



15 January 2018

Companies Announcement Office
Via Electronic Lodgement

LANCE PROJECTS Q4 2017 OPERATING PERFORMANCE

Peninsula Energy Limited (**Peninsula or Company**) is pleased to report that production from the Lance Projects during the quarter ended 31 December 2017 was approximately 38,800 pounds U_3O_8 . The December quarter production is an increase of approximately 4,300 pounds U_3O_8 (12.3%) on the September quarter.

Wayne Heili, Peninsula's Managing Director and CEO commented, "The December quarter represents the third consecutive period of substantial quarter over quarter improvement. We are pleased to be producing at the high end of our 30,000 to 40,000 pounds U_3O_8 quarterly forecast range while we prepare to transition the project to what we anticipate will be a substantially more robust and sustainable commercial operation utilizing a lower pH mining solution."

The daily production rate improved throughout the December quarter. The Lance Project realised an average daily production rate of 430 pounds U_3O_8 per day during the quarter. An average daily production rate above 500 pounds U_3O_8 per day has been achieved in early January 2018. Process improvement initiatives implemented during 2017 have been largely responsible for ensuring that wellfield flow rates remained stable during extreme cold weather conditions experienced in December and early January.

Production from the Company's nine (9) commissioned header houses using alkaline lixiviant will form the basis of on-going operations over the near-term while the Company progresses the various activities and permit actions required for the change to a low pH ISR uranium operation at the Lance Projects. The Company is also constructing the surface facilities associated with the tenth header house to increase the operating capacity by mid-2018 or as needed.

Additional details on the quarterly production and financial performance will be included in the Quarterly Activities Statement for the quarter ended 31 December 2017, scheduled to be released by the Company on 31 January 2018.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read "Wayne Heili", is positioned above the printed name and title.

Wayne Heili
Managing Director/CEO

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during normal business hours.

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