



# **INTERIM FINANCIAL REPORT**

FOR THE HALF-YEAR ENDED  
31 DECEMBER 2023

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## Corporate Directory

|                                                    |                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>                                   | <p>John Harrison     <i>Non-Executive Chairman</i><br/> Wayne Heili        <i>Managing Director / CEO</i><br/> Rachel Rees        <i>Executive Director Finance &amp; Corporate Affairs</i></p> <p>Harrison Barker    <i>Non-Executive Director</i><br/> Mark Wheatley      <i>Non-Executive Director</i><br/> Brian Booth          <i>Non-Executive Director</i></p> |
| <b>Managing Director / Chief Executive Officer</b> | Wayne Heili                                                                                                                                                                                                                                                                                                                                                           |
| <b>Chief Financial Officer</b>                     | Rachel Rees                                                                                                                                                                                                                                                                                                                                                           |
| <b>Joint Company Secretary</b>                     | Jonathan Whyte and Rachel Rees                                                                                                                                                                                                                                                                                                                                        |
| <b>Registered and Principal Office</b>             | <p>Units 32/33, 22 Railway Road, Subiaco, WA 6008</p> <p>PO Box 8129, Subiaco East, WA 6008</p> <p>Telephone: +61 8 9380 9920<br/> Fax: +61 8 9381 5064</p> <p>Website: <a href="http://www.pel.net.au">www.pel.net.au</a></p>                                                                                                                                        |
| <b>Share Registry</b>                              | <p>Link Market Services Limited<br/> Level 12, QV1 Building, 250 St Georges Terrace, Perth WA 6000</p> <p>Telephone: 1300 554 474<br/> Fax: +61 2 9287 0303</p>                                                                                                                                                                                                       |
| <b>Auditors</b>                                    | <p>BDO Audit (WA) Pty Ltd<br/> Level 9, Mia Yellagonga Tower 2<br/> 5 Spring Street, Perth, WA 6000</p>                                                                                                                                                                                                                                                               |
| <b>Stock Exchange</b>                              | <p>Peninsula Energy Limited is a public company listed on the Australian Securities Exchange (ASX) and incorporated in Western Australia.</p> <p>Peninsula trades under the ticker 'PENMF' on the OTCQB Venture Market in the United States.</p>                                                                                                                      |
| <b>ASX Code</b>                                    | PEN – Ordinary Fully Paid Shares                                                                                                                                                                                                                                                                                                                                      |
| <b>ABN</b>                                         | 67 062 409 303                                                                                                                                                                                                                                                                                                                                                        |

## Directors' Report

The Directors of Peninsula Energy Limited and its controlled entities (**Company, Peninsula or consolidated group**) submit the financial report of the economic entity for the half-year ended 31 December 2023.

### Directors

The Directors of the Company in office at any time during or since the end of the half-year are as follows. Directors were in office for this entire period unless otherwise stated.

- John Harrison Non-Executive Chairman
- Wayne Heili Managing Director / Chief Executive Officer
- Rachel Rees Executive Director Finance & Corporate Affairs
- Harrison Barker Non-Executive Director
- Mark Wheatley Non-Executive Director
- Brian Booth Non-Executive Director

## Review of Operations

### *Lance Uranium Project, USA*

(Peninsula Energy Ltd 100%)

Peninsula Energy Limited (Peninsula or the Company) is an ASX listed uranium mining company with 100% ownership of the Lance Project (Lance) in Wyoming, USA, operated by Peninsula's 100% owned subsidiary, Strata Energy Inc (Strata).

The Lance Projects comprise the Ross Production Project Area, Kendrick Development Project Area and Barber Exploration Area. With a combined JORC (2012) resource base of 53.8 million pounds (Mlbs) of uranium ( $U_3O_8$ ), Lance is one of the largest uranium projects in the US.

The August 2022 Definitive Feasibility Study (DFS) outlined a staged approach to name plate capacity production, with Stage 1 including the transition away from alkaline to the low pH In Situ Recovery (ISR) process with toll milling and Stage 2 expanding the plant to a nameplate capacity of 2.0 Mlbs per annum, including the backend plant processes to generate a final yellowcake ( $U_3O_8$ ) product.

In July 2023, and within a month of the planned restart of production at Lance, Peninsula received a termination notice from their long-term supplier who treated the loaded resins and produced the dry yellowcake product. As a result of this unexpected development, the Company quickly made the decision to delay the production restart until the Stage 2 backend plant processes were available in-house. By moving directly to Stage 2, the ramp-up outlined in the DFS is accelerated and Peninsula will be a fully independent end-to-end producer from the outset of production, mitigating the risk of third-party supply failures.

### **Revised Ross & Kendrick Life of Mine Plan**

On 31 August 2023, the Company released a revised production strategy and Life of Mine (LoM) plan for the Ross and Kendrick Areas with a combined resource base of 21.8 Mlbs  $U_3O_8$ . The LoM model includes a complete 5,000 GPM uranium ISR process plant, to produce up to 2.0 Mlbs p.a. of dry yellowcake product. The LoM plan schedules production commencing in December 2024.

The LoM plan excludes the contiguous Barber Resource Area, setting the total cost of the plant and infrastructure against Ross & Kendrick production. The expanded plant functionality will be available to process future output from the 31.9 Mlbs  $U_3O_8$  Resource base at Barber, highlighting the opportunity for significant future growth at the Lance Projects.

The LoM plan reveals robust economic outcomes for production from Ross and Kendrick. The Project reaches positive cashflow within the 2026 financial year. With an operating mine life of 10 years and an average production rate of 1.48 Mlbs  $U_3O_8$  per year, Ross and Kendrick production areas yield an NPV<sub>8</sub> of US\$116M (2023 real) and an IRR of 26%.

The determined average sales price of US\$67.07 per pound  $U_3O_8$  generates a LoM revenue of US\$988 million. The All In Sustaining Cost (AISC) for the project is US\$42.46/lb and the fully loaded All In Cost (AIC) is US\$50.27/lb.

Uranium sales under existing contracts held at 31 December 2023 comprise up to 34% of the LoM production planned from Ross and Kendrick. The remaining production is currently uncontracted and is assumed in the LoM plan to be sold at a weighted average of US\$72.62/lb  $U_3O_8$  (2023\$).

Under the revised Ross and Kendrick LoM plan, it was identified that the Company required up to US\$95 million in additional funding, inclusive of a discretionary cash buffer allowance of US\$12.5 million, in order for the Company to reach sustainable positive monthly cashflows. The additional funding is not required as one lump sum amount and may be obtained progressively by the Company over a two-year time period. The additional finance is being sourced in a staged way through a combination of the sale of strategic uranium inventory, equity and debt instruments with an equity raise of A\$60 million announced on 20 November 2023, made up of a A\$50 million Placement and a A\$10m Share Purchase Plan, completed post the calendar year end as detailed under Corporate below.

The JORC compliant Resource Estimate for the Lance Projects excluding the Dagger prospect is as follows,

**<sup>1</sup> Lance Projects Classified JORC-Compliant Resource Estimate (U<sub>3</sub>O<sub>8</sub>) as at 31 December 2022**

| Resource Classification | Tonnes Ore (M) | U <sub>3</sub> O <sub>8</sub> (Mkg) | U <sub>3</sub> O <sub>8</sub> (Mlbs) | Grade (ppm U <sub>3</sub> O <sub>8</sub> ) |
|-------------------------|----------------|-------------------------------------|--------------------------------------|--------------------------------------------|
| Measured                | 3.5            | 1.7                                 | 3.8                                  | 489                                        |
| Indicated               | 11.3           | 5.5                                 | 12.2                                 | 492                                        |
| Inferred                | 36.2           | 17.2                                | 37.8                                 | 474                                        |
| <b>Total</b>            | <b>51.0</b>    | <b>24.4</b>                         | <b>53.8</b>                          | <b>479</b>                                 |

<sup>1</sup>JORC Table 1 included in an announcement to the ASX released on 14 November 2018: "Revised Lance Projects Resource Tables", updated in the "Annual Report to Shareholders" released on 29 September 2023. Peninsula confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

*Competent Persons 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'.*

### Dagger Project, USA

(Peninsula Energy Ltd 100%)

In October 2023, the Company announced the establishment of a new high grade uranium development, the Dagger Project (Dagger), located in Crook Country, Wyoming within the Black Hills district in the Northeast corner of the State, approximately 20km Northeast of the Company's Ross Processing Plant at the Lance Project facilities.

A Mineral Resource Estimate (MRE) prepared for Dagger of 6.9 Mlbs U<sub>3</sub>O<sub>8</sub> at an average grade of 1,037ppm, is based solely on significant historical drilling information and assuming mining by ISR methods, in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

At over twice the grade of U<sub>3</sub>O<sub>8</sub> compared to the Lance Resource, Dagger has provided the Company with a relatively high-grade uranium resource, location diversity within a top mining jurisdiction and further opportunities to increase the scale and quality of Peninsula's mineral resource holdings. Dagger has also provided the opportunity to extend the Lance project life through satellite ISR operations.

Dagger was established through a series of mineral rights and data acquisition transactions spanning an eight-year period at a cost of only approximately US\$800,000 (or US\$0.12/lb U<sub>3</sub>O<sub>8</sub>). The combined State and Federal Mineral rights cover an area with historically identified uranium mineralization contiguous to past uranium mining sites.

A confirmation drilling program is planned at Dagger for completion prior to the end of FY2024 to assist with the preparation and publication of an updated JORC (2012) compliant resource estimate.

## <sup>2</sup>Dagger Project Classified JORC-Compliant Resource Estimate (U<sub>3</sub>O<sub>8</sub>) as at 23 October 2023

| Resource Classification | Tonnes Ore (M) | U <sub>3</sub> O <sub>8</sub> (KTonnes) | U <sub>3</sub> O <sub>8</sub> (Mlbs) | Grade (ppm U <sub>3</sub> O <sub>8</sub> ) |
|-------------------------|----------------|-----------------------------------------|--------------------------------------|--------------------------------------------|
| Inferred                | 3.0            | 3.1                                     | 6.9                                  | 1037                                       |
| <b>Total</b>            | <b>3.0</b>     | <b>3.1</b>                              | <b>6.9</b>                           | <b>1037</b>                                |

\* Reported above a 0.02 % eU<sub>3</sub>O<sub>8</sub> grade and a 0.2 GT cut-off

<sup>2</sup>JORC Table 1 included in an announcement to the ASX released on 23 October 2023: "Peninsula Establishes Significant New Uranium Development Project". Peninsula confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The Mineral Resource Estimate was prepared by Mr. Benjamin Schiffer in accordance with the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

### Uranium Sales Agreements

Following the decision to delay the restart of production at Lance, the Company held discussions with its customer base regarding implications for scheduled deliveries in 2023 and 2024, prior to the expected restart of production. All customers agreed to adjusted delivery schedules to align with the current forecast production.

During the half year, the Company delivered its remaining 209,507 pounds U<sub>3</sub>O<sub>8</sub> concentrate inventory to an existing customer in satisfaction of a current delivery requirement. A total of US\$11.9 million cash proceeds were received for the sale.

The next product delivery is scheduled in 2025 after production is expected to resume at Lance.

## Corporate

### Lance Project Finance

On 20 November 2023, Peninsula announced it had received binding commitments to raise A\$50 million (before costs) via a placement to global institutional and sophisticated investors at A\$0.075 per share to fund continuing construction works and wellfield development to restart production at Lance as per the LoM plan.

Subsequent to the end of the period, Peninsula held an EGM on 10 January 2024, where all resolutions pertaining to the equity raise were passed by way of shareholder poll.

The Placement raised A\$50 million through the issue of approximately 666.7 million Placement Shares at an offer price of A\$0.075 per share (Placement Shares), together with one free attaching option for every two Placement Shares. The Placement Shares were issued on 16 January 2024.

The Company also undertook a Securities Purchase Plan (SPP) for all eligible shareholders to raise a maximum of A\$10 million, providing existing shareholders the opportunity to participate in the capital raising on the same terms as the Placement. Eligible Holders were invited to invest up to A\$30,000 per shareholder, subject to any scale back.

Participants in the SPP were entitled to one (1) free attaching option for every two (2) new shares allocated (SPP Options), allotted on the same terms as the Placement Options. The SPP Shares and SPP Options were issued on 31 January 2024, along with the Placement Options. The SPP was substantially oversubscribed with A\$33.7 million received from over 2,000 eligible shareholders, necessitating a large scale-back, with the Company accepting applications for A\$10m, pursuant to the SPP terms. The allocation policy is detailed in ASX Release dated 30 January 2024. SPP shares began trading on the ASX on 1 February 2024.

Exercise of the SPP Options and Placement Options could provide the Company with further funding of up to A\$40 million. Combined with the A\$10 million SPP, the Company will have up to A\$50 million in further funding on top of the A\$50 million Placement.

Proceeds from the Placement are allowing the Company to progress pre-production construction works at Lance and maintain the schedule for critical path items to restart production in late 2024.

## Operating Results

The consolidated group loss for the half-year ended 31 December 2023 was US\$8.4 million (31 December 2022: loss of US\$2.6 million).

The consolidated group loss is impacted by the requirement under the International Accounting Standard IFRS 9 to recognise a derivative on part of the Company's uranium concentrate sale agreements where the Company considers such arrangements do not satisfy the standard's 'own-use' exemption. Due to the large gain in market prices for uranium, a US\$7.0 million unrealised non-cash derivative loss (31 December 2022: US\$1.9 million unrealised non-cash gain) was recognised. These legacy sales commitments do not represent a material amount of the LoM modelled production and their weighted average pricing is expected to be realised at levels higher than All In Cost of production.

During the year the Company monetised 209,507 pounds of its available for sale uranium inventory for \$11.9 million by satisfying nearer term offtake requirement.

As at 31 December 2023, the net assets of the consolidated group were US\$82.6 million (30 June 2023: US\$91.1 million). The consolidated group's cash position, excluding security deposits and performance bonds, at 31 December 2023, was US\$17.9 million (30 June 2023: US\$21.5 million) and the Company is debt free as of 31 December 2023 with only a minor lease within, plant and equipment in place.

## Events Subsequent to Reporting Date

In January 2024, the Company completed the A\$60m equity raise announced in November 2023 comprising:

- A\$50 million (*US\$ 32.5 million equivalent*) Institutional Placement to issue 666.7 million new shares at A\$0.075 (*US\$0.049 equivalent*) per share with 332.1 million attaching options at A\$0.10 (*US\$0.065 equivalent*). The A\$50 million proceeds were received on 15 January 2024; and
- A\$10 million (*US\$ 6.5 million equivalent*) SPP issuing 133.3 million new shares together with 66.7 million attaching options on the same terms as the placement. The A\$10 million proceeds were received on 30 January 2024.
- As at the date of this report and since the equity raise, 49,672,634 placement options associated with the A\$60 million capital raise has been exercised raising A\$5.0 million (*US\$ 3.25 million equivalent*)

After completion of the Placement and SPP, the Company has 2,110,177,110 shares and 349,126,256 unlisted SPP and placement options not exercised and outstanding as at the date of this report. The SPP and placement options are exercisable at A\$0.10 and expire 31 March 2025. In addition, the Company has 4,100,000 unlisted options for the Non-Executive Directors, exercisable at A\$0.30, with an expiry date on 26 November 2027.

On 1 March 2024, the Company announced the signing of a new sales agreement for the supply of 1.2 million pounds of uranium yellowcake over a 6-year period starting in 2028 to a European nuclear fuel buyer. The contract is estimated to generate gross revenue between US\$88 million and US\$117 million over the 6 year term.

On the 6 March 2024, Rachel Rees resigned effective 4 April 2024 from the position of Executive Director Finance and Corporate Affairs, including the roles of Chief Financial Officer and Joint Company Secretary.

No other matter or circumstance has arisen since 31 December 2023, which has significantly affected, or may significantly affect the operations of the consolidated group, the result of those operations, or the state of affairs of the consolidated group in subsequent financial periods.

## 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.

## Auditor's Independence Declaration

The Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* is set out on page 8 of this report.

Signed in accordance with a resolution of the Board of Directors.



John Harrison  
Non-Executive Chairman  
14 March 2024



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## DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF PENINSULA ENERGY LIMITED

As lead auditor for the review of Peninsula Energy Limited for the half-year ended 31 December 2023, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

**Glyn O'Brien**

**Director**

**BDO Audit (WA) Pty Ltd**

Perth

14 March 2024



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2023

|                                                                                              | Notes | 31 December<br>2023<br>US\$000s | 31 December<br>2022<br>US\$000s |
|----------------------------------------------------------------------------------------------|-------|---------------------------------|---------------------------------|
| <b>Continuing operations</b>                                                                 |       |                                 |                                 |
| Revenue                                                                                      | 2     | 11,866                          | 12,300                          |
| Cost of sales                                                                                | 3a    | (10,318)                        | (12,131)                        |
| <b>Gross profit</b>                                                                          |       | <b>1,548</b>                    | <b>169</b>                      |
| Other income                                                                                 | 2     | 214                             | 39                              |
| Standby mode and low pH transition costs                                                     | 3b    | (413)                           | (3,918)                         |
| Corporate and administrative expenses                                                        | 3c    | (2,556)                         | (1,410)                         |
| Foreign exchange loss                                                                        |       | (15)                            | (85)                            |
| Derivative fair value (loss)/gain                                                            | 14    | (6,999)                         | 1,916                           |
| Other expenses                                                                               | 3d    | (220)                           | (49)                            |
| <b>Loss before interest and tax from continuing operations</b>                               |       | <b>(8,441)</b>                  | <b>(3,338)</b>                  |
| Finance costs                                                                                |       | -                               | -                               |
| <b>Net loss before income tax</b>                                                            |       | <b>(8,441)</b>                  | <b>(3,338)</b>                  |
| Income tax benefit                                                                           |       | -                               | 680                             |
| <b>Loss for the half-year from continuing operations</b>                                     |       | <b>(8,441)</b>                  | <b>(2,658)</b>                  |
| Profit from discontinued operations                                                          |       | -                               | 56                              |
| <b>Loss for the half-year</b>                                                                |       | <b>(8,441)</b>                  | <b>(2,602)</b>                  |
| <b>Other comprehensive loss:</b>                                                             |       |                                 |                                 |
| <i>Other comprehensive loss may be reclassified to profit or loss in subsequent periods:</i> |       |                                 |                                 |
| Exchange differences on translation of foreign operations                                    |       | (99)                            | (126)                           |
| <b>Total comprehensive loss for the half-year</b>                                            |       | <b>(8,540)</b>                  | <b>(2,728)</b>                  |
| <b>Loss for the half-year attributable to:</b>                                               |       |                                 |                                 |
| Equity holders of the Parent                                                                 |       | (8,441)                         | (2,586)                         |
| Non-controlling interests                                                                    |       | -                               | (16)                            |
|                                                                                              |       | <b>(8,441)</b>                  | <b>(2,602)</b>                  |
| <b>Total comprehensive loss attributable to:</b>                                             |       |                                 |                                 |
| Equity holders of the Parent                                                                 |       | (8,546)                         | (2,701)                         |
| Non-controlling interests                                                                    |       | 6                               | (27)                            |
|                                                                                              |       | <b>(8,540)</b>                  | <b>(2,728)</b>                  |
| <b>Loss per share attributable to the members of Peninsula Energy Limited:</b>               |       |                                 |                                 |
| Basic and diluted (cents per share)                                                          |       | (0.67)                          | (0.25)                          |
| <b>Loss for the half-year from continuing operations</b>                                     |       |                                 |                                 |
| Basic and diluted (cents per share)                                                          |       | (0.67)                          | (0.25)                          |

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 31 December 2023

|                                                     |    | 31 December<br>2023<br>US\$000s | 30 June<br>2023<br>US\$000s |
|-----------------------------------------------------|----|---------------------------------|-----------------------------|
| <b>Current Assets</b>                               |    |                                 |                             |
| Cash and cash equivalents                           |    | 17,935                          | 21,455                      |
| Trade and other receivables                         |    | 1,602                           | 1,260                       |
| Inventory                                           | 6  | 1,738                           | 12,092                      |
| Held for sale assets                                |    | 377                             | 366                         |
| <b>Total Current Assets</b>                         |    | <b>21,652</b>                   | <b>35,173</b>               |
| <b>Non-Current Assets</b>                           |    |                                 |                             |
| Trade and other receivables                         |    | 3,164                           | 3,089                       |
| Property, plant and equipment                       | 8  | 27,949                          | 23,792                      |
| Mineral development                                 | 8  | 56,084                          | 47,962                      |
| Other financial assets                              | 7  | 3                               | 3                           |
| <b>Total Non-Current Assets</b>                     |    | <b>87,200</b>                   | <b>74,846</b>               |
| <b>Total Assets</b>                                 |    | <b>108,852</b>                  | <b>110,019</b>              |
| <b>Current Liabilities</b>                          |    |                                 |                             |
| Trade and other payables                            | 9  | 2,996                           | 3,660                       |
| Borrowings                                          |    | 3                               | 3                           |
| Provisions                                          |    | 174                             | 190                         |
| Liabilities associated with held for sale assets    |    | 156                             | 155                         |
| <b>Total Current Liabilities</b>                    |    | <b>3,329</b>                    | <b>4,008</b>                |
| <b>Non-Current Liabilities</b>                      |    |                                 |                             |
| Borrowings                                          |    | -                               | 1                           |
| Provisions                                          |    | 13,383                          | 12,402                      |
| Other Financial liabilities                         | 7  | 9,503                           | 2,504                       |
| <b>Total Non-Current Liabilities</b>                |    | <b>22,886</b>                   | <b>14,907</b>               |
| <b>Total Liabilities</b>                            |    | <b>26,215</b>                   | <b>18,915</b>               |
| <b>Net Assets</b>                                   |    | <b>82,637</b>                   | <b>91,104</b>               |
| <b>Equity</b>                                       |    |                                 |                             |
| Issued capital                                      | 12 | 275,008                         | 274,866                     |
| Reserves                                            |    | 6,989                           | 7,163                       |
| Accumulated losses                                  |    | (198,322)                       | (189,881)                   |
| Equity attributable to equity holders of the Parent |    | 83,675                          | 92,148                      |
| Non-controlling interest                            |    | (1,038)                         | (1,044)                     |
| <b>Total Equity</b>                                 |    | <b>82,637</b>                   | <b>91,104</b>               |

The Consolidated Statement of Financial Position should be read in conjunction with the notes.

## Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2023

|                                       | Issued Capital      | Accumulated Losses | Option and SBP Reserve | Foreign Currency Translation Reserve | Total          | Non-controlling interest | Total Equity   |
|---------------------------------------|---------------------|--------------------|------------------------|--------------------------------------|----------------|--------------------------|----------------|
| Notes                                 | US\$000s            | US\$000s           | US\$000s               | US\$000s                             | US\$000s       | US\$000s                 | US\$000s       |
| <b>Balance 1 July 2022</b>            | <b>252,717</b>      | <b>(186,339)</b>   | <b>16,094</b>          | <b>(7,991)</b>                       | <b>74,481</b>  | <b>(1,042)</b>           | <b>73,439</b>  |
| <b>Transaction with Owners</b>        |                     |                    |                        |                                      |                |                          |                |
| Shares issued during the period       | 23,251              | -                  | (1,077)                | -                                    | 22,174         | -                        | 22,174         |
| Share-based payments expense          | -                   | -                  | 114                    | -                                    | 114            | -                        | 114            |
| Transaction costs                     | (1,075)             | -                  | -                      | -                                    | (1,075)        | -                        | (1,075)        |
| <b>Total Transactions with Owners</b> | <b>22,176</b>       | <b>-</b>           | <b>(963)</b>           | <b>-</b>                             | <b>21,213</b>  | <b>-</b>                 | <b>21,213</b>  |
| <b>Comprehensive Loss</b>             |                     |                    |                        |                                      |                |                          |                |
| Foreign exchange translation reserve  | -                   | -                  | -                      | (126)                                | (126)          | -                        | (126)          |
| Non-controlling interest              | -                   | -                  | -                      | 11                                   | 11             | (11)                     | -              |
| Loss for the half-year                | -                   | (2,586)            | -                      | -                                    | (2,586)        | (16)                     | (2,602)        |
| <b>Total Comprehensive Loss</b>       | <b>-</b>            | <b>(2,586)</b>     | <b>-</b>               | <b>(115)</b>                         | <b>(2,701)</b> | <b>(27)</b>              | <b>(2,728)</b> |
| <b>Balance 31 December 2022</b>       | <b>274,893</b>      | <b>(188,925)</b>   | <b>15,131</b>          | <b>(8,106)</b>                       | <b>92,993</b>  | <b>(1,069)</b>           | <b>91,924</b>  |
| <b>Balance 1 July 2023</b>            | <b>274,866</b>      | <b>(189,881)</b>   | <b>15,457</b>          | <b>(8,294)</b>                       | <b>92,148</b>  | <b>(1,044)</b>           | <b>91,104</b>  |
| <b>Transaction with Owners</b>        |                     |                    |                        |                                      |                |                          |                |
| Shares issued during the period       | <sup>12</sup> 280   | -                  | (280)                  | -                                    | -              | -                        | -              |
| Share-based payments expense          | <sup>11</sup> -     | -                  | 211                    | -                                    | 211            | -                        | 211            |
| Transaction costs                     | <sup>12</sup> (138) | -                  | -                      | -                                    | (138)          | -                        | (138)          |
| <b>Total Transactions with Owners</b> | <b>142</b>          | <b>-</b>           | <b>(69)</b>            | <b>-</b>                             | <b>73</b>      | <b>-</b>                 | <b>73</b>      |
| <b>Comprehensive Loss</b>             |                     |                    |                        |                                      |                |                          |                |
| Foreign exchange translation reserve  | -                   | -                  | -                      | (99)                                 | (99)           | -                        | (99)           |
| Non-controlling interest              | -                   | -                  | -                      | (6)                                  | (6)            | 6                        | -              |
| Loss for the half-year                | -                   | (8,441)            | -                      | -                                    | (8,441)        | -                        | (8,441)        |
| <b>Total Comprehensive Loss</b>       | <b>-</b>            | <b>(8,441)</b>     | <b>-</b>               | <b>(105)</b>                         | <b>(8,546)</b> | <b>6</b>                 | <b>(8,540)</b> |
| <b>Balance 31 December 2023</b>       | <b>275,008</b>      | <b>(198,322)</b>   | <b>15,388</b>          | <b>(8,399)</b>                       | <b>83,675</b>  | <b>(1,038)</b>           | <b>82,637</b>  |

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes.

## Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2023

|                                                                     | 31 December<br>2023<br>US\$000s | 31 December<br>2022<br>US\$000s |
|---------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>Operating Activities</b>                                         |                                 |                                 |
| Receipts from sale of uranium concentrate to customers              | 11,866                          | 13,084                          |
| Payments to acquire uranium concentrate from suppliers              | -                               | (7,878)                         |
| <i>Net cash margin from sale of uranium concentrate</i>             | <u>11,866</u>                   | <u>5,206</u>                    |
| Other payments to suppliers and employees                           | (3,161)                         | (5,880)                         |
| Interest and other income received                                  | 222                             | 51                              |
| <b>Net cash provided/(used in) by operating activities</b>          | <u><b>8,927</b></u>             | <u><b>(623)</b></u>             |
| <b>Investing Activities</b>                                         |                                 |                                 |
| Payments for property, plant and equipment, and mineral development | (12,521)                        | (3,161)                         |
| Payments for mineral exploration performance bonds and rental bonds | -                               | (37)                            |
| Proceeds from sale of property, plant and equipment                 | 145                             | 257                             |
| <b>Net cash used in investing activities</b>                        | <u><b>(12,376)</b></u>          | <u><b>(2,941)</b></u>           |
| <b>Financing Activities</b>                                         |                                 |                                 |
| Proceeds from issue of shares                                       | -                               | 22,174                          |
| Equity raising transaction costs                                    | (138)                           | (1,075)                         |
| Repayment of borrowings                                             | (2)                             | (2)                             |
| <b>Net cash provided by/(used in) financing activities</b>          | <u><b>(140)</b></u>             | <u><b>21,097</b></u>            |
| Net (decrease)/increase in cash held                                | (3,589)                         | 17,533                          |
| Cash at the beginning of the financial period                       | 21,455                          | 7,582                           |
| Effects of exchange rate fluctuations on cash held                  | 69                              | (17)                            |
| <b>Cash and cash equivalents at the end of the half-year</b>        | <u><u><b>17,935</b></u></u>     | <u><u><b>25,098</b></u></u>     |

The Consolidated Statement of Cash Flows should be read in conjunction with the notes.

# Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2023

## Note 1: Basis of Preparation

This general purpose interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit orientated entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IFRS 34 'Interim Financial Reporting'.

The report has been prepared on an accrual 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.

This interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and operating and financing activities of the consolidated group as the full financial report. Accordingly, this interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Peninsula during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The half-year financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the 30 June 2023 annual financial statements contained within the annual report of Peninsula, other than as described in this Note 1.

This interim financial report was approved by the Board of Directors on 14 March 2024.

### Going Concern

For the half-year ended 31 December 2023 the Company recorded a loss of \$8.4M (31 December 2022 half-year: \$2.6M) and had net cash outflow from operating activities of \$3.6M (31 December 2022 half-year net inflow of \$17.5M). At 31 December 2023 the Company has a surplus in working capital of \$19.0M (30 June 2023: \$31.2M) which includes available cash and cash equivalent assets and saleable uranium inventory holdings. As disclosed in Note 10, the Company has commitments to deliver uranium concentrate from mines developed or acquired by the Company under its portfolio of uranium concentrate sale agreements. To meet the Company's sale commitments the Company will require additional development expenditure on the Lance Project restart.

The ability of the Company to continue as a going concern is dependent on securing additional equity or debt financing to fund the additional development and production ramp-up activities of the Lance Project restart. These conditions indicate a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal business activity, realization of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Company's decision to accelerate development of the Lance Project elution, precipitation, and drying circuits to produce yellowcake in-house will ultimately deliver a faster ramp-up to the annual production target contained in the original 2022 DFS of 2.0 Mlbs per annum. Though this change in strategy has delayed the start of commercial production, it is the current opinion of the Directors that the Lance Project will produce sufficient uranium concentrates to generate future positive operating cash flows which is a requirement for the Company to continue as a going concern,
- The Company raised A\$60 million (*US\$39 million equivalent*) before costs and issued 400 million attaching options with a A\$0.10 (*US\$0.065 equivalent*) exercise price in January 2024 as outlined in note 16 and has enjoyed a successful track record in raising additional finance from debt or equity markets as and when required, to fund the capital and operating expenditure required to progress the Lance Project development and operational activities,
- The Company has a sizeable working capital balance that can be realised to provide part of the funding required.

Should the Company not be able to continue as a going concern, it may be required to realize its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Company not continue as a going concern.

## Adoption of New and Revised Accounting Standards

No new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board became applicable for the current reporting period, as a result there has been no impact on the interim financial report.

Any new or amended Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

## Rounding of Amounts

The consolidated group has applied the relief available to it under ASIC Legislative Instrument 2018/191. Accordingly, amounts in the half-year financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

## Note 2: Revenue and Other Income

|                                                 | 31 December<br>2023<br>US\$000s | 31 December<br>2022<br>US\$000s |
|-------------------------------------------------|---------------------------------|---------------------------------|
| <b>Revenue from continuing operations</b>       |                                 |                                 |
| Sale of goods <sup>(i)</sup>                    | 11,866                          | 12,300                          |
| <b>Total revenue from continuing operations</b> | <b>11,866</b>                   | <b>12,300</b>                   |
| <b>Other income</b>                             |                                 |                                 |
| Interest received                               | 208                             | 39                              |
| Sundry income                                   | 6                               | -                               |
| <b>Total other income</b>                       | <b>214</b>                      | <b>39</b>                       |

Notes:

- (i) During the half-year ending 31 December 2023, the Company delivered 209,507 pounds of U<sub>3</sub>O<sub>8</sub> uranium concentrate inventory to an existing customer in satisfaction of a delivery requirement not subject to recognition criteria under an IFRS 9 derivative arrangement outlined in note 7. This results in the sale revenue being recognised at the contracted price in accordance with IFRS 15 *Revenue from Contracts with Customers*. Revenue from uranium concentrate sales is recognised at the point in time when control of goods passes 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.

## Note 3: Material Costs and Expenses

Included in costs and expenses for the period to 31 December 2023 are:

|                                                                | 31 December<br>2023<br>US\$000s | 31 December<br>2022<br>US\$000s |
|----------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>a) Cost of sales</b>                                        |                                 |                                 |
| Uranium concentrate <sup>(i)</sup>                             | 10,318                          | 12,131                          |
| <b>Total cost of sales</b>                                     | <b>10,318</b>                   | <b>12,131</b>                   |
| <b>b) Lance Project low pH transition costs<sup>(ii)</sup></b> | <b>413</b>                      | <b>3,918</b>                    |
| <b>c) Corporate and administration expenses</b>                |                                 |                                 |
| Selling and marketing expenses                                 | 265                             | 214                             |
| Corporate and other administration expenses                    | 2,291                           | 1,196                           |
| <b>Total corporate and administration expenses</b>             | <b>2,556</b>                    | <b>1,410</b>                    |
| <b>d) Other expenses</b>                                       |                                 |                                 |
| Share-based payments expense – refer Note 11                   | 211                             | 49                              |
| Loss on disposal of property, plant and equipment              | 9                               | -                               |
| <b>Total other expenses</b>                                    | <b>220</b>                      | <b>49</b>                       |

Notes:

- (i) During the half-year ending 31 December 2023, the Company delivered 209,507 pounds of U<sub>3</sub>O<sub>8</sub> inventory to an existing customer in satisfaction of a current delivery requirement that was not subject to recognition criteria under a IFRS 9 derivative arrangement outlined in note 7. The uranium concentrate sold was recognised at cost in accordance with IFRS 2 *Inventories*
- (ii) Costs include expenditure related to the MU1A Field Demonstration and other preparatory work programmes undertaken in the Lance Project conversion to low pH ISR process for the restart of commercial operations. Any costs relating to the sale of uranium concentrate have been disclosed in cost of goods sold.

## Note 4: Dividends

The Company has not paid or provided for dividends during the half-year ended 31 December 2023.

## Note 5: 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 / Chief Executive Officer (chief operating decision makers) in assessing performance and determining the allocation of resources. Segments are identified based on 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 two reportable operating segments as follows:

- Lance Projects, Wyoming USA;
- 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 / Chief Executive Officer, 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. Usually, 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:

- Foreign exchange gain / (loss);
- Other expenses;
- Finance costs; and
- Income tax expense.

### Segment Performance

The following tables present information regarding the consolidated group's operating segments for the half-year ended 31 December 2023:

|                                                          | Lance Projects<br>Wyoming, USA<br>US\$000s | Corporate/<br>Other<br>US\$000s | Total<br>US\$000s |
|----------------------------------------------------------|--------------------------------------------|---------------------------------|-------------------|
| <b>31 December 2023</b>                                  |                                            |                                 |                   |
| <b>Revenue and other income</b>                          |                                            |                                 |                   |
| External sales                                           | 11,866                                     | -                               | 11,866            |
| Cost of sales                                            | (10,318)                                   | -                               | (10,318)          |
| <b>Gross profit</b>                                      | <b>1,548</b>                               | <b>-</b>                        | <b>1,548</b>      |
| Sundry income                                            | 6                                          | -                               | 6                 |
| Interest revenue                                         | 75                                         | 133                             | 208               |
| <b>Total other income</b>                                | <b>81</b>                                  | <b>133</b>                      | <b>214</b>        |
| <b>Total gross profit and other income</b>               | <b>1,629</b>                               | <b>133</b>                      | <b>1,762</b>      |
| <b>Expenses</b>                                          |                                            |                                 |                   |
| Lance Project low pH transition costs                    | (413)                                      | -                               | (413)             |
| Selling and marketing expenses                           | -                                          | (265)                           | (265)             |
| Corporate and administration expense                     | (657)                                      | (1,634)                         | (2,291)           |
| Fair value loss on derivative                            | (6,999)                                    | -                               | (6,999)           |
| <b>Allocated segment expenses</b>                        | <b>(8,069)</b>                             | <b>(1,899)</b>                  | <b>(9,968)</b>    |
| <b>Unallocated expenses</b>                              |                                            |                                 |                   |
| Foreign exchange loss                                    |                                            |                                 | (15)              |
| Other expenses                                           |                                            |                                 | (220)             |
| <b>Loss for the half-year</b>                            |                                            |                                 | <b>(8,441)</b>    |
| Segment profit included in discontinued operations       |                                            |                                 | -                 |
| <b>Loss for the half-year from continuing operations</b> |                                            |                                 | <b>(8,441)</b>    |

|                                                  | Lance Projects<br>Wyoming, USA<br>US\$000s | Corporate/<br>Other<br>US\$000s | Total<br>US\$000s |
|--------------------------------------------------|--------------------------------------------|---------------------------------|-------------------|
| <b>31 December 2023</b>                          |                                            |                                 |                   |
| <b>Segment assets</b>                            |                                            |                                 |                   |
| Mineral development                              | 56,084                                     | -                               | 56,084            |
| Property, plant and equipment                    | 27,939                                     | 10                              | 27,949            |
| Cash and cash equivalents                        | 2,041                                      | 15,894                          | 17,935            |
| Trade and other receivables                      | 4,406                                      | 360                             | 4,766             |
| Inventory                                        | 1,738                                      | -                               | 1,738             |
| Held for sale assets                             | -                                          | 377                             | 377               |
| Other financial assets                           | -                                          | 3                               | 3                 |
| <b>Total assets</b>                              | <b>92,208</b>                              | <b>16,644</b>                   | <b>108,852</b>    |
| <b>Segment liabilities</b>                       |                                            |                                 |                   |
| Borrowings                                       | 3                                          | -                               | 3                 |
| Provisions                                       | 13,556                                     | 1                               | 13,557            |
| Trade and other payables                         | 2,070                                      | 926                             | 2,996             |
| Liabilities associated with held for sale assets | -                                          | 156                             | 156               |
| Deferred tax liability                           |                                            |                                 |                   |
| Other financial liabilities                      | 6,084                                      | 3,419                           | 9,503             |
| <b>Total liabilities</b>                         | <b>21,713</b>                              | <b>4,502</b>                    | <b>26,215</b>     |

The following tables present information regarding the consolidated group's operating segments for the half-year ended 31 December 2022:



31 December 2022

**Revenue and other income**

|                |         |         |          |
|----------------|---------|---------|----------|
| External sales | 2,650   | 9,650   | 12,300   |
| Cost of sales  | (2,413) | (9,718) | (12,131) |

|                     |            |             |            |
|---------------------|------------|-------------|------------|
| <b>Gross profit</b> | <b>237</b> | <b>(68)</b> | <b>169</b> |
|---------------------|------------|-------------|------------|

|                  |    |    |    |
|------------------|----|----|----|
| Interest revenue | 39 | 11 | 50 |
|------------------|----|----|----|

|                           |           |           |           |
|---------------------------|-----------|-----------|-----------|
| <b>Total other income</b> | <b>39</b> | <b>11</b> | <b>50</b> |
|---------------------------|-----------|-----------|-----------|

|                                            |            |             |            |
|--------------------------------------------|------------|-------------|------------|
| <b>Total gross profit and other income</b> | <b>276</b> | <b>(57)</b> | <b>219</b> |
|--------------------------------------------|------------|-------------|------------|

**Expenses**

|                                       |         |   |         |
|---------------------------------------|---------|---|---------|
| Lance Project low pH transition costs | (3,918) | - | (3,918) |
|---------------------------------------|---------|---|---------|

|                                      |    |         |         |
|--------------------------------------|----|---------|---------|
| Corporate and administration expense | 45 | (1,410) | (1,365) |
|--------------------------------------|----|---------|---------|

|                                      |     |       |       |
|--------------------------------------|-----|-------|-------|
| Fair value gain/(loss) on derivative | 381 | 1,535 | 1,916 |
|--------------------------------------|-----|-------|-------|

|                                   |                |            |                |
|-----------------------------------|----------------|------------|----------------|
| <b>Allocated segment expenses</b> | <b>(3,492)</b> | <b>125</b> | <b>(3,367)</b> |
|-----------------------------------|----------------|------------|----------------|

**Unallocated expenses**

|                       |   |   |      |
|-----------------------|---|---|------|
| Foreign exchange loss | - | - | (85) |
|-----------------------|---|---|------|

|                |   |   |      |
|----------------|---|---|------|
| Other expenses | - | - | (49) |
|----------------|---|---|------|

|                    |   |   |     |
|--------------------|---|---|-----|
| Income tax expense | - | - | 680 |
|--------------------|---|---|-----|

|                               |          |          |                |
|-------------------------------|----------|----------|----------------|
| <b>Loss for the half-year</b> | <b>-</b> | <b>-</b> | <b>(2,602)</b> |
|-------------------------------|----------|----------|----------------|

|                                                  |   |   |      |
|--------------------------------------------------|---|---|------|
| Segment loss included in discontinued operations | - | - | (56) |
|--------------------------------------------------|---|---|------|

|                                                          |          |          |                |
|----------------------------------------------------------|----------|----------|----------------|
| <b>Loss for the half-year from continuing operations</b> | <b>-</b> | <b>-</b> | <b>(2,658)</b> |
|----------------------------------------------------------|----------|----------|----------------|

30 June 2023

**Segment assets**

|             |        |   |        |
|-------------|--------|---|--------|
| Development | 47,962 | - | 47,962 |
|-------------|--------|---|--------|

|                               |        |    |        |
|-------------------------------|--------|----|--------|
| Property, plant and equipment | 23,778 | 14 | 23,792 |
|-------------------------------|--------|----|--------|

|                           |       |        |        |
|---------------------------|-------|--------|--------|
| Cash and cash equivalents | 9,900 | 11,555 | 21,455 |
|---------------------------|-------|--------|--------|

|                             |       |     |       |
|-----------------------------|-------|-----|-------|
| Trade and other receivables | 4,082 | 267 | 4,349 |
|-----------------------------|-------|-----|-------|

|           |        |   |        |
|-----------|--------|---|--------|
| Inventory | 12,092 | - | 12,092 |
|-----------|--------|---|--------|

|                      |   |     |     |
|----------------------|---|-----|-----|
| Held for sale assets | - | 366 | 366 |
|----------------------|---|-----|-----|

|                        |   |   |   |
|------------------------|---|---|---|
| Other financial assets | - | 3 | 3 |
|------------------------|---|---|---|

|                     |               |               |                |
|---------------------|---------------|---------------|----------------|
| <b>Total assets</b> | <b>97,814</b> | <b>12,205</b> | <b>110,019</b> |
|---------------------|---------------|---------------|----------------|

**Segment liabilities**

|            |   |   |   |
|------------|---|---|---|
| Borrowings | 4 | - | 4 |
|------------|---|---|---|

|            |        |   |        |
|------------|--------|---|--------|
| Provisions | 12,590 | 2 | 12,592 |
|------------|--------|---|--------|

|                          |       |     |       |
|--------------------------|-------|-----|-------|
| Trade and other payables | 2,987 | 673 | 3,660 |
|--------------------------|-------|-----|-------|

|                                                  |   |     |     |
|--------------------------------------------------|---|-----|-----|
| Liabilities associated with held for sale assets | - | 155 | 155 |
|--------------------------------------------------|---|-----|-----|

|                             |     |       |       |
|-----------------------------|-----|-------|-------|
| Other financial liabilities | 932 | 1,572 | 2,504 |
|-----------------------------|-----|-------|-------|

|                          |               |              |               |
|--------------------------|---------------|--------------|---------------|
| <b>Total liabilities</b> | <b>16,513</b> | <b>2,402</b> | <b>18,915</b> |
|--------------------------|---------------|--------------|---------------|

## Note 6: Inventory

|                                  | 31 December<br>2023<br>US\$000s | 30 June<br>2023<br>US\$000s |
|----------------------------------|---------------------------------|-----------------------------|
| Stores and consumables           | 716                             | 753                         |
| Uranium inventory <sup>(i)</sup> | 1,022                           | 11,339                      |
| <b>Total Inventory</b>           | <b>1,738</b>                    | <b>12,092</b>               |

Notes:

- (i) During the half-year, the Company delivered 209,507 pounds of U<sub>3</sub>O<sub>8</sub> concentrate inventory to an existing customer.

## Note 7: Other Financial Assets and Liabilities

|                                                      | 31 December<br>2023<br>US\$000s | 30 June<br>2023<br>US\$000s |
|------------------------------------------------------|---------------------------------|-----------------------------|
| <b>Non-Current financial assets</b>                  |                                 |                             |
| Listed investment                                    | 3                               | 3                           |
| <b>Total non-current other financial assets</b>      | <b>3</b>                        | <b>3</b>                    |
| <b>Non-current financial liabilities</b>             |                                 |                             |
| Derivative financial liabilities <sup>(i)</sup>      | 9,503                           | 2,504                       |
| <b>Total non-current other financial liabilities</b> | <b>9,503</b>                    | <b>2,504</b>                |

Notes:

(i) **Judgement and estimates**

Judgement is required to determine whether the group's portfolio satisfies 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.

Management's assessment is that only 0.5 Mlbs U<sub>3</sub>O<sub>8</sub> of the Company's offtake portfolio contains a uranium origin or quantity option element that does not satisfy the "own-use" exemption under IFRS 9 *Financial Instruments*. The remaining uranium within the Company's offtake portfolio (4.2 Mlbs U<sub>3</sub>O<sub>8</sub> at 31 December 2023) is contracted to be satisfied by the Lance Project or from other mines developed or acquired by the consolidated group and falls outside the scope of IFRS 9.

There were no open purchase commitments to procure uranium and as a result the exposure on the sales contracts gives rise to the increased in derivative liability during the period. The derivative liability movement recognised through the Profit or Loss for the half-year to December 2023 is US\$7.0 million (December 2022: net derivative gain of US\$1.9 million).

## Note 8: Resource Assets

|                                                            | Plant and equipment<br>US\$000s | Land and buildings<br>US\$000s | Mineral development<br>US\$000s | Total<br>US\$000s |
|------------------------------------------------------------|---------------------------------|--------------------------------|---------------------------------|-------------------|
| <b>Net book value – 31 December 2023</b>                   |                                 |                                |                                 |                   |
| At the beginning of the financial year                     | 22,105                          | 1,687                          | 47,962                          | 71,754            |
| Additions                                                  | 4,761                           | -                              | 7,826                           | 12,587            |
| Disposals                                                  | (139)                           | -                              | -                               | (139)             |
| Depreciation for the half-year                             | (55)                            | (30)                           | (85)                            | (170)             |
| Transfers and other movements                              | (380)                           | -                              | 381                             | 1                 |
| <b>At the end of the financial half-year<sup>(i)</sup></b> | <b>26,292</b>                   | <b>1,657</b>                   | <b>56,084</b>                   | <b>84,033</b>     |
| Cost                                                       | 27,965                          | 2,186                          | 62,943                          | 93,094            |
| Accumulated depreciation                                   | (1,673)                         | (529)                          | (6,859)                         | (9,061)           |
| <b>Net book value – 30 June 2023</b>                       |                                 |                                |                                 |                   |
| At the beginning of the financial year                     | 16,787                          | 1,748                          | 37,033                          | 55,568            |
| Additions                                                  | 5,643                           | -                              | 11,085                          | 16,728            |
| Disposals                                                  | (1)                             | -                              | -                               | (1)               |
| Depreciation for the year                                  | (324)                           | (61)                           | (156)                           | (541)             |
| Transfers and other movements                              | -                               | -                              | -                               | -                 |
| <b>At the end of the financial year<sup>(i)</sup></b>      | <b>22,105</b>                   | <b>1,687</b>                   | <b>47,962</b>                   | <b>71,754</b>     |
| Cost                                                       | 24,027                          | 2,186                          | 54,736                          | 80,949            |
| Accumulated depreciation                                   | (1,922)                         | (499)                          | (6,774)                         | (9,195)           |

Notes:

- (i) At the end of each reporting period, the consolidated group assesses whether there is any indication that resource assets may be impaired. This assessment includes the consideration of external sources of information including uranium prices and the Company's market capitalisation, and internal sources of information including progress of the Lance Project low pH development. At 31 December 2023 the group has concluded that there were no impairment indicators and the carrying value of the resource assets are recoverable.

## Note 9: Trade and Other Payables

|                                       | 31 December<br>2023<br>US\$000s | 30 June<br>2023<br>US\$000s |
|---------------------------------------|---------------------------------|-----------------------------|
| <b>Current</b>                        |                                 |                             |
| Trade and other payables              | 2,996                           | 3,660                       |
| <b>Total Trade and Other Payables</b> | <b>2,996</b>                    | <b>3,660</b>                |

## Note 10: Contingent Liabilities and Uranium Delivery Commitments

### (a) Contingent liabilities

The Board is not aware of any circumstances or information which leads them to believe there are any material contingent liabilities outstanding as at 31 December 2023 other than those disclosed in the 30 June 2023 annual report.

## (b) Uranium U<sub>3</sub>O<sub>8</sub> Delivery Commitments

As at 31 December 2023 the Company has up to 4,740,493 pounds of U<sub>3</sub>O<sub>8</sub> remaining under contract through to calendar year 2033 for delivery to major utilities located in the United States and Europe. Of the total delivery commitments noted above, 4,627,993 lbs U<sub>3</sub>O<sub>8</sub> is committed and up to 150,000 pounds U<sub>3</sub>O<sub>8</sub> is optional at the election of the customer. The Company is expected to meet these commitments based on the restart of the Lance Projects operation in Wyoming USA and as a result no onerous contract provision has been recognised in the half-year financial statements ending 31 December 2023.

| Summary of Delivery Commitments Over the Next Five Years |                                      |
|----------------------------------------------------------|--------------------------------------|
| Calendar Year                                            | Pounds U <sub>3</sub> O <sub>8</sub> |
| 2024                                                     | -                                    |
| 2025                                                     | 450,000                              |
| 2026                                                     | 900,000                              |
| 2027                                                     | 890,493                              |
| 2028                                                     | 800,000                              |

## Note 11: Share-Based Payments Expense

Non-Executive Director Options  
Long-term incentive plan (LTIP) restrictive shares  
Short-term incentive plan (STIP) shares  
**Total Share-Based Payments per note 3(d)**

| 31 December 2023<br>US\$000s | 31 December 2022<br>US\$000s |
|------------------------------|------------------------------|
| 30                           | 3                            |
| 129                          | 131                          |
| 52                           | (85)                         |
| <b>211</b>                   | <b>49</b>                    |

## Note 12: Issued Capital

### Ordinary Shares

1,260,505,340 fully paid ordinary shares (June 2023: 1,257,050,004)

### For the six months ended 31 December 2022

Balance at 1 July 2023

#### Shares issued during the half-year

- Shares issued under an employment agreement<sup>(i)</sup>
- Shares issued in lieu of cash short-term incentives<sup>(i)</sup>
- Shares issue costs

**Balance as at 31 December 2023**

| 31 December 2023<br>US\$000s | 30 June 2023<br>US\$000s |
|------------------------------|--------------------------|
| <b>275,008</b>               | <b>274,866</b>           |

  

| Number               | US\$000s       |
|----------------------|----------------|
| <b>1,257,050,004</b> | 274,866        |
| 2,707,154            | 228            |
| 748,182              | 52             |
| -                    | (138)          |
| <b>1,260,505,340</b> | <b>275,008</b> |

Notes:

- (i) In August 2023, the Board approved the award of incentives under both the Long-Term Incentive Plan (LTIP) and the Short-Term Incentive Plan (STIP) for Key Management Personnel and senior staff in recognition of performance during the financial year to 30 June 2023. The STIP is awarded in cash, but an election can be made by the participant to receive a gross up of the cash benefit in shares. Both the LTIP shares and the STIP share elections were accrued for as at 30 June 2023 and subsequently issued during the half-year period to 31 December 2023.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

At 31 December 2023, the Company had on issue 4,100,000 unlisted options.

## Note 13: Reserves

### (a) Share-Based Payments Reserve

|                                                           | 31 December<br>2023<br>US\$000s | 30 June<br>2023<br>US\$000s |
|-----------------------------------------------------------|---------------------------------|-----------------------------|
| At the beginning of the reporting period                  | 15,457                          | 16,094                      |
| Shares issued during the year                             | (280)                           | (1,077)                     |
| Long-term incentive plan restrictive shares               | 129                             | 416                         |
| Short-term incentive shares expense/(adjustment)          | 52                              | (19)                        |
| Non-Executive Director Options                            | 30                              | 43                          |
| <b>Closing balance at the end of the reporting period</b> | <b>15,388</b>                   | <b>15,457</b>               |

### (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.

## Note 14: Fair Value Measurement

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:

| 31 December 2023                                 | Level 1<br>US\$000s | Level 2<br>US\$000s | Level 3<br>US\$000s | Total<br>US\$000s |
|--------------------------------------------------|---------------------|---------------------|---------------------|-------------------|
| <b>Financial Assets</b>                          |                     |                     |                     |                   |
| Listed investments <sup>(i)</sup>                | 3                   | -                   | -                   | 3                 |
| <b>Total Financial Assets</b>                    | <b>3</b>            |                     |                     | <b>3</b>          |
| <b>Financial Liabilities</b>                     |                     |                     |                     |                   |
| Derivative financial liabilities <sup>(ii)</sup> | -                   | -                   | 9,503               | 9,503             |
| <b>Total Financial Liabilities</b>               |                     |                     | <b>9,503</b>        | <b>9,503</b>      |
| <br>                                             |                     |                     |                     |                   |
| 30 June 2023                                     | Level 1<br>US\$000s | Level 2<br>US\$000s | Level 3<br>US\$000s | Total<br>US\$000s |
| <b>Financial Assets</b>                          |                     |                     |                     |                   |
| Listed investments <sup>(i)</sup>                | 3                   | -                   | -                   | 3                 |
| Derivative financial asset <sup>(ii)</sup>       | -                   | -                   | -                   | -                 |
| <b>Total Financial Assets</b>                    | <b>3</b>            | <b>-</b>            | <b>-</b>            | <b>3</b>          |
| <b>Financial Liabilities</b>                     |                     |                     |                     |                   |
| Derivative financial liabilities <sup>(ii)</sup> | -                   | -                   | 2,504               | 2,504             |
| <b>Total Financial Liabilities</b>               | <b>-</b>            | <b>-</b>            | <b>2,504</b>        | <b>2,504</b>      |

Notes:

- The fair value of the listed investments have been based on the closing quoted bid prices at reporting date, excluding transaction costs.
- The fair value of the derivative financial liabilities has been determined using comparison of estimated future uranium long-term prices to estimated contractual cash flows of the respective uranium sale agreements, discounted back to present value.

There were no transfers between levels during the half-year ended 31 December 2023 (31 December 2022: nNil)

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair value due to their short-term nature.

### Level 3 Assets

Movements in level 3 assets during the half-year ended 31 December 2023 are set out below:

|                                  | Balance<br>1 July 2023 | Derivative fair<br>value movement | Realised<br>Sales<br>portion | Realised<br>Purchase or<br>Inventory | Balance<br>31 December<br>2023 |
|----------------------------------|------------------------|-----------------------------------|------------------------------|--------------------------------------|--------------------------------|
| Derivative financial liabilities | 2,504                  | 6,999                             | -                            | -                                    | 9,503                          |

The level 3 asset unobservable inputs and sensitivities are as follows:

| Description                             | Unobservable Inputs         | Input        | Sensitivity                                                                          |
|-----------------------------------------|-----------------------------|--------------|--------------------------------------------------------------------------------------|
| <b>Derivative financial liabilities</b> | Pre-tax discount rate       | 9.9% nominal | 1% change would increase/decrease fair value by US\$0.4m (June 2023: US\$0.1m)       |
|                                         | Uranium forward sales price | US\$83/lb    | US\$1/lb change would increase/decrease fair value by US\$0.4m (June 2023: US\$0.4m) |

### Note 15: 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.

There have been no changes in the nature of related party transactions since the last annual reporting date other than equity-based payments as disclosed in Note 11.

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. The parent entity charges its wholly owned subsidiary Strata Energy Inc, a management fee for the provision of corporate, financial management, administration and other services during the half year. These transactions are settled through inter-company loans.

### Note 16: Events Subsequent to Reporting Date

In January 2024, the Company completed the A\$60m equity raise announced in November 2023 comprising:

- A\$50 million (*US\$32.5 million equivalent*) Institutional Placement to issue 666.7 million new shares at A\$0.075 (*US\$0.049 equivalent*) per share with 332.1 million attaching options at A\$0.10 (*US\$0.065 equivalent*). The A\$50 million proceeds were received on 15 January 2024; and
- A\$10 million (*US\$6.5 million equivalent*) SPP issuing 133.3 million new shares together with 66.7 million attaching options on the same terms as the placement. The A\$10 million proceeds were received on 30 January 2024.
- As at the date of this report and since the equity raise, 49,672,634 placement options associated with the \$60 million capital raise has been exercised raising A\$5.0 million (*US\$3.25 million equivalent*)

After completion of the Placement and SPP, the Company has 2,110,177,110 shares and 349,126,256 unlisted SPP and placement options not exercised and outstanding as at the date of this report. The SPP and placement options are exercisable at A\$0.10 and expire 31 March 2025. In addition, the Company has 4,100,000 unlisted options for the Non-Executive Directors, exercisable at A\$0.30, with an expiry date on 26 November 2027.

On 1 March 2024, the Company announced the signing of a new sales agreement for the supply of 1.2 million pounds of uranium yellowcake over a 6-year period starting in 2028 to a European nuclear fuel buyer. The contract is estimated to generate gross revenue between US\$88 million and US\$117 million over the 6 year term.

On the 6 March 2024, Rachel Rees resigned effective 4 April 2024 from the position of Executive Director Finance and Corporate Affairs, including the roles of Chief Financial Officer and Joint Company Secretary.

No other matter or circumstance has arisen since 31 December 2023, which has significantly affected, or may significantly affect the operations of the consolidated group, the result of those operations, or the state of affairs of the consolidated group in subsequent financial periods.

## Directors' Declaration

The directors declare that:

1. The financial statements and notes, as set out on pages 13 to 22, are in accordance with the *Corporations Act 2001*, including
  - (a) complying with Australian Accounting Standard 134; and
  - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'John Harrison', is written over a light grey rectangular background.

John Harrison  
Non-Executive Chairman  
14 March 2024

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Peninsula Energy Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Peninsula Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.





### **Material uncertainty relating to going concern**

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

### **Responsibility of the directors for the financial report**

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit (WA) Pty Ltd**

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', written over a faint BDO logo.

**Glyn O'Brien**

**Director**

Perth, 14 March 2024