and purchase agreements held by the Company, at a weighted average price of US$51.00/lb U_3O_8. In the 2020 year 4.0 million lbs U_3O_8 (or 25%) of life of mine sales are assumed to be made under the existing uranium concentrate sale and purchase agreements held by the Company, at a weighted average price of US$54.00/lb U_3O_8;
- Technical, operating and cost assumptions are those contained in the low pH Feasibility Study announced on 17 September 2018, the material assumptions of which are contained in Appendix 1 of that announcement;
- Within the Ross and Kendrick Permit Areas, 82% of the Measured and Indicated mineral resource is recovered and 54% of the Inferred mineral resource is recovered;
- Within the Ross and Kendrick Permit Areas, 67% of production is sourced from Measured and Indicated resources and 33% is sourced from Inferred resources;
- Within the discounted cash flow model, Measured and Indicated resources comprise production during the first 67% of the mine life, with Inferred resources only contributing to production during the final 33% of the mine life;
- A start date of 1 July 2020 in 2019, updated to 1 July 2022 in 2020, where conditions attached to the approved modifications to existing licences and permits have been met and allow the initial commencement of commercial-scale low pH operations at the Lance Projects;
- Production and capital costs being consistent with feasibility study outcomes and detailed budgets approved by the Board;
- Estimates of the quantity of mineral resources for which there is a high degree of confidence of economic extraction at rates consistent with Board approved budgets and long-term development plans;
- Estimates of the rate of production at each stage of development being consistent with modelled rates at each stage of development;
- A pre-tax nominal discount rate of 12.15% (2019: 12.15%) has been utilised which has been based on internal assessment by the Company and comparison to other producing uranium mining companies in Australia and North America;
- While risk remains regarding satisfaction of the conditions included within the approved low pH permit and license amendments to allow the use of the low pH mining method across the entire Ross Permit Area, as at the date of this report, the Company is not aware of any material matters or circumstances arising that would prevent these conditions from being satisfied; and
- Future changes in assumptions upon which these estimates are based may give rise to a material adjustment by impairing the development expenditure.

The value of the in-ground resource assigned to the Barber Permit Area is based on a review of comparable transactions of sandstone hosted pre-operational uranium deposits that contain greater than 50% Inferred resources. Comparable transactions adjusted for movement in the price of uranium range from a low of US$0.54/lb U_3O_8 resource to a high of US$1.72/lb U_3O_8 resource. A base value of US$0.58/lb U_3O_8 in-ground resource was used, which was the low end of the range used by the independent expert for an extraordinary general meeting held in September 2018.

In 2019 the recognition of a pre-tax impairment expense of US$23.74 million for the Lance Projects CGU reduced the carrying value of the CGU assets down to the assessed FVLCD. In 2020 the carrying value of the Lance Projects CGU assets were assessed as being below the FVLCD resulting in no 2020 impairment expense.

The Company has validated the results of Income Approach FVLCD assessment by performing sensitivity tests on its key assumptions. Holding all other variables constant, the decreases in recoverable amount created by marginal changes in each of the key assumptions is as follows:

	Change in assumption	2020 Amount of decrease US$000s	2019 Amount of decrease US$000s
Variables			
Discount rate	1% point increase	4,968	4,233
Uranium prices	$1/lb decrease	3,478	3,090
Resource Recovery	1% point decrease	2,392	1,870

Any adverse movements in key assumptions may lead to further impairment in future reporting periods.

Note 4: Income Tax

	2020 US$000s	2019 US$000s
(a) Income tax expense		
Current tax	-	271
Deferred tax	1,527	-
	1,527	**271**
(b) Reconciliation of income tax to prima facie tax payable		
Accounting loss before tax	(6,073)	(42,736)
Income tax expense/(benefit) @ 27.5% (2019: 27.5%)	(1,670)	(11,752)
Add tax effect of:		
• Share-based payments	217	273
• Impairment & other	835	6,809
• Deferred tax assets - tax losses not recognised	2,452	3,039
• Movement in unrecognised temporary differences	(78)	(339)
• Foreign tax rate differential	(229)	2,241
Total income tax expense/(benefit)	**1,527**	**271**
(c) Deferred tax liabilities		
Exploration and evaluation expenditure - Foreign	8,875	8,875
Temporary differences - Australia	-	9
Temporary differences - Foreign	1,527	-
	10,402	8,884
Offset of deferred tax assets	(8,875)	(8,884)
Net deferred tax liabilities recognised	**1,527**	**-**
(d) Unrecognised deferred tax assets arising on timing differences		
Tax losses - Australia	4,531	3,229
Tax losses - Foreign	19,335	17,920
Temporary differences - Australia	622	192
Temporary differences - Foreign	130	226
	24,618	21,567
Offset of deferred tax liabilities	(8,875)	(8,884)
Net deferred tax assets not brought to account	**15,743**	**12,683**

Accounting Policy

The income tax expense/(revenue) for the period comprises current income tax expense/(income) and deferred tax expense/(income)

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the relevant taxation authorities.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited directly to equity instead of the profit or loss when tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination where there is no effect on accounting or taxable profit or loss.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) legally enforceable right of set-off exists; and, (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Key Estimates, Judgements and Assumptions

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the way management expects to recover or settle the carrying amount of the related asset or liability.

Note 5: Cash and Cash Equivalents

	2020 US$000s	2019 US$000s
Cash at bank and in hand	11,935	5,269
Cash at bank per consolidated statement of cash flow	11,935	5,269

Refer to Note 25 for analysis of risk exposure for cash and cash equivalents.

Accounting Policy

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Note 6: Trade and Other Receivables

	2020 US$000s	2019 US$000s
Current		
Prepayments	209	582
GST and VAT receivable	82	34
Sundry receivables	24	38
Bonds and security deposits	198	234
AMT federal tax credit - current	40	80
Total current trade and other receivables	**553**	**968**
Non-Current		
Bonds and security deposits[1]	3,026	3,043
AMT federal tax credit – non-current	40	80
Total non-current trade and other receivables	**3,066**	**3,123**

Notes:

(1) Consists of the cash on deposit as security for Permit to Mine Bond and Environmental Performance Bonds for the construction and operating activities at the Lance Projects.

No receivables are past due or impaired. Refer to Note 25 for analysis of risk exposure for trade and other receivables.

Accounting Policy

Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Sundry receivables are recognised at amortised cost, less any provision for impairment. Bonds and security deposits include restricted cash amounts and amounts placed on deposit as security for restoration and rehabilitation obligations.

Note 7: Inventory

	2020 US$000s	2019 US$000s
Current		
Inventory – In-Process Uranium	734	5,216
Inventory – Drummed Uranium	682	1,080
Net Realisable Value write-down on year-end balance[1]	(943)	(4,808)
Total inventory	**473**	**1,488**

Notes:

(1) The carrying value of inventory was reviewed as at 30 June 2020. An expense has been recorded to write inventory down to the lower of cost and net realisable value.

Accounting Policy

Because of the nature of in-situ operations, it is not economically feasible to accurately measure the amount of in-process inventory at any given time. We use a combination of calculating estimated uranium captured per sampling applied to total lixiviant flow rates to determine the estimated U_3O_8 pounds captured. In-process inventory represents uranium that has been extracted from the wellfield and captured in the ion exchange columns and the elution tanks in the processing plant and is currently being transformed into a saleable product. Plant inventory is U_3O_8 that is contained in yellowcake, which has been dried and packaged in drums, but not yet transported to the conversion facility. The amount of U_3O_8 in the plant inventory is determined by weighing and assaying the amount of U_3O_8 packaged into drums at the plant. Conversion facility inventory is U_3O_8 that has been transported to and received at the conversion facility. The amount of U_3O_8 in the conversion facility inventory includes the amount of U_3O_8 contained in drums shipped to the conversion facility plus or minus any final weighing and assay adjustments per the terms of the uranium supplier's agreement with the conversion facility.

The consolidated group's inventories are measured at the lower of cost or net realisable value and reflect the U_3O_8 content in various stages of the production and sales process including in-process inventory, plant inventory and conversion facility inventory. Operating supplies are expensed when purchased. Finished goods and work in progress inventory are valued at the lower of cost and net realisable value using the weighted average cost method.

When determining the weighted average cost of uranium inventory, finished goods are segregated between uranium produced by the consolidated group and uranium purchased by the consolidated group. Produced uranium and purchased uranium are then separately valued at the lower of weighted average cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Where it is probable that the inventory will be delivered into existing agreements with purchasers, the estimated selling price is the average price contained in the existing agreements, otherwise current market prices are used to determine the estimated selling price.

Production costs include the cost of raw materials, direct labour, mine-site related overhead expenses and depreciation of mineral interests, property, plant and equipment.

Note 8: Assets and Liabilities Classified as Held for Sale

On 27 April 2018, the Company announced its intention to divest or exit its 74% interest in the Karoo Projects in South Africa. After careful consideration of the available options, the Company decided to fully withdraw from any further development activities for the Karoo Projects in which it has an interest.

The following major classes of assets and liabilities relating to these operations have been classified as held for sale in the consolidated statement of financial position as at 30 June 2020:

	2020 US$000s	2019 US$000s
Assets		
Property - Land	759	929
Assets held for sale	**759**	**929**
Liabilities		
Restoration provision	560	685
Liabilities associated with held for sale assets	**560**	**685**
Result of discontinued operations		
Other income	273	66
Administration expense	(15)	(28)
Share-based payment expense[1]	-	(110)
Exploration expense	-	(541)
Impairment expense	(164)	(1,447)
Gain/(Loss) on discontinued operations	**94**	**(2,060)**

Notes:

(1) On 6 November 2018, 676,043 fully paid ordinary shares were issued to Mr Willie Bezuidenhout (CEO - South Africa) which represent the equity component of his contractual termination payment.

	2020 US cents	2019 US cents
Gain/(Loss) per share from discontinued operations		
Basic (cents per share)	0.03	(0.85)

The statement of cash flows includes the following amounts relating to discontinued operations:

	2020 US$000s	2019 US$000s
Statement of cash flows		
Operating activities	(120)	(616)
Investing activities	236	170
Net cash provided by/(used) in discontinued operations	**116**	**(446)**

Accounting Policy

Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

- They are available for immediate sale;
- Management is committed to a plan to sell;
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- An active programme to locate a buyer has been initiated;
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value; and

- A sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:
- Their carrying amount immediately prior to being classified as held for sale in accordance with the group's accounting policy; and
- Fair value less costs of disposal.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated. The results of operations disposed during the year are included in the consolidated statement of comprehensive income up to the date of disposal.

A discontinued operation is a component of the group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the consolidated statement of comprehensive income as a single line which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re-measurement to fair value less costs.

Note 9: Other Financial Assets

	2020 US$000s	2019 US$000s
Current		
Derivate financial asset[1]	2,578	1,596
Total current other financial assets	**2,578**	**1,596**
Non-Current		
Derivate financial asset[1]	6,714	1,641
Listed investment	3	3
Total non-current other financial assets	**6,717**	**1,644**

Notes:

(1) In the 30 June 2018 financial year, the consolidated group announced that it was seeking to transition the Lance Projects from an alkaline based mining method to a low pH mining method. To assist with the transition period, the Company agreed to vary certain uranium concentrate sale agreements to reduce the quantity of Lance origin uranium to be delivered under two of its existing contracts. The Company also entered into purchase agreements to acquire an aggregate of 225,000 lbs U_3O_8 (to be delivered over 2019 and 2020), at fixed purchase prices set at the date that the purchase agreements were signed, with the intent to use the purchased uranium to partly satisfy 572,000 lbs U_3O_8 of committed deliveries then remaining under the existing sales contracts that were varied. As at 30 June 2019, 150,000 lbs U_3O_8 purchase commitments and 366,000 lbs U_3O_8 delivery commitments remained.

Also in the 2018 financial year, as a result of these actions, management assessed that these sales agreements no longer satisfied the "own-use" exemption under IAS 39 Financial Instruments: Recognition and Measurement (now under IFRS 9) to not fair value the contractual rights and obligations of the arrangement. A 2018 Derivative Financial Asset was recognised and accounted for as Financial Instruments at Fair Value through Profit or Loss. An aggregate gain of US$7.04 million upon the initial recognition of the sale agreements under the Financial Instrument Standards was recognised in the Statement of Profit or Loss.

In the 2019 financial year, as a result of physical purchases and sales of uranium and movement in the prevailing prices for uranium, the aggregate value of the 2018 Derivative Financial Asset decreased to US$3.24 million at 30 June 2019. An expense of US$2.24 million relating to this asset was recognised in the Statement of Profit or Loss, consisting of US$1.57 million realised as a result of the completion of physical sales to customers during the financial year and the remainder attributable to the movement in uranium prices and partial unwinding of the present value discount applied to the opening balance.

In the 2020 financial year, as a result of physical purchases and sales of uranium and movement in the prevailing prices for uranium, the aggregate value of the 2018 Derivative Financial Asset decreased to US$1.23 million at 30 June 2020. An expense of US$1.22 million relating to this asset was recognised in the Statement of Profit or Loss, consisting of US$1.39 million realised as a result of the completion of physical sales to customers during the financial year and the remainder attributable to the movement in uranium prices and partial unwinding of the present value discount applied to the opening balance.

Also, in the 2020 financial year a new derivative financial asset was recognised relating to the 1 million lbs U_3O_8 of open source origin component of an existing long term sales agreement. In July 2020, the Company entered into a purchase agreement to procure 400,000 lbs U_3O_8 for delivery in CY2021 into this sales agreement. As a result of this action, management assessed that the entire 1 million lbs U_3O_8 of open source origin component under the sales agreement no longer satisfied the “own-use” exemption under IFRS 9 Financial Instruments to not fair value the contractual rights and obligations of the arrangement. A 2020 Derivative Financial Asset has been recognised and accounted for as Financial Instruments at Fair Value through Profit or Loss. An aggregate gain of US$8.04 million upon the initial recognition of the sales agreement under the Financial Instrument Standard was recognised in the Statement of Profit or Loss.

Accounting Policy

Financial assets are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the consolidated group commits itself to either the purchase or sale of the asset (i.e., trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified ‘at fair value through profit or loss’, in which case transaction costs are expensed to profit or loss immediately.

Key Estimates, Judgements and Assumptions

Fair value for financial assets is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm’s length transactions, reference to similar instruments and option pricing models.

Fair value for derivative financial assets is determined by reference to comparable arm’s length transactions or by reference to factors that would apply on an arm’s length transaction. In determining fair value, the projected cash flow stream of the financial asset is escalated to a future date using the interest rate applicable to the financial asset instrument. Future cash flows are discounted back to present value using a discount rate that reflects the expected rate of return and level of risk inherent within each financial instrument.

Purchase contract derivative fair values are based on product value of the difference in purchase prices versus the forward curve of spot prices. Delivery contract derivative fair values are based on the present value of the difference between revenue under existing offtake contracts and revenue that a similar contract would generate if entered into at balance date. Judgement is applied in determining what similar contracts could be entered into.

Note 10: Controlled Entities

(a) Controlled entities consolidated

	Country of Incorporation	Percentage Ownership (%)	
		2020	2019
Parent Entity			
Peninsula Energy Limited	Australia		
Subsidiaries of Peninsula Energy Limited			
Peninsula Uranium Limited	UK	100%	100%
Strata Energy Inc.	USA	100%	100%
Peninsula USA Holdings Inc.	USA	100%	100%
Peninsula Energy LTIP Pty Ltd	Australia	100%	100%
PM Prospecting Pty Ltd	Australia	100%	100%
PM Energy Pty Ltd	Australia	100%	100%
Trove Resources Pty Ltd	Australia	100%	100%
Imperial Mining (Fiji) NL	Australia	100%	100%
Tasman Pacific Minerals Limited	Australia	100%	100%
Tasman RSA Holdings (Pty) Ltd	South Africa	100%	100%
Tasman Mmakau JV Company (Pty) Ltd	South Africa	74%	74%
Tasman Lukisa JV Company (Pty) Ltd	South Africa	74%	74%
Beaufort West Minerals (Pty) Ltd	South Africa	74%	74%

(b) Acquisition and disposal of controlled entities

There were no acquisitions or disposals of controlled entities during the year.

(c) Non-controlling interests (NCI)

Set out below is summarised financial information for the Lukisa Joint Venture. The amounts disclosed are before inter-company eliminations:

Lukisa Joint Venture	2020 US$000s	2019 US$000s
Summarised statement of financial position		
Current assets	1,149	1,268
Total assets	1,149	1,268
Current liabilities	546	667
Non-current liabilities	4,363	5,340
Total liabilities	4,909	6,007
Net assets	**(3,760)**	**(4,739)**
Accumulated NCI	**(980)**	**(1,278)**
Summarised statement of profit or loss and other comprehensive income		
Other income	273	61
Write-off of exploration expense	(124)	(484)
Impairment expense	-	(1,447)
Loss for the year from continuing operations	**149**	**(1,870)**
Loss from continuing operations attributable to:		
Equity holders of the Parent	110	(1,384)
Non-controlling interests	39	(486)
	149	**(1,870)**
Summarised cash flows		
Cash flows used by investing activities	(124)	(484)
Cash flows from financing activities	124	484
Net increase in cash and cash equivalents	**-**	**-**

Key Estimates, Judgements and Assumptions

In determining whether the consolidated group has control over subsidiaries that are not wholly owned, judgement is applied to assess the ability of the consolidated group to control the day to day activities of the partly owned subsidiary and its economic outcomes. In exercising this judgement, the commercial and legal relationships that the consolidated group has with other owners of partly owned subsidiaries are taken into consideration. Whilst the consolidated group is not able to control all activities of a partly owned subsidiary, the partly owned subsidiary is consolidated within the consolidated group where it is determined that the consolidated group controls the day to day activities and economic outcomes of a partly owned subsidiary. Changes in agreements with other owners of partly owned subsidiaries could result in a loss of control and subsequently de-consolidation.

Upon acquisition of partly owned subsidiaries by the consolidated group, judgement is exercised concerning the value of net assets acquired on the date of acquisition. Minority owner interest share of net assets acquired, and subsequent period movements in value thereof, are disclosed as outside equity interests.

On 18 December 2013, the Company acquired a 74% interest in Lukisa JV Company (Pty) Ltd. Under the terms of the shareholders' agreement in place with the holder of the 26% minority interest, the Company has judged that the Company has sufficient capability under the shareholders' agreement to control the day to day activities and economic outcomes of Lukisa JV Company (Pty) Ltd. Future changes to the shareholders' agreement may impact on the ability of the Company to control Lukisa JV Company (Pty) Ltd. The Company may be liable in the future to make an additional payment of US$45.0 million to the vendor. Following the decision to exit the project, liquidate the assets and relinquish the mining rights, it is improbable that this additional payment is required, refer to Note 28 for further details.

Note 11: Property, Plant and Equipment

	Consolidated Group	
	2020 US$000s	2019 US$000s
Plant and Equipment		
At cost	18,402	18,314
Accumulated depreciation	(1,455)	(1,561)
Total Plant and Equipment	**16,947**	**16,753**
Land and Buildings		
At cost	2,186	2,391
Accumulated depreciation	(317)	(257)
Total Land and Buildings	**1,869**	**2,134**
Total Property, Plant and Equipment	**18,816**	**18,887**

30 June 2020

(a) Movement in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Plant and Equipment US$000s	Land and Buildings US$000s	Total US$000s
Balance at the beginning of the year	16,753	2,134	18,887
Additions	260	109	369
Disposals	(19)	(85)	(104)
Transfer between asset categories	205	(205)	-
Depreciation expense	(3)	(24)	(27)
Depreciation expense included in cost of sales, standby mode and low pH transition costs, and discontinued operations	(246)	(61)	(307)
Foreign exchange translation	(2)	-	(2)
Carrying amount at the end of the year	**16,948**	**1,868**	**18,816**

30 June 2019

(b) Movement in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Plant and Equipment US$000s	Land and Buildings US$000s	Total US$000s
Balance at the beginning of the year	21,683	2,629	24,312
Additions	384	-	384
Disposals	-	(410)	(410)
Depreciation expense	(95)	-	(95)
Depreciation expense included in cost of sales and discontinued operations	(286)	(85)	(371)
Impairment expense (Note 3d)	(4,927)	-	(4,927)
Foreign exchange translation	(6)	-	(6)
Carrying amount at the end of the year	**16,753**	**2,134**	**18,887**

Accounting Policy

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Land and Buildings

Freehold land and buildings are shown at their cost, less accumulated depreciation on buildings.

Plant and Equipment

Plant and equipment are measured on a cost basis.

The carrying amount of plant and equipment is reviewed to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Depreciation

The carrying amounts of mineral interests, property, plant and equipment are depreciated to their estimated residual value over the estimated economic life of the specific assets to which they relate, or using the straight-line method over their estimated useful lives indicated below.

Estimates of residual values and useful lives are reassessed annually and any change in estimate is taken into account in the determination of remaining depreciation charges. Depreciation commences on the date when the asset is available for use.

- Mine plant and equipment - based on recoverable resources or reserves on a unit of production basis;
- Assets under construction - not depreciated;
- Property, plant and equipment - 2 to 15 years straight-line or on a unit of production basis; and
- Buildings - 6 to 40 years straight-line or on a unit of production basis.

Note 12: Mineral Development

	2020 US$000s	2019 US$000s
Development		
Balance at the beginning of the year	36,427	55,779
Development costs	236	1,219
Increase/(decrease) in provision for rehabilitation	773	156
Amortisation of development costs	(80)	(1,917)
Impairment expense (Note 3d)	-	(18,810)
Carrying amount at the end of the year	**37,356**	**36,427**

Accounting Policy – Amortisation of Development Costs

Amortisation of development costs is charged on a units of production basis over the life of economically recoverable resources. Mineral development costs are amortised on the following basis for the Company's operating in-situ recovery project:

- Mine Units – Wellfield development costs (mine unit wellfield data package costs, mining wells, monitor wells and header houses) within a mine unit are amortised on a units of production basis over the expected uranium to be recovered from that mine unit;
- Permit Area – Capitalised exploration, trunkline installation, permitting costs and restoration and rehabilitation costs are amortised on a units of production basis over the expected uranium to be recovered from that permit area; and
- Life of Mine – Capitalised borrowing costs and capitalised pre-production costs are amortised on a units of production basis over the expected uranium to be recovered over the life of mine from all permit areas.

Amortisation of Ross Permit Area costs commenced on 1 May 2016 upon the election to commence commercial operations.

Accounting Policy – Rehabilitation

The consolidated group's operations are subject to significant environmental regulation under international legislation in relation to its conduct of development and operation of uranium projects. The Directors are of the opinion that sufficient procedures and reporting processes have been established to enable the consolidated group to meet its environmental responsibilities, including future restoration and rehabilitation obligations.

Key Estimates, Judgements and Assumptions

Pre-production costs are deferred as development costs until such time as the asset is capable of being operated in a manner intended by management and depreciated on a units of production basis. Post-production costs are recognised as a cost of production.

Determining when a project has commenced commercial operations involves judgement. Management performs this assessment for each development project. Amongst the criteria that are evaluated for in-situ recovery and operations are: the level of wellfield flow rates relative to design capacity; the level of production relative to design capacity and the sustainability of this level; the period of time since the start of uranium production; and, an assessment of the sustainability of profitable operations. These factors can be subjective and no one factor by itself is necessarily indicative. Management exercises judgment in evaluating these factors based on its knowledge of the project's operations.

This assessment impacts the statement of financial position and statement of profit or loss and other comprehensive income, as upon commencement of commercial operations, development expenditures cease to be capitalised, revenue is recognised from any sales when the appropriate criteria have been met, and the assets included in assets under construction are reclassified to property, plant and equipment.

The Company made an election to commence expensing production costs on 1 May 2016 due to the commissioning of the CPP, deep disposal well and Stage 1 flow rate capacity reaching almost 50%. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable resources or reserves. For ISR operations where a reserve (by definition under the relevant JORC-Code), cannot be determined until a sufficient period of economic operations have occurred, the rate of depletion shall be based on economically recoverable resources. In determining economically recoverable resources, management makes certain estimates and assumptions as to future events, including the future price of uranium.

Note 13: Joint Arrangements

Interest in Joint Operations

The consolidated group's share of assets employed in joint operations that are included in the consolidated financial statements are as follows:

Geopacific (Fiji) Joint Venture

Peninsula Energy has a 50% interest in the Geopacific Resources NL Joint Venture, whose principal activity was gold exploration. Relinquishment submissions have been made by the operator of the Joint Venture.

All capitalised expenditure relating to the Geopacific Joint Venture was fully impaired at 30 June 2013.

Mmakau (RSA) Joint Venture

Peninsula Energy has a 74% interest in the Mmakau Joint Venture, whose principal activity was uranium exploration in the Karoo region of the Republic of South Africa. The 74% interest in this joint venture is proportionately consolidated. BEE partner Mmakau Mining (Pty) Ltd holds a 26% interest. The joint venture is dormant and all capitalised mineral exploration and evaluation expenditure relating to the Mmakau Joint Venture was fully impaired 30 June 2018. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful sale of the respective area of interest.

Accounting Policy

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required. Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement.

The consolidated group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Note 14: Trade and Other Payables

	2020 US$000s	2019 US$000s
Current		
Trade and other payables	1,167	1,887
Total trade and other payables	**1,167**	**1,887**

Accounting Policy

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the consolidated group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

Note 15: Borrowings

	2020 US$000s	2019 US$000s
Current		
Convertible Notes[1]	-	15,993
US Paycheck Protection Program[2]	515	-
Other borrowings[3]	57	46
Total current borrowings	**572**	**16,039**
Non-Current		
Other borrowings[3]	43	-
Total non-current borrowings	**43**	**-**

Notes:

(1) In November 2019 the Company reached agreement on a restructure of the Convertible Notes held by Resource Capital Fund VI L.P., Pala Investments Limited the Piperoglou Family Interests, including a planned significant reduction in the principal outstanding and an extension of the repayment date for the balance owing to 22 April 2021. In the event the planned reduction in principal did not occur by 30 April 2020, then all outstanding loan amounts would become due and payable by 31 October 2020. The agreement also provided for variation of certain other terms of the Convertible Notes including reduction in the interest rate to 10.0% per annum and removal of the equity conversion aspect.

In March 2020 the Company completed a partial debt reduction of US0.75 million through the issue of shares to Resource Capital Fund VI L.P..
The planned reduction in principle agreed in November 2019 did not occur by the deadline of 30 April 2020, however on 30 June 2020 the Company repaid the entire Convertible Notes drawn amounts of US$16.8 million in cash sourced from the A$40.3 million Entitlement Offer completed on 30 June 2020.

(2) During the June 2020 quarter the Company received US$0.5 million under a US COVID-19 Paycheck Protection Program which is a loan specifically designed to help businesses keep their workers on the payroll. In accordance with this program the Company expects this loan to be 100% forgiven before the end of the 2020 calendar year.

(3) In 2020 other borrowings consist of leases of vehicles and equipment. In 2019 other borrowings consisted of a mortgage over Strata Energy Inc. office building, Nuclear Regulatory Commission Promissory Notes, and leases for vehicles and equipment. In December 2018, the mortgage over the Strata Energy Inc. office building was repaid in full following the sale of the redundant office building located in Gillette, Wyoming, USA.

Other finance facilities:	2020 US$000s	2019 US$000s
Off-balance sheet arrangements		
Surety bonds[1]	11,290	11,290
Total off-balance sheet arrangements	**11,290**	**11,290**

Notes:

(1) In the normal course of business, the Company is a party to certain off-balance sheet arrangements. These arrangements include guarantees and financial instruments with off-balance sheet risk, such as letters of credit and surety bonds. No liabilities related to these arrangements are reflected in this consolidated Statement of Financial Position, other than the rehabilitation provision.

US federal and state laws require the Company to secure certain long-term obligations, such as asset retirement obligations. We have secured these obligations with surety bonds and we have supported our surety bonds with cash deposits that represent a percentage of the face value of the obligation. The surety bond provider has a first ranking charge over these cash deposit amounts. We believe these bonds will expire without any claims or payments thereon, and accordingly we do not expect any material adverse effect on our financial condition, results of operations or cash flows therefrom.

Accounting Policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost or fair value. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale. Borrowing costs cease to be capitalised upon the earlier of extinguishment of the liability or the commencement of commercial production from the qualifying asset.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Key Estimates, Judgements and Assumptions

Balances disclosed in the financial statements and notes related to financial liabilities are shown at their amortised cost or fair value. When measuring fair value of financial liabilities owed by the consolidated group to minority owners of partly owned subsidiaries within the consolidated group, judgement is made on the future maturity date of the financial instruments, likelihood of the obligation having to be settled and the discount rate applied to future cash flow streams to determine fair value at each reporting date. The discount rate takes into account a risk factor applicable to each such financial liability on each reporting date. At the time of completion of the acquisition of the 74% interest in the Lukisa JV Company (Pty) Ltd, the Company and the holder of the 26% minority interest each acquired from the vendor certain loans owing from the Lukisa JV Company (Pty) Ltd to the vendor. Due to the decision by the Company to withdraw from the Karoo Projects in South Africa and the subordinated position that the acquired loans hold compared to other shareholder loans and third-party liabilities, the Company has applied its judgement to value these loans at a fair value of nil.

The expected maturity date and discount factor applied at each reporting date may change as a result of changes in development, operations or future prospects of partly owned subsidiaries and uranium market conditions.

Note 16: Provisions

	2020 US$000s	2019 US$000s
Current		
Employee Entitlements – Annual Leave	168	197
Employee Entitlements – Long Service Leave	32	-
Total current provisions	**200**	**197**
Non-Current		
Employee Entitlements – Long Service Leave	-	15
Rehabilitation Provision[1]	11,325	10,552
Total non-current provisions	**11,325**	**10,567**

Notes:

(1) A provision for restoration is recognised in relation to the exploration and development activities for costs associated with the restoration of various sites. Estimates of the restoration obligations are based on anticipated technology and legal requirements and future costs. In determining the restoration provision, the Company has assumed no significant changes will occur in the relevant Federal and State legislation in relation to restoration in the future.

Accounting Policy

Provisions

Provisions are recognised when the consolidated group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Employee Benefits

Provision is made for the consolidated group's liability for employee benefits arising from services rendered by employees to the reporting date. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Defined Superannuation Schemes

Australian employees receive a superannuation guarantee contribution required by the government, which is currently 9.50%, and do not receive any other retirement benefits. United States employees receive retirement contributions under a 401(k) plan established by Strata, which is currently 5.0% of ordinary earnings, and do not receive any other retirement benefits.

Key Estimates, Judgements and Assumptions

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of the mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, for example, in response to changes in resources or to production rates. In recognising the amount of decommissioning and restoration obligation at each reporting date, judgement is made on the extent of decommissioning and restoration that the consolidated group is responsible for at each reporting date. For ISR operations, this requires an assessment to be made on not only physical above ground disturbances but also on below ground disturbances in mining zone aquifers that have occurred through the use of the ISR mining method. Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

Note 17: Issued Capital

	2020 US$000s	2019 US$000s
A reconciliation of the movement in capital and reserves for the consolidated group can be found in the Statement of Changes in Equity.		
882,129,638 fully paid ordinary shares (2019: 247,157,824)	**240,598**	**207,493**

(a) Ordinary shares – Number of Shares	2020 No.	2019 No.
At the beginning of the reporting year	247,157,824	233,697,385
Shares issued during the year		
• Shares issued under a renounceable entitlement offer	567,083,932	-
• Shares issued under an entitlement offer	12,656,280	-
• Shares under an institutional placement	42,424,243	-
• Debt facility fees and interest[1]	2,508,132	9,597,881
• Debt facility repayment[2]	6,684,492	-
• Shares under employment agreement[3]	3,614,735	3,186,515
• Shares issued under termination agreement[4]	-	676,043
Total at the end of the reporting year	**882,129,638**	**247,157,824**

(b) Ordinary shares – Value of Shares	2020 US$000s	2019 US$000s
At the beginning of the reporting year	207,493	205,099
Shares issued during the year		
• Shares issued under a renounceable entitlement offer	27,378	-
• Shares issued under an entitlement offer	1,401	-
• Shares under an institutional placement	4,696	-
• Debt facility fees and interest[1]	467	1,657
• Debt facility repayment[2]	740	-
• Shares under employment agreement[3]	645	627
• Shares issued under termination agreement[4]	-	110
• Share issue costs	(2,222)	-
Total at the end of the reporting year	**240,598**	**207,493**

Notes:

(1) Shares issued to the holders of the Convertible Notes, in lieu of quarterly payments for interest and fees.

(2) In March 2020 shares were issued to Resource Capital Fund VI L.P. as a part repayment of the Convertible Note facility.

(3) In August 2019 the Board approved the payment of Long-Term Incentive Plan incentives for Key Management Personnel and senior staff in recognition of performance during the financial year to 30 June 2019. These amounts were accrued for at 30 June 2019 and subsequently issued on 20 November 2019. Restricted share units (**RSUs**) are held in trust for the recipients to vest over a three-year period. The number of RSUs issued was determined using a share price of A$0.2721 per share. No RSU will vest for any participant before 1 July 2020.

In August 2018 the Board approved the payment of Long-Term Incentive Plan incentives for Key Management Personnel and senior staff in recognition of performance during the financial year to 30 June 2018. These amounts were accrued for at 30 June 2018 and subsequently issued on 30 August 2018. RSUs are held in trust for the recipients to vest over a three-year period. The number of RSUs issued was determined using a share price of A$0.26 per share. No RSU will vest for any participant before 1 July 2019.

(4) On 6 November 2018, 676,043 fully paid ordinary shares were issued to Mr Willie Bezuidenhout (CEO – South Africa) which represent the equity component of his contractual termination payment.

(c) Options

The total number of options on issue at 30 June 2020 was 27,425,000. The options include 1,950,000 unlisted options exercisable at A$0.4572 (A$0.50: 2019) on or before 30 November 2022, 2,975,000 unlisted options exercisable at A$0.5072 (A$0.55: 2019) on or before 30 November 2022, and 22,500,000 unlisted options exercisable at A$0.4572 (A$0.50: 2019) on or before 22 April 2022.

A reconciliation of the total options on issue as at 30 June 2020 is as follows:

	OPTIONS	
	LISTED No.	UNLISTED No.
At the beginning of the reporting year	-	27,809,747
Issued during the year	-	-
Expired during the year	-	(384,747)
Exercised during the year	-	-
Total at the end of the reporting year	**-**	**27,425,000**

All options granted to Key Management Personnel are convertible into ordinary shares in Peninsula, which confer a right of one ordinary share for every option held.

All equity transactions with specified directors and specified executives have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

(d) Capital Management

Management controls the capital of the consolidated group in order to maintain an appropriate debt to equity ratio and ensure that the consolidated group can fund its operations and continue as a going concern. The consolidated group currently has no long-term debt but has a US$0.5 million loan under the US Paycheck Protection Program.

Management effectively manages the consolidated group's capital by assessing projected compliance with financial undertakings and financial risks, and if required, adjusting its capital structure in response to changes in these risks and projected compliance with financial undertakings. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the consolidated group since the prior year.

Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

The consolidated group operates equity-settled share-based payment employee share, performance rights, restricted share unit and option schemes. The fair value of the equity in which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares and restricted share units is ascertained as the market bid price at the time of issue. The fair value of performance rights is ascertained independently on the effective date of grant using a hybrid option pricing model, with the expected share price at the expiry date simulated using a Monte-Carlo model. The fair value of options is ascertained independently using a Black Scholes pricing model which incorporates all market vesting conditions. The number of shares, restricted stock units and options expected to vest is reviewed and, where expectations relate to non-market performance conditions, adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Note 18: Reserves

(a) Share-Based Payments Reserve

The share-based payments reserve records items recognised as expenses on valuation of employee share options and convertible note facility shares and options.

A reconciliation of the movement in the share-based payments reserve as at 30 June 2020 is as follows:

	2020 US$000s	2019 US$000s
At the beginning of the reporting year	16,008	15,386
Share-based payments recorded in reserve	778	980
Debt facility fees	-	257
Accrual reversal (2019 and 2018 LTIP RSUs)	(638)	(615)
Total at the end of the reporting year	**16,148**	**16,008**

(b) Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign operations.

Refer to the Statement of Changes in Equity for a reconciliation of movements in the Share-Based Payments Reserve and Foreign Currency Translation Reserve during the year.

Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the consolidated group's entities is measured using the currency of the primary economic environment in which that entity operates. The functional currency of the parent entity is Australian dollars. The consolidated financial statements are presented in United States dollars which is the parent entity's presentation currency. The functional currency of a material subsidiary, Strata Energy, Inc. is United States dollars. The functional currency of a material subsidiary, Tasman RSA Holdings (Pty) Ltd is South African rand. The functional currency of a material subsidiary, Peninsula Uranium Limited is Great Britain pounds.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the exchange rate on the last day of the reporting period. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge. The parent entity of the consolidated group provides the majority of funding to subsidiaries by way of US dollar denominated intercompany loans, thereby generating a net investment hedge where the gain or loss on consolidation is taken to other comprehensive income in the consolidated statement of profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the consolidated group's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the reporting period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than United States dollars are recognised in Other Comprehensive Income and included in the foreign currency translation reserve in the statement of financial position.

Note 19: Auditor's Remuneration

	2020 US$000s	2019 US$000s
Remuneration of the auditor of the parent entity for:		
• Auditing or reviewing the financial report	48	44
• Other services	33	49
Total auditor's remuneration	**81**	**93**

Note 20: Key Management Personnel Compensation

Names and positions held of consolidated and parent entity Key Management Personnel in office at any time during the financial year are:

Key Management Personnel	Position
John Harrison	Chairman (Non-Executive)
Wayne Heili	Managing Director / Chief Executive Officer
Harrison Barker	Director (Non-Executive)
Mark Wheatley	Director (Non-Executive)
David Coyne	Finance Director / Chief Financial Officer
Ralph Knode	Chief Executive Officer (Strata Energy Inc.)
Jonathan Whyte	Company Secretary
Evgenij Iorich	Director (Non-Executive) – *resigned 12 October 2018*
Willie Bezuidenhout	Chief Executive Officer (South Africa) – *resigned 31 October 2018*

Refer to the Remuneration Report contained in the Report of the Directors for details of the remuneration paid or payable to each member of the consolidated group's Key Management Personnel for the year ended 30 June 2020.

The totals of remuneration paid to Key Management Personnel of the Company and the consolidated group during the year are as follows:

	2020 US$000s	2019 US$000s
Short-term employee benefits	1,757	1,567
Post-employment benefits	160	51
Medical benefits	29	23
Share-based payments (Note 22)	507	677
Total remuneration paid to Key Management Personnel	**2,453**	**2,318**

Note 21:Events Since the End of the Financial Year

In July 2020, the Company announced the appointment of experienced mining and uranium executive Mr Ron Chamberlain as Chief Financial Officer and Joint Company Secretary. Mr Chamberlain is a finance professional with more than 30 years' experience in resources, and in particular more than 10 years specialising in the uranium sector. He has previously held the roles of CFO for Paladin Energy, acting CFO and Non-Executive Director of Extract Resources and more recently CFO at Vimy Resources. He also has significant experience in the US, where he lived and worked in his role as Vice President US Operations with Iluka Resources, overseeing treasury, risk, and finance. Mr Chamberlain replaced Mr David Coyne who has resigned his full-time role with the Company but remains on the Board as a Non-Executive Director.

In July 2020, the Company entered into a binding purchase agreement with UG USA, a subsidiary of ORANO, to procure 400,000 lbs U_3O_8 for delivery in CY2021. The price to be paid under the purchase agreement is confidential but in line with reported market prices in July 2020 for U_3O_8 to be delivered in CY2021. The agreed pricing is fixed and is not subject to any form of escalation or adjustment.

In July 2020, wellfield circulation in MU1A commenced to establish baseline operating conditions for the second low pH field demonstration. Acidification of the trial area commenced on 4 August 2020. In addition to preparing the wells for the field demonstration, scaled down ion exchange columns were constructed to match the anticipated flow rates of the MU1A trial area. Resins of the type selected from laboratory testing will be loaded into the columns for evaluation during the demonstration. The primary objective of the MU1A low pH field demonstration is to confirm the optimal operating conditions as indicated by the laboratory studies.

COVID-19

The group continues to progress and execute its planned activities wherever possible subject to governmental, legal, health, safety and other necessary or imposed restrictions and concerns related to COVID-19. COVID-19 has not materially impacted the transition to low pH operations at the Lance Projects, but it does remain an uncertainty moving forward. COVID-19 uncertainty may inhibit the divestment of the Karoo Projects in South Africa.

Note 22:Share-Based Payments

	2020 US$000s	2019 US$000s
Director incentive options issued[1]	24	107
Employee incentive options issued[2]	72	223
Shares issued under employment agreement	12	12
Accrual for LTIP shares[3 4]	489	650
Accrual for Retention Incentive Shares[5]	193	-
Total share-based payments	**790**	**992**

Notes:

(1) On 19 December 2017, 1,350,000 unlisted options were issued to Executive Directors as approved by shareholders at the Annual General Meeting (AGM) held on 28 November 2017. The options were valued independently using the Black Scholes option model and are being expensed over the vesting period of the options, refer to the Notice of Annual General Meeting released on 27 October 2017 for detailed valuation assumptions. The director incentive options will be held on trust for directors and will vest in equal proportions over a three-year period with the first vesting date being 1 July 2018. A further 600,000 unlisted options were issued to Non-Executive Directors as approved by shareholders at the AGM held on 29 November 2018.

(2) On 19 December 2017, 2,975,000 unlisted options were issued to employees under existing contracts. The options were valued using the Black Scholes option model and are being expensed over the vesting period of the options. The employee incentive options were held on trust for the various recipients until the future vesting date being 6 months after the relevant regulatory body approves the amendments to the permits and licenses to allow low pH mining in the Ross Permit area. The final amendment approval was received by the Company on 1 August 2019 and the options fully vested on 1 February 2020.

(3) In September 2020, the Board approved the award of Long-Term Incentive Plan incentives for Key Management Personnel and senior staff in recognition of substantial progress being made on the low pH license and permit amendment approvals during the financial year to 30 June 2020. These amounts were accrued for as at 30 June 2020 but are to be issued subsequent to year end.

(4) In August 2019, the Board approved the award of Long-Term Incentive Plan incentives for Key Management Personnel and senior staff in recognition of substantial progress being made on the low pH license and permit amendment approvals during the financial year to 30 June 2019. These amounts were accrued for at 30 June 2019 and subsequently adjusted for valuation movement prior to their issue date on 30 August 2019. Restricted share units (RSUs) are held in trust for the recipients to vest over a three-year period. The number of RSUs issued has been determined using a share price of A$0.26 per share. No RSU will vest for any participant before 1 July 2020.

(5) On 3 February 2020, the Company announced that Mr Heili elected to take the full amount (US$153,000) of his Retention Scheme award as shares in lieu of cash. These have been accrued as at 30 June 2020 but are to be issued subsequent to year end, subject to shareholder approval at the Annual General Meeting.

Mr Coyne has elected to take part of his Retention Scheme award (US$40,248) as shares in lieu of cash. These have been accrued as at 30 June 2020 but are to be issued subsequent to year end, subject to shareholder approval at the Annual General Meeting.

All options granted to Key Management Personnel are convertible into ordinary shares in Peninsula, which confer the right of one ordinary share for every option held.

Note 23: Loss Per Share

The following reflects the income and share data used in the calculations of basic and diluted earnings per share (EPS):

(a) Reconciliation of earnings used in calculating earnings per share	2020 US$000s	2019 US$000s
Loss for the year attributable to the members of Peninsula Energy Limited		
Loss after income tax	7,639	42,521
Loss used to calculate basic and diluted EPS	7,639	42,521
Loss for the year from continuing operations		
Loss after income tax	7,694	40,947
Loss used to calculate basic and diluted EPS	7,694	40,947

(b) Weighted average number of shares outstanding during the year	2020 No.	2019 No.
Weighted average number of ordinary shares used in calculating basic EPS	284,804,427	241,881,806
Weighted average number of ordinary shares and shares under option used in calculating diluted EPS	284,804,427	241,881,806

Earnings Per Share

i. *Basic earnings per share*
Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. *Diluted earnings per share*
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. For the 2020 and 2019 financial years the exercise of granted options is anti-dilutive and as such the diluted earnings per share is the same as the basic loss per share.

Note 24:Capital, Leasing and Delivery Commitments

	Consolidated Group	
	2020 US$000s	2019 US$000s
(a) Exploration Tenement Leases		
Payable – Mining Leases (not later than one year)	378	368

The consolidated group has certain obligations with respect to mining tenements and minimum expenditure requirements on areas held. For exploration licence expenditures, commitments are only expected for the following year. Financial commitments for subsequent periods are contingent upon future exploration results and cannot be estimated.

(b) U_3O_8 Delivery Commitments
As at 30 June 2020 Peninsula has up to 6,316,000 pounds of U_3O_8 remaining under contract through to calendar year 2030 for delivery to major utilities located in the United States and Europe.

Summary of Delivery Commitments Over the Next Five Years:	
Financial Year	**Pounds U_3O_8**
2021	275,000
2022	575,000
2023	700,000
2024	750,000
2025	725,000

Approximately 76% of deliveries over the next five years are firm and binding. Approximately 24% of deliveries are optional at the election of the customer.

(c) U_3O_8 Purchase Commitments

As at 30 June 2020 Peninsula has 75,000 pounds of U_3O_8 remaining under contract for purchase.

Summary of Purchase Commitments Over the Next Five Years:	
Financial Year	**Pounds U_3O_8**
2021	75,000
2022	-
2023	-
2024	-
2025	-

Key Estimates, Judgements and Assumptions

Judgement is required to determine whether the consolidated group's U_3O_8 delivery commitments satisfy the "own-use exemption" contained within IFRS 9. The standard applies to contracts to buy or sell a non-financial item that can be settled net in cash or in another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale, or usage requirements.

Other than sale contracts that can be settled net in cash or in another financial instrument, management believe all other sales contracts meet the "own-use exemption" definition. Therefore, the majority of commitments fall outside the scope of IFRS 9 and no derivative has been recognised other than as disclosed in Note 9.

Note 25: Financial Risk Management

The consolidated group's financial instruments consist of certain uranium concentrate sale and purchase agreements, deposits with banks, local money market instruments, short-term investments and accounts receivable and payable, notes issued to debt providers, loans to subsidiaries, bills and leases.

Financial Risk Management Policies

The consolidated group manages its exposure to a variety of financial risks, market risk (including currency risk, commodity price risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk in accordance with the Audit and Risk Management Committee Charter and specific approved group policies. These policies are developed in accordance with the consolidated group's operational requirements. The consolidated group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessment of prevailing and forecast interest rates and foreign exchange rates. The consolidated group manages credit risk by only dealing with recognised, creditworthy third parties and liquidity risk is managed through the budgeting and forecasting process.

Specific Financial Risk Exposures and Management

The main risks the consolidated group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and equity price risk.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the consolidated group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for approval, granting and removal of credit limits, regular monitoring of exposures against such limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from invoice date.

Risk is also minimised by investing surplus funds in financial institutions that maintain a high credit rating.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the reporting date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The consolidated group has no significant concentration of credit risk with any single counterparty or group of counterparties. However, on a geographical basis, the consolidated group has significant credit risk exposures to the United States, South Africa, United Kingdom and Australia given the substantial operations in those regions. Details with respect to credit risk of Trade and Other Receivables are provided in Note 6. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 6.

Credit risk related to balances with banks and other financial institutions are managed in accordance with approved Board policy. The consolidated group's current investment policy is aimed at maximising the return on surplus cash, with the aim of outperforming the benchmark within acceptable levels of risk return exposure and to mitigate the credit and liquidity risks that the consolidated group is exposed to through investment activities.

The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	2020 US$000s	2019 US$000s
Cash and cash equivalents		
A-Rated	11,935	5,269

(b) Liquidity Risk

Liquidity risk arises from the possibility that the consolidated group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The consolidated group manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The consolidated group's liquidity needs can be met through a variety of sources, including the issue of equity instruments and short or long term borrowings.

Alternative sources of funding in the future could include project debt financing and equity raisings, and future operating cash flow. These alternatives will be evaluated to determine the optimal mix of capital resources.

The following table details the consolidated group's non-derivative financial instruments according to their contractual maturities. The amounts disclosed are based on contractual undiscounted cash flows. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

	Financial Asset and Financial Liability Maturity Analysis							
	Within 1 Year		1-5 Years		Over 5 Years		Totals	
	2020	2019	2020	2019	2020	2019	2020	2019
	US$000s	US$000s	US$000s	US$000s	US$000s	US$000s	US$000s	US$000s
Financial Assets								
Cash and cash equivalents	11,935	5,269		-	-	-	11,935	5,269
Trade and other receivables	553	968	3,066	3,123	-	-	3,619	4,091
Other financial assets	-	-	3	3	-	-	3	3
Total Financial Assets	**12,488**	**6,237**	**3,069**	**3,126**	**-**	**-**	**15,557**	**9,363**
Financial Liabilities								
Trade and other payables	1,167	1,887	-	-	-	-	1,167	1,887
Borrowings	572	17,700	43	-	-	-	615	17,700
Total Financial Liabilities	**1,739**	**19,587**	**43**	**-**	**-**	**-**	**1,782**	**19,587**

(c) Market Risk

(i) Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The consolidated group does not use derivatives to mitigate these exposures.

At the reporting date, the details of outstanding contracts are as follows:

	Effective Average Fixed Interest Rate			
	2020 %	2019 %	2020 US$000s	2019 US$000s
Maturity of Amounts				
Less than 1 year	1.10	1.64	40	2,934
1 to 2 years	-	-	-	-
2 to 5 years	-	-	-	-
Total Financial Assets			**40**	**2,934**
Maturity of Amounts				
Less than 1 year	-	13.73	-	16,039
1 to 2 years	1.00	-	516	-
2 to 5 years	-	-	-	-
Total Financial Liabilities			**516**	**16,039**

(ii) Foreign Exchange Risk

The consolidated group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency of the relevant group company. The consolidated group's borrowings and deposits are largely denominated in US dollars. Currently there are no foreign exchange hedge programmes in place. However, the consolidated group treasury function manages the purchase of foreign currency to meet operational requirements.

As at 30 June 2020 the consolidated group's net exposure to foreign exchange risk was as follows:

	Currency	2020 $000s	2019 $000s
Functional currency of individual entity: AUD			
Net Foreign Currency Financial Assets			
Cash and cash equivalents	USD	5,322	360
Net Foreign Currency Financial Liabilities			
Borrowings	USD	-	(15,993)
Total Net Exposure	**USD**	**5,322**	**(15,633)**

The effect of a 10% strengthening of the USD against the AUD at the reporting date on the USD-denominated assets and liabilities carried within the AUD functional currency entity would, all other variables held constant, have resulted in an decrease in post-tax loss for the year and increase of net assets of US$0.53 million (2019: increase in post-tax loss and decrease in net assets of US$1.56 million).

(iii) Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors of commodities. The consolidated group is also exposed to securities price risk on investments held for trading or for medium or longer terms. The value of the consolidated group's investments, as detailed in Note 9, is not material enough to be considered a risk at the reporting date.

Fair Value

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

- Cash and short-term investments – the carrying amount approximates fair value because of their short term to maturity;
- Trade receivables and trade creditors – the carrying amount approximates fair value;
- Listed investments – for financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset adjusted for transaction costs necessary to realise the asset;
- Derivative financial assets and liabilities – initially recognised at fair value through profit or loss at the date the contract is entered into and subsequently re-measured at each reporting date;
- Other assets and liabilities approximate their carrying value; and
- The fair value of non-current borrowings as disclosed in Note 15 approximately equals the carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below:

30 June 2020	Level 1 US$000s	Level 2 US$000s	Level 3 US$000s	Total US$000s
Financial Assets				
Listed investments[1]	3	-	-	3
Derivative financial asset[2]	-	-	9,292	9,292
Total Financial Assets	**3**	**-**	**9,292**	**9,295**
Financial Liabilities				
Borrowings	-	-	-	-
Convertible Notes[3]	-	-	-	-
Total Financial Liabilities	-	-	-	-

30 June 2019	Level 1 US$000s	Level 2 US$000s	Level 3 US$000s	Total US$000s
Financial Assets				
Listed investments[1]	3	-	-	3
Derivative financial asset[2]	-	-	3,237	3,237
Total Financial Assets	**3**	**-**	**3,237**	**3,240**
Financial Liabilities				
Borrowings				-
Convertible Notes[3]	-	-	15,993	15,993
Total Financial Liabilities	**-**	**-**	**15,993**	**15,993**

Notes:

(1) The fair value of the listed investments have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

(2) The fair value of the derivative financial asset has been determined using comparison of uranium forward spot prices to total contractual cash flows of the respective uranium sale and purchase agreements, discounted back to present value.

(3) The fair value of the Convertible Notes has been determined using the amounts drawn under the facility less establishment fees, less the estimated fair value of the equity component attributable to the conversion feature, which was valued using an option pricing model. The estimated fair value of the equity component was not considered material at 30 June 2019.

Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the consolidated group commits itself to either the purchase or sale of the asset (i.e., trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified ‘at fair value through the profit or loss’, in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value or amortised cost using the effective interest rate method. Mortgages and finance leases are measured at amortised cost and all other financial instruments are measured at fair value through profit or loss. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised Cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- less any reduction for impairment.

The consolidated group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost or fair value. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(ii) *Investments*
Investments are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Investments include non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

(iii) *Financial liabilities*
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost or fair value.

(iv) *Financial assets*
Fair value for financial assets is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models. Fair value for financial liabilities is determined by reference to comparable arm's length transactions or by reference to factors that would apply on an arm's length transaction. In determining fair value, the projected cash flow stream of the financial liability is escalated to a future date using the interest rate applicable to the financial liability instrument. Future cash flows are discounted back to present value using a discount rate that reflects the expected rate of return and level of risk inherent within each financial liability instrument.

(v) *Impairment*
At each reporting date, the consolidated group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

(vi) *Financial guarantees*
Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with IFRS 15: Revenue from Contracts with Customers. Where the entity gives guarantees in exchange for a fee, revenue is recognised under IFRS 15.

(vii) *De-recognition*
Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Note 26: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

Ultimate Parent Entity

Peninsula Energy Limited is the ultimate parent entity. The parent entity has related party transactions with its subsidiaries whereby the parent funds exploration, evaluation and development expenses, and general and administrative expenses incurred by its subsidiaries. These expenses are charged to the subsidiaries through inter-company loans.

Service Agreements

Peninsula Energy Limited charged its wholly owned subsidiaries, Tasman Pacific Minerals Limited, Strata Energy Inc and Peninsula Uranium Limited, a management fee for the provision of corporate, financial management, administration and other services during the year. The total management fee charged was US$0.81 million (2019: US$0.57 million).

Note 27: Operating Segments

The consolidated group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors and Managing Director / CEO (chief operating decision makers) in assessing performance and determining the allocation of resources. Segments are identified on the basis of area of interest. Financial information about each segment is provided to the chief operating decision makers on at least a monthly basis.

The consolidated group has three reportable operating segments as follows:

- Lance Uranium Projects, Wyoming USA;
- Karoo Uranium Projects, South Africa; and
- Corporate/Other.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless otherwise stated, all amounts reported to the Board of Directors and Managing Director / CEO, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the consolidated group.

(b) Inter-segment transactions

Corporate charges are allocated to reporting segments based on an estimation of the likely consumption of certain head office expenditure that should be used in assessing segment performance.

(c) Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives the majority asset economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(d) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of that segment. Borrowings and tax liabilities are generally considered to relate to the consolidated group as a whole and are not allocated. Segment liabilities include trade and other payables.

(e) Unallocated items

The following items of revenue, expenditure, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Net gains on disposal of available-for-sale financial investments;
- Impairment of assets and other non-recurring items of revenue and expense; and
- Other financial liabilities.

30 June 2020	Lance Projects Wyoming, USA	Karoo Projects South Africa	Corporate/ Other	Total
	US$000s	US$000s	US$000s	US$000s
Revenue and Other Income				
External sales	6,078	-	-	6,078
Cost of sales	(5,958)	-	-	(5,958)
Gross Profit	**120**	**-**	**-**	**120**
Insurance recoveries and grants	534	-	33	567
Gain/(loss) on sale of property	-	255	-	255
Interest revenue	33	19	1	53
Total Other Income	**567**	**274**	**34**	**875**
Total Gross Profit and Other Income	**687**	**274**	**34**	**995**
Expenses				
Standby mode and low pH transition costs	(6,582)	-	-	(6,582)
Selling and marketing expense	(6)	-	(122)	(128)
Administration expense	(110)	(14)	(2,469)	(2,593)
Depreciation and amortisation	(111)	(1)	(27)	(28)
Impairment expense	-	-	-	-
Derivative fair value movement	(590)	-	8,038	7,448
Allocated Segment Expenses	**(7,288)**	**(15)**	**5,420**	**(1,883)**
Unallocated Expenses				
Foreign exchange loss	-	-	-	5
Other expenses	-	-	-	(972)
Finance costs	-	-	-	(4,218)
Income tax expense	-	-	-	(1,527)
Loss for the year	**-**	**-**	**-**	**(7,600)**
Segment gain included in discontinued operations	-	-	-	(94)
Loss for the year from continuing operations	**-**	**-**	**-**	**(7,694)**
Segment Assets				
Mineral development	37,356	-	-	37,356
Property, plant and equipment	18,814	2	-	18,816
Cash and cash equivalents	1,122	337	10,476	11,935
Trade and other receivables	3,304	207	108	3,619
Inventory	473	-	-	473
Held for sale assets	-	759	-	759
Other financial assets	1,254	-	8,041	9,295
Total Assets	**62,323**	**1,305**	**18,625**	**82,253**
Segment Liabilities				
Borrowings	615	-	-	615
Provisions	11,438	-	87	11,525
Trade and other payables	608	27	532	1,167
Liabilities associated with held for sale assets	-	560	-	560
Deferred tax liabilities	-	-	1,527	1,527
Total Liabilities	**12,661**	**587**	**2,146**	**15,394**

30 June 2019	Lance Projects Wyoming, USA	Karoo Projects South Africa	Corporate/ Other	Total
	US$000s	US$000s	US$000s	US$000s
Revenue and Other Income				
External sales	6,592	-	-	6,592
Cost of sales	(14,844)	-	-	(14,844)
Gross Loss	**(8,252)**	**-**	**-**	**(8,252)**
Interest revenue	85	14	90	189
Total Other Income	**85**	**14**	**90**	**189**
Total Gross (Loss)/Profit and Other Income	**(8,167)**	**14**	**90**	**(8,063)**
Expenses				
Depreciation and amortisation	-	(1)	(95)	(96)
Selling and marketing expense	-	-	(130)	(130)
Administration expense	(293)	(85)	(1,619)	(1,997)
Impairment expense	(23,738)	(1,447)	-	(25,185)
Exploration expense	-	(541)	-	(541)
Derivative fair value movement	(2,237)	-	-	(2,237)
Allocated Segment Expenses	**(26,268)**	**(2,074)**	**(1,844)**	**(30,186)**
Unallocated Expenses				
Foreign exchange loss	-	-	-	(82)
Other expenses	-	-	-	(1,097)
Finance costs	-	-	-	(3,308)
Income tax expense	-	-	-	(271)
Loss for the year	**-**	**-**	**-**	**(43,007)**
Segment loss included in discontinued operations	-	-	-	2,060
Loss for the year from continuing operations	**-**	**-**	**-**	**(40,947)**
Segment Assets				
Mineral development	36,427	-	-	36,427
Property, plant and equipment	18,859	5	23	18,887
Cash and cash equivalents	1,573	283	3,413	5,269
Trade and other receivables	3,739	245	107	4,091
Inventory	1,488	-	-	1,488
Held for sale assets	-	929	-	929
Other financial assets	3,237	-	3	3,240
Total Assets	**65,323**	**1,462**	**3,546**	**70,331**
Segment Liabilities				
Borrowings	46	-	15,993	16,039
Provisions	10,679	-	85	10,764
Trade and other payables	1,337	33	517	1,887
Liabilities associated with held for sale assets	-	685	-	685
Provision for income tax	-	-	271	271
Total Liabilities	**12,062**	**718**	**16,866**	**29,646**

Note 28:Contingent Liabilities

Lukisa Joint Venture Company Acquisition

In December 2013, the Company completed the acquisition of the South African uranium assets held by AREVA. As part of the commercial arrangements, an additional amount of US$45.0 million is to be paid to AREVA at the time that at least 50% of project development funding is secured. If 50% of project development funding is not secured within 25 years, no additional contingent payment is liable to be made. In order to achieve at least 50% of project development funding, additional exploration and delineation drilling is required, a bankable feasibility study needs to be completed and a mineral reserve to support the first five to seven years of mining operations is required. Following the decision during the 2018 financial year to exit the project, liquidate the assets and relinquish the mining rights, it is improbable that this additional payment is required.

The Board is not aware of any other circumstances or information which leads them to believe there are any other material contingent liabilities outstanding as at 30 June 2020.

Key Estimates, Judgements and Assumptions

Amounts disclosed as contingent liabilities are judgements based on commercial arrangements entered into by the consolidated group. When making judgement on contingent liabilities, consideration is given the past or future event that gives rise to a possible liability in the future and to the probability that the liability will be actually required to be settled in the future. Under the terms of the agreement to acquire a 74% interest in Lukisa JV Company (Pty) Ltd, the Company may be liable in the future to make an additional payment of US$45.0 million to the vendor. After assessment of the conditions that would require this payment to be made in the future, the Company has judged that this possible future payment is a contingent liability as described above and will continue to classify it as a contingent liability until such time as the basis for the possible payment no longer exists. Change in circumstances or the future attainment of objectives may cause liabilities that are currently assessed as being contingent to be reclassified as financial liabilities.

Note 29:Parent Entity Information

	2020 US$000s	2019 US$000s
Current assets	10,452	920
Total assets	**48,368**	**40,685**
Current liabilities	601	16,852
Total liabilities	**601**	**16,867**
Issued capital	240,598	207,493
Accumulated losses	(213,399)	(203,772)
Share-based payment reserve	16,148	16,008
Foreign currency translation reserve	4,418	4,089
Total equity	**47,765**	**23,818**
Loss of parent entity	**(5,906)**	**(46,033)**
Other comprehensive income	-	-
Total comprehensive loss of the parent entity	**(5,906)**	**(46,033)**

Note 30:Retirement Benefit Obligations

Superannuation

The parent contributes to a non-company sponsored or controlled superannuation fund. Contributions are made to an accumulation fund and are at least the minimum required by law. There is no reason to believe that funds would not be sufficient to pay benefits as vested in the event of termination of the fund on termination of employment of each employee.

Note 31: Cash Flow Information

(a) Reconciliation of cash flow from operations with loss after income tax	2020 US$000s	2019 US$000s
Loss after income tax	(7,600)	(43,007)
Non-cash flows in loss:		
(Gain)/loss on sale of fixed assets	(236)	105
Depreciation (including depreciation charged to cost of sales and Lance Projects costs)	414	2,013
Non-cash financing costs	2,759	3,116
Share-based payments expense	790	992
Inventory Net Realisable Value write-down	-	16
Impairment expense	-	23,738
Unrealised foreign exchange (gain)/loss	(106)	82
Non-cash fair value movement on derivative	(6,055)	3,800
Non-cash impairment of held for sale assets	-	1,553
Change in assets and liabilities		
Decrease in trade and other receivables relating to operating activities	339	15
Decrease in inventories	1,015	1,644
Decrease in held for sale assets and liabilities	45	-
Increase/(decrease) in trade and other payables	(718)	(1,349)
Decrease in income tax provision	(191)	-
Increase/(decrease) in provisions relating to operating activities	(12)	20
(Decrease)/increase in trade and other payables relating to investment activities	-	340
Increase in deferred tax liabilities	1,527	-
Cash flow from operations	**(8,029)**	**(6,922)**

(b) Acquisition and disposal of entities

During the financial year the group did not acquire or dispose of any entities that materially affected cash flows.

(c) Non-cash investing and financing activities

During the financial year, Peninsula made a number of share-based payments and transactions, which are outlined at Note 17 and Note 22.

Directors' Declaration

For the year ended 30 June 2020

In accordance with a resolution of the Board of Directors, I state that:

In the opinion of the Directors:

(1) (a) the consolidated financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, and accompanying notes are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated group's financial position at 30 June 2020 and of its performance for the year ended on that date;

(ii) complying with Accounting Standards and Corporations Regulations 2001; and

(iii) other mandatory professional reporting requirements.

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(c) the audited remuneration disclosures set out in the Remuneration Report of the Directors' Report for the year ended 30 June 2020 comply with section 300A of the *Corporations Act 2001*.

(2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2020.

(3) The consolidated group has included in the notes to the consolidated financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

On behalf of the Board

John Harrison
Non-Executive Chairman

30 September 2020
Perth

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INDEPENDENT AUDITOR'S REPORT

To the members of Peninsula Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Peninsula Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying Value of Mineral Development Assets

Key audit matter	How the matter was addressed in our audit
The carrying value of the Mineral Development Asset as at 30 June 2020 is disclosed in Note 12 of the financial report. The assessment of the carrying value of Mineral Development Assets requires management to make significant accounting judgements and estimates in producing the discounted cash flow model used to determine whether the assets require impairment in accordance with Australian Accounting Standard AASB 136 Impairment of Assets ('AASB 136'). Refer to Note 3 and Note 12 for the detailed disclosures, which include the related accounting policies and the critical accounting judgements and estimates.	Our procedures included, but were not limited to the following: • Analysing management's key assumptions used in the discounted cash flow model under the fair value less cost of disposal methodology against external data, market consensus information and trends to determine their reasonableness; • Challenging the appropriateness of management's discount rates used in the discounted cash flow model in conjunction with our internal valuation experts; • Challenging assumptions around timing of future cash flows; • Checking the mathematical accuracy of the discounted cash flow model; • Assessing the competence and independence of the various management experts used to assist in the preparation of the Discounted Cash Flow forecasts; • Performing sensitivity analysis on significant assumptions to determine if there would be a significant change to the carrying value of the asset; • Assessing other observable indicators of fair value including the market capitalisation of the Group; and • Assessing the adequacy of the related disclosures in Note 3 and Note 12 of the financial report.

Accounting for Derivative Financial Asset

Key audit matter	How the matter was addressed in our audit
The carrying value of Derivative Financial Assets held by the Group as at 30 June 2020, is disclosed in Note 9. Management are required to make significant accounting estimates and judgements to value and recognise a derivative financial instrument consisting of sale and purchase agreements which fall under the scope of AASB 9 Financial Instruments ('AASB 9'). Refer to Note 9 and Note 25 for the detailed disclosures, which include the related accounting policies and the critical accounting judgements and estimates.	Our procedures included, but were not limited to the following: • Evaluating management's assessment that the contracts fall within the scope of AASB 9; • Reviewing the key judgements made by management in recognising the derivatives; • Inspecting and reviewing the terms of the both sale and purchase contracts, and recalculating the expected future cash flows that formed the basis of the valuation; • Consulting IFRS technical experts on the appropriate accounting treatment to be applied; • Challenging management assumptions over the discount rates and other key judgements; • Considering the taxation implications; and • Assessing the adequacy of the related disclosures in Note 9 and Note 25 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 23 to 32 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Peninsula Energy Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 30 September 2020

(a) Distribution of Shareholders as at 28 September 2020

Spread of Holdings	Number of Ordinary Shareholders	Number of Shares
1 – 1,000	2,764	978,791
1,001 – 5,000	1,923	4,882,792
5,001 – 10,000	801	6,079,250
10,001 – 100,000	1,946	68,965,776
100,001 – and over	715	798,576,446
Total	**8,149**	**879,483,055**

(b) Top Twenty Shareholders as at 28 September 2020

Rank	Name	Number of Ordinary Shares Held	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	141,242,222	16.06
2	NERO RESOURCE FUND PTY LTD	45,313,610	5.15
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	38,767,628	4.41
4	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED	30,460,121	3.46
5	CITICORP NOMINEES PTY LIMITED	28,622,224	3.25
6	BUTTONWOOD NOMINEES PTY LTD	27,342,682	3.11
7	SANDHURST TRUSTEES LTD	26,428,455	3.00
8	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	21,119,367	2.40
9	BNP PARIBAS NOMINEES PTY LTD	20,152,350	2.29
10	UBS NOMINEES PTY LTD	17,278,618	1.96
11	NATIONAL NOMINEES LIMITED	14,670,489	1.67
12	CS FOURTH NOMINEES PTY LIMITED	14,497,548	1.65
13	SANDHURST TRUSTEES LTD	14,295,780	1.63
14	INKESE PTY LTD	10,000,000	1.14
15	CS THIRD NOMINEES PTY LIMITED	9,247,305	1.05
16	BNP PARIBAS NOMS PTY LTD	6,721,601	0.76
17	SALANNA PTY LTD	5,000,000	0.57
17	TEN LUXTON PTY LTD	5,000,000	0.57
18	KOBIA HOLDINGS PTY LTD	4,742,657	0.54
19	MR JOHN ROBERT LALOLI	4,545,455	0.52
20	TROCA ENTERPRISES PTY LTD	4,394,389	0.50
	Total Top 20	**489,842,501**	**55.70**
	Balance of Register	389,640,554	44.30
	Total Ordinary Shares on Issue	**879,483,055**	**100.00**

The number of shareholders holding less than a marketable parcel of shares is 5,129, totalling 8,666,798 ordinary shares.

(c) Unlisted Options:

- There are 1,950,000 unlisted options over unissued shares on issue, in the class exercisable at A$0.4572 on or before 30 November 2022. There are three holders in this class of option.
- There are 2,975,000 unlisted options over unissued shares on issue, in the class exercisable at A$0.5072 on or before 30 November 2022. There is one holder in this class of option.
- There are 22,500,000 unlisted options over unissued shares on issue, in the class exercisable at A$0.4572 on or before 22 April 2022. There are three holders in this class of option.

(d) Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(e) Schedule of Interests in Mining Tenements

- **Wyoming, USA (Strata Energy, Inc.)**

Location / Project Name	Tenement	Percentage
Private Land (FEE) – Surface Access Agreement	Approx. 2,401 acres	100%
Private Land (FEE) – Mineral Rights	Approx. 10,361 acres	100%
Federal Mining Claims – Mineral Rights	Approx. 13,445 acres	100%
Federal – Surface Access – Grazing Lease	Approx. 40 acres	100%
State Leases – Mineral Rights	Approx. 10,584 acres	100%
State Leases – Surface Access	Approx. 914 acres	100%
Strata Owned – Surface Access	Approx. 315 acres	100%

- **Karoo Projects, South Africa**

Permit Number/ Name	Holding Entity	Initial Rights Date	Renewed/ Signed/ Validity *(e.g. Valid, Under PR Application, Under Mining Right Application, Closure Submitted/Issued)*	Area (km^2)	Current Expiry	Commodity Group	Original PR Status
WC 10085 MR	Tasman Lukisa JV	TBD	Mining Right Application	689	TBD	U, Mo	In Progress*
EC 10029 MR	Tasman Lukisa JV	TBD	Mining Right Application	345	TBD	U, Mo	In Progress*
WC 10248 PR	Beaufort West Minerals	TBD	Prospecting Right Application	509	TBD	U, Mo	In Progress*
WC 10249 PR	Beaufort West Minerals	TBD	Prospecting Right Application	298	TBD	U, Mo	In Progress*
WC 10250 PR	Beaufort West Minerals	TBD	Prospecting Right Application	570	TBD	U, Mo	In Progress*
WC 10251 PR	Beaufort West Minerals	TBD	Prospecting Right Application	347	TBD	U, Mo	In Progress*
EC 07 PR	Tasman Lukisa JV	14/11/2006	Under MR Application – Environmental Closure Application Submitted	48	10/06/2015	U, Mo	Expired
EC 08 PR	Tasman Lukisa JV	14/11/2006	Under MR Application - Environmental Closure Application Submitted	47	10/06/2015	U, Mo	Expired
EC 09 PR	Tasman Lukisa JV	14/11/2006	Under MR Application - Environmental Closure Application Submitted	94	10/06/2015	U, Mo	Expired
EC 12 PR	Tasman Lukisa JV	14/11/2006	Under MR Application - Environmental Closure Application Submitted	36	10/06/2015	U, Mo	Expired
EC 13 PR	Tasman Lukisa JV	14/11/2006	Under MR Application - Environmental Closure Application Submitted	69	10/06/2015	U, Mo	Expired
WC 25 PR	Tasman Lukisa JV	17/10/2007	Under MR Application	7	12/11/2014	U, Mo	Expired
WC 33 PR	Tasman Lukisa JV	01/12/2006	Under MR Application	68	04/07/2016	U, Mo	Expired
WC 34 PR	Tasman Lukisa JV	01/12/2006	Under MR Application - Environmental Closure Application Submitted	34	01/08/2015	U, Mo	Expired
WC 35 PR	Tasman Lukisa JV	01/12/2006	Under MR Application - Environmental Closure Application Submitted	69	01/08/2015	U, Mo	Expired
WC 47 PR	Tasman Lukisa JV	04/09/2008	Under MR Application - Environmental Closure Application Submitted	36	04/07/2015	U, Mo	Expired

Permit Number/ Name	Holding Entity	Initial Rights Date	Renewed/ Signed/ Validity *(e.g. Valid, Under PR Application, Under Mining Right Application, Closure Submitted/Issued)*	Area (km^2)	Current Expiry	Commodity Group	Original PR Status
WC 59 PR	Tasman Lukisa JV	01/12/2006	Under MR Application - Environmental Closure Application Submitted	40	01/08/2015	U, Mo	Expired
WC 60 PR	Tasman Lukisa JV	01/12/2006	Under MR Application - Environmental Closure Application Submitted	56	01/08/2015	U, Mo	Expired
WC 61 PR	Tasman Lukisa JV	01/12/2006	Under MR Application - Environmental Closure Application Submitted	69	01/08/2015	U, Mo	Expired
WC 127 PR	Tasman Lukisa JV	30/11/2006	Under MR Application - Environmental Closure Application Submitted	59	10/12/2017	U, Mo	Expired
WC 137 PR	Tasman Lukisa JV	30/11/2006	Under MR Application - Environmental Closure Application Submitted	73	04/07/2016	U, Mo	Expired
WC 156 PR	Tasman Lukisa JV	30/11/2006	Under MR Application - Environmental Closure Application Submitted	69	04/07/2014	U, Mo	Expired
WC 158 PR	Tasman Lukisa JV	23/01/2007	Under MR Application - Environmental Closure Application Submitted	57	12/11/2014	U, Mo	Expired
WC 167 PR	Tasman Lukisa JV	30/11/2006	Under MR Application - Environmental Closure Application Submitted	21	12/11/2015	U, Mo	Expired
WC 95 PR	Tasman-Lukisa JV	17/04/2007	Closure Submitted	5	23/03/2013	U, Mo	Expired
WC 152 PR	Tasman-Lukisa JV	01/12/2006	Closure Submitted	189	04/07/2016	U, Mo	Expired
WC 187 PR	Tasman Lukisa JV	01/12/2006	Closure Submitted	24	01/08/2014	U, Mo	Expired
WC 168 PR	Tasman Pacific Minerals	13/12/2006	Closure Submitted	332	05/05/2014	U, Mo	Expired
WC 170 PR	Tasman Pacific Minerals	13/12/2006	Closure Submitted	108	05/05/2014	U, Mo	Expired
NC 330 PR	Tasman Pacific Minerals	08/06/2007	Closure Submitted	481	19/04/2019	U, Mo	Relinquished
NC 331 PR	Tasman Pacific Minerals	08/06/2007	Closure Submitted	205	17/11/2018	U, Mo	Relinquished
NC 347 PR	Tasman Pacific Minerals	08/06/2007	Closure Submitted	634	17/11/2018	U, Mo	Relinquished
EC 28 PR	Tasman Pacific Minerals	15/11/2006	Closure Submitted	225	26/03/2015	U, Mo	Expired

**Note that Joint Venture Partner consent has been requested to withdraw application.*

- **Fiji**

Location / Project Name	Tenement	Percentage
RakiRaki (Geopacific JV)	SPL 1231	50%
RakiRaki (Geopacific JV)	SPL 1373	50%
RakiRaki (Geopacific JV)	SPL 1436	50%

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Corporate Directory

Directors

John Harrison	Non-Executive Chairman
Wayne Heili	Managing Director / CEO
Harrison Barker	Non-Executive Director
Mark Wheatley	Non-Executive Director
David Coyne	Non-Executive Director

Managing Director / Chief Executive Officer

Wayne Heili

Chief Financial Officer

Ron Chamberlain

CEO – Strata Energy

Ralph Knode

Joint Company Secretary

Jonathan Whyte and Ron Chamberlain

Registered and Principal Office

Suite 22, 44 Kings Park Road
West Perth WA 6005

PO Box 8129, Subiaco East, WA 6008

Telephone: +61 8 6263 4461
Facsimile: +61 8 6263 4444

Website: www.pel.net.au

Share Registry

Link Market Services Limited
Level 12, QV1 Building
250 St Georges Terrace
Perth WA 6000

Telephone: 1300 554 474
Facsimile: +61 2 9287 0303

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, WA 6008

Stock Exchange

Peninsula Energy Limited is a public company listed on the Australian Securities Exchange (ASX) and incorporated in Western Australia.

ASX Codes

PEN – Ordinary Fully Paid Shares

ABN

67 062 409 303

PENINSULA ENERGY LIMITED