

**Peninsula Energy Limited (PEN.AX)**  
**Rating: Buy**

 Heiko F. Ihle, CFA  
 212-356-0510  
[hihle@hcwresearch.com](mailto:hihle@hcwresearch.com)

### Large Raise Should Allow For Restart at Lance Project; Establishing the Dagger Project; Reiterate Buy; PT Lower

Stock Data		02/20/2024
Price		AUD0.12
Price Target		A\$0.25
52-Week High		AUD0.20
52-Week Low		AUD0.08
Enterprise Value (M)		AUD174.1
Market Cap (M)		AUD231
Shares Outstanding (M)		1,923.8
3 Month Avg Volume		16,592,344

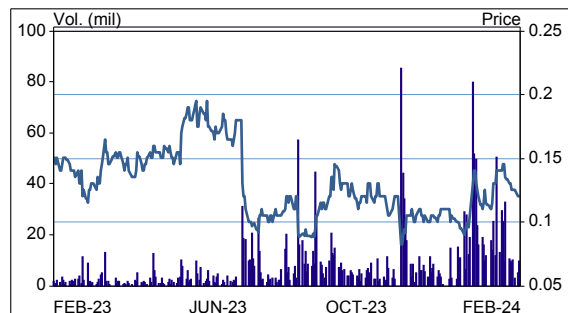
*Shares Outstanding (M): Pro forma for A\$50.0M placement.*

Balance Sheet Metrics		
Cash (M)		A\$56.90
Total Debt (M)		A\$0.02
Total Cash/Share		AUD0.03

*Cash (M): Pro forma for A\$50.0M placement.*

EPS (\$) Diluted			
Full Year - Jun	2021A	2022A	2023E
FY	(0.01)	(0.01)	(0.01)

Revenue (\$M)			
Full Year - Jun	2021A	2022A	2023E
FY	9.8	18.3	15.0

*EPS quoted as cents per share.*


**Funding for Lance project restart.** Peninsula Energy Limited has raised A\$50M from new and existing investors for the restart of its Lance project. In short, the placement raised A\$50M through the issue of about 666.7M shares, at a price of A\$0.075, along with one free option for every two placement shares that is exercisable at A\$0.10 and expires in March of next year. Additionally, the company engaged in a securities purchase plan for all eligible shareholders to raise an additional A\$10M on the same terms as the aforementioned raise. We stress that the options (assuming they are exercised) should bring in additional funding as well. The firm currently expects production at the Lance project to restart toward the end of 2024. This timing is based on PEN's revised life of mine plan from August 30, 2023, and factors in the accelerated ramp-up schedule.

**Establishing the new Dagger Project.** PEN's team has announced its intent to establish a new uranium development project. The Dagger Project, which is located only 20 kilometers (km) northeast from the Lance facilities, has multiple mineral rights packages that total about 4,140 acres. The initial mineral resource estimate for Dagger shows 6.9M pounds of inferred uranium at an average grade of 1,037 parts per million (PPM). Importantly, these figures are based solely on Dagger's significant drilling history with the assumption of in-situ recovery methods. Longer-term, we note that the Dagger Project provides another high-grade resource amid some incremental diversity for the firm's asset base. Peninsula already has a drilling program planned that should ultimately allow for a resource upgrade toward the end of FY2024.

**We are reiterating our Buy rating on shares of Peninsula while slightly lowering our PT to A\$0.25 from A\$0.30.** Our lower PT is the result of incorporating the recent capital raises (that were consummated at a price below our prior NAV/share) to fund Lance, which was mostly offset by an increase in our longer-term uranium price forecast (\$90/lb vs. \$65/lb previously). Our valuation for the firm continues to be based on a DCF of operations for the Lance Projects, on which we now utilize a discount rate of 10.0% (prior: 12.0%), which accounts for the de-risked profile of the site following the financing. Looking ahead, we maintain our view that Peninsula Energy continues to be an attractive way to participate in the domestic uranium space. This is especially pertinent as we retain our view that U.S.-sourced uranium holds a variety of advantages over foreign production, while companies and countries around the world simultaneously forecast lower output.

**Near-term catalysts.** In our view, Peninsula has meaningfully de-risked Lance through its recent financing operations. Although future funding may be necessary (assuming options from the placements are not exercised), we nonetheless believe that Lance should re-enter production in the intermediate-term. We further note that the recent surge in the spot price of uranium meaningfully increases the value of PEN's inventory. Looking ahead, this inventory could also become a non-dilutive source of capital. Peninsula maintains sales contracts for up to 4.95Mlbs of uranium through 2033. Finally, we believe that additional drilling at Dagger could ultimately yield an updated resource estimate.

**Risks.** (1) Financing risk; (2) uranium price risk; (3) operating and technical risk; (4) political risk.



Peninsula Energy Limited		2023E	2024E	2025E	2026E	2027E	2028E	2029E
<i>All figures in USD unless otherwise noted</i>								
Uranium price per lb		\$90	\$90	\$90	\$90	\$90	\$90	\$90
<b>Lance Projects</b>								
Production ('000s pounds of uranium)		-	150	800	1,500	2,000	2,000	2,000
Sales ('000s pounds of uranium)		250	150	800	1,500	2,000	2,000	2,000
Contracted sales price		\$90						
<b>Revenue ('000s)</b>		<b>\$ 22,500</b>	<b>\$ 13,500</b>	<b>\$ 72,000</b>	<b>\$ 135,000</b>	<b>\$ 180,000</b>	<b>\$ 180,000</b>	<b>\$ 180,000</b>
Royalties (6% of net, state & county 5% of gross) ('000s)		\$ 1,800	\$ 1,080	\$ 5,760	\$ 10,800	\$ 14,400	\$ 14,400	\$ 14,400
<b>Net Sales ('000s)</b>		<b>\$ 20,700</b>	<b>\$ 12,420</b>	<b>\$ 66,240</b>	<b>\$ 124,200</b>	<b>\$ 165,600</b>	<b>\$ 165,600</b>	<b>\$ 165,600</b>
Cost for procurement		\$ (9,750)						
<b>Cash margin on procured sales</b>		<b>\$ 5,250</b>						
Operating cost per lb		\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00
<b>Total Operating Costs ('000s)</b>		<b>\$ -</b>	<b>\$ (3,300)</b>	<b>\$ (17,600)</b>	<b>\$ (33,000)</b>	<b>\$ (44,000)</b>	<b>\$ (44,000)</b>	<b>\$ (44,000)</b>
<b>Operating Income ('000s)</b>		<b>\$ 20,700</b>	<b>\$ -</b>	<b>\$ 48,640</b>	<b>\$ -</b>	<b>\$ 121,600</b>	<b>\$ -</b>	<b>\$ 121,600</b>
CapEx ('000s)		\$ (10,000)	\$ (43,150)	\$ (35,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)
Taxes ('000s)	35.0%	\$ -	\$ -	\$ (29,274)	\$ (35,420)	\$ (46,060)	\$ (46,060)	\$ (46,060)
<b>Total Operating Cash Flow ('000s)</b>		<b>\$ 10,700</b>	<b>\$ (34,030)</b>	<b>\$ (15,634)</b>	<b>\$ 45,780</b>	<b>\$ 65,540</b>	<b>\$ 65,540</b>	<b>\$ 65,540</b>
Discount Rate	10.0%							
<b>PV of Operating Cash Flows ('000's)</b>		<b>\$ 10,700</b>	<b>\$ (30,936)</b>	<b>\$ (12,921)</b>	<b>\$ 34,395</b>	<b>\$ 44,765</b>	<b>\$ 40,695</b>	<b>\$ 36,996</b>
<b>NPV ('000s)</b>		<b>\$ 263,936</b>						
Plus cash and cash equivalents ('000s)		\$ 54,985	<i>as of 01/16/2024, pro-forma for recent transaction, assumes 5% fee for \$39M capital raise</i>					
Uranium inventory		\$ 28,597	<i>as of 12/31/22</i>					
Borrowings		\$ -	<i>as of 12/31/23</i>					
<b>Total Current Value ('000s)</b>		<b>\$ 347,518</b>						
Common Shares Outstanding (000's)		1,927,000	<i>as of 01/16/2024, pro-forma for recent transaction</i>					
Options (000's)		404,100	<i>using Treasury method - 400M options @ AUD0.10 through March 2025; 4.1M options @ AUD0.30 through November 2027</i>					
Fully Diluted Shares (000's)		2,331,100						
Project NAV Per Share (AUD)		\$ 0.23	AUD/USD		\$ 0.6559	<i>as of 02/20/2024</i>		
<b>Project NAV Per Share (AUD) (Rounded to \$0.05/share)</b>		<b>\$ 0.25</b>						
PEN.AX Stock Price (AUD)		\$ 0.12	<i>as of 02/20/24</i>					
<i>Source: Company reports and H.C. Wainwright estimates.</i>								

**Important Disclaimers**

This material is confidential and intended for use by Institutional Accounts as defined in FINRA Rule 4512(c). It may also be privileged or otherwise protected by work product immunity or other legal rules. If you have received it by mistake, please let us know by e-mail reply to unsubscribe@hcwresearch.com and delete it from your system; you may not copy this message or disclose its contents to anyone. The integrity and security of this message cannot be guaranteed on the Internet.

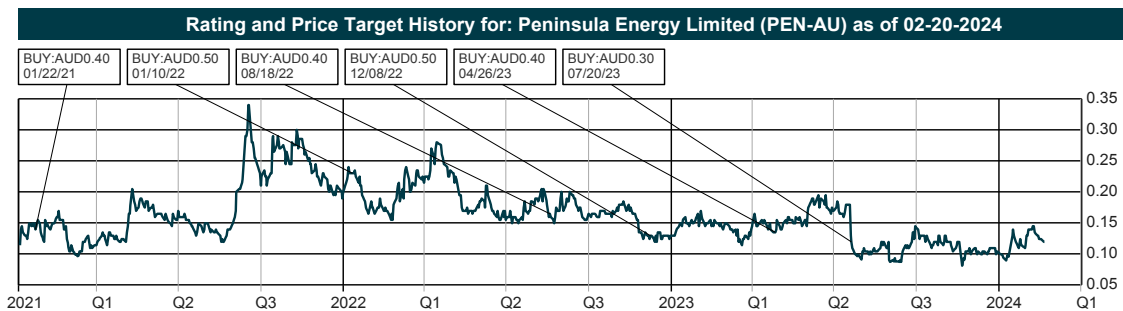
**H.C. WAINWRIGHT & CO, LLC RATING SYSTEM:** H.C. Wainwright employs a three tier rating system for evaluating both the potential return and risk associated with owning common equity shares of rated firms. The expected return of any given equity is measured on a RELATIVE basis of other companies in the same sector. The price objective is calculated to estimate the potential movements in price that a given equity could reach provided certain targets are met over a defined time horizon. Price objectives are subject to external factors including industry events and market volatility.

**RETURN ASSESSMENT**

**Market Outperform (Buy):** The common stock of the company is expected to outperform a passive index comprised of all the common stock of companies within the same sector.

**Market Perform (Neutral):** The common stock of the company is expected to mimic the performance of a passive index comprised of all the common stock of companies within the same sector.

**Market Underperform (Sell):** The common stock of the company is expected to underperform a passive index comprised of all the common stock of companies within the same sector.



Investment Banking Services include, but are not limited to, acting as a manager/co-manager in the underwriting or placement of securities, acting as financial advisor, and/or providing corporate finance or capital markets-related services to a company or one of its affiliates or subsidiaries within the past 12 months.

Distribution of Ratings Table as of February 20, 2024				
Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	558	88.29%	144	25.81%
Neutral	62	9.81%	5	8.06%
Sell	2	0.32%	0	0.00%
Under Review	10	1.58%	5	50.00%

H.C. Wainwright & Co, LLC (the "Firm") is a member of FINRA and SIPC and a registered U.S. Broker-Dealer.

I, Heiko F. Ihle, CFA, certify that 1) all of the views expressed in this report accurately reflect my personal views about any and all subject securities or issuers discussed; and 2) no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed in this research report; and 3) neither myself nor any members of my household is an officer, director or advisory board member of these companies.

None of the research analysts or the research analyst's household has a financial interest in the securities of Peninsula Energy Limited (including, without limitation, any option, right, warrant, future, long or short position).

As of January 31, 2024 neither the Firm nor its affiliates beneficially own 1% or more of any class of common equity securities of Peninsula Energy Limited.

Neither the research analyst nor the Firm knows or has reason to know of any other material conflict of interest at the time of publication of this research report.

The research analyst principally responsible for preparation of the report does not receive compensation that is based upon any specific investment banking services or transaction but is compensated based on factors including total revenue and profitability of the Firm, a substantial portion of which is derived from investment banking services.

The Firm or its affiliates did receive compensation from Peninsula Energy Limited for investment banking services within twelve months before, and will seek compensation from the companies mentioned in this report for investment banking services within three months following publication of the research report.

The Firm does not make a market in Peninsula Energy Limited as of the date of this research report.

The securities of the company discussed in this report may be unsuitable for investors depending on their specific investment objectives and financial position. Past performance is no guarantee of future results. This report is offered for informational purposes only, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such would be prohibited. This research report is not intended to provide tax advice or to be used to provide tax advice to any person. Electronic versions of H.C. Wainwright & Co., LLC research reports are made available to all clients simultaneously. No part of this report may be reproduced in any form without the expressed permission of H.C. Wainwright & Co., LLC. Additional information available upon request.

H.C. Wainwright & Co., LLC does not provide individually tailored investment advice in research reports. This research report is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this research report.

H.C. Wainwright & Co., LLC's and its affiliates' salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies that reflect opinions that are contrary to the opinions expressed in this research report.

H.C. Wainwright & Co., LLC and its affiliates, officers, directors, and employees, excluding its analysts, will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives (including options and warrants) thereof of covered companies referred to in this research report.

The information contained herein is based on sources which we believe to be reliable but is not guaranteed by us as being accurate and does not purport to be a complete statement or summary of the available data on the company, industry or security discussed in the report. All opinions and estimates included in this report constitute the analyst's judgment as of the date of this report and are subject to change without notice.

Securities and other financial instruments discussed in this research report: may lose value; are not insured by the Federal Deposit Insurance Corporation; and are subject to investment risks, including possible loss of the principal amount invested.