INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2015

Contents

Company Particulars

Directors

John Simpson	Managing Director/CEO
Richard Lockwood	Non-Executive Chairman
Warwick Grigor	Non-Executive Director
Neil Warburton	Non-Executive Director
John Harrison	Non-Executive Director
Evgenij Iorich	Non-Executive Director
Harrison Barker	Non-Executive Director

Company Secretary

Jonathan Whyte

Registered and Principal Office

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Website

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Auditors

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

Share Registry

Link Market Services Limited
Level 4, 152 St Georges Terrace
Perth WA 6000

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

Stock Exchange

ASX Code	Shares:	PEN
	Options:	PENOD

Directors' Report

The Directors of Peninsula Energy Limited (Company or Peninsula) submit the financial report of the economic entity for the half-year ended 31 December 2015.

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 Simpson	Managing Director/CEO
Richard Lockwood	Non-Executive Chairman (appointed 1 July 2015)
Warwick Grigor	Non-Executive Director
Neil Warburton	Non-Executive Director
John Harrison	Non-Executive Director
Evgenij Iorich	Non-Executive Director
Harrison Barker	Non-Executive Director (appointed 3 August 2015)
Alfred Gillman	Non-Executive Director (retired 1 July 2015)

REVIEW OF OPERATIONS

WYOMING, USA – LANCE URANIUM PROJECTS

Peninsula Energy Ltd 100%

Commencement of Production at Lance Projects

Following completion of the pre-operational inspection and formal approval by the United States Nuclear Regulatory Commission (NRC) (received on 30 November 2015) and the Wyoming Department of Environmental Quality (received on 2 December 2015) Peninsula's wholly-owned subsidiary Strata Energy, Inc. (Strata) began in-situ uranium recovery (ISR) operations from the Ross Permit Area at the Lance Projects in Wyoming, USA.

Since the initial injection of O_2 and CO_2 at the first header house unit on 2 December 2015, production well flow-rates are exceeding expectations and confirming permeability of the ore-body. Following the injection of CO_2, natural bicarbonate in the well field has also increased which, if sustained, will translate to reductions in bicarbonate usage and operating costs over life of mine.

Uranium is being recovered at head grade concentrations that are increasing in line with expectations steadily each day. In addition, based on initial samples, the capture rate of uranium on resin in the ion exchange columns is well in excess of forecast rates.

The second header house came online on 27 January 2016. Stage One full production will see up to seven header houses in operation.

Exceptional results have also been achieved from the Deep Disposal Well (DDW), with flow rates ranging between 80 and 120 gallons per minute during the initial buffer solution injection – significantly better than other ISR DDWs in Wyoming. The performance of this DDW will enable the Company to defer the timing of additional DDWs, potentially reduce the total number of DDWs required and lower the forecast life of mine capital expenditure.

Central Processing Plant

Construction of the Central Processing Plant (CPP) including connection to the first header house in Mine Unit 1 for the first well field and the installation of final pipework and control systems within the CPP were completed, tested and commissioned during the review period, prior to the NRC pre-operational inspection. The CPP and well field systems are all operating as designed and expected during early production ramp up.

NRC Pre-operational Inspection

Prior to the start of operations the NRC conducted a preoperational inspection at the project during 2-5 November and 22-24 November 2015. The inspection team concluded that the Company has established programs that are protective of site workers, the public and the environment.

These programs include management oversight and audits, routine site inspections, plant operations, radiation protection, effluent and environmental monitoring, groundwater monitoring, radioactive materials transportation, radioactive waste handling, and emergency preparedness. Based on the results of the pre-operational inspection, the NRC staff determined that the project was physically ready for in-situ recovery operations up to the ion exchange columns.

SOUTH AFRICA – KAROO URANIUM PROJECTS

Peninsula Energy Ltd 74%/BEE Groups 26%

High Grade Uranium Intercepts Continue at Rietkuil

On 23 December 2015, Peninsula announced results from further radiometric re-logging of existing drill holes completed in November and December 2015 at the Rietkuil project area (Rietkuil), approximately 40 kilometres west of Beaufort West at Peninsula's Karoo Projects in South Africa. Gamma probing was conducted at Blocks D(W) and D(E) with a series of excellent results that follow earlier re-probing at Blocks F(N), E(N) and E(S) completed earlier in the year.

Results from all blocks investigated to date have demonstrated very high grade mineralisation at shallow depths with a further 44 significant intersections returned from 91 historic holes at Blocks D(W) and D(E) during November and December 2015. Overall 119 significant intersections have been returned from a total of 320 re-logged holes since mid-2014.

Re-logging is occurring in holes originally drilled by Union Carbide Exploration Corporation (UCEX) during the 1970s and continues to successfully validate the location and grade of the mineralisation that was delineated by UCEX at that time.

Probing and re-logging is occurring in areas that are outside the existing JORC Code-compliant resource and information from this work will be included in an update of the JORC Code-compliant resource estimate for the Karoo Projects following any additional evaluation work that may be required.

The public consultation process for the Mining Rights applications at the Karoo Projects is ongoing.

CORPORATE

Key Uranium Contracts Executed

On 24 August 2015 the Company announced the entry into two new uranium concentrate sale and purchase agreements with major United States power utilities. Deliveries of uranium concentrate will commence in 2016 and up to 1.935mlbs pounds of uranium will be delivered by Peninsula under the new agreements.

On 11 March 2016 Peninsula announced that it had entered into a long term uranium concentrate sale and purchase agreement with a major European utility and nuclear industry leader. The agreement is for the sale and purchase of 4.0 million pounds of U_3O_8 from the Lance Projects over a 10 year period beginning at the end of 2020 and contemplates increasing this to 50% of annual mine production from 2026 onwards.

Peninsula now has five uranium concentrate sale and purchase agreements in place for a major portion of production over the first five years of operations and beyond. These committed sales contracts substantially increase revenue certainty whilst allowing a significant amount of planned production to be free for future contracting in what is expected to be in an environment of increasing prices.

US$15 Million Finance Facility Secured

During the half-year period, Peninsula entered into an agreement with Investec Bank Plc (Investec) for a US$15 million inventory finance facility (Facility).

The Facility will serve as support financing to assist in covering inventory and other general costs over the next two years, while production and revenue increase at the Lance Projects. Given the contractual norms within the uranium industry of quarterly and bi-annual uranium delivery schedules under Term contracts, this Facility provides Peninsula with additional funding flexibility as and when required.

Key terms of the Facility are:

- 2 year secured facility;
- US$7.5 million Inventory Finance Facility which is drawable against uranium inventory delivered to uranium conversion facilities and has a margin of USD LIBOR + 2.5%;
- US$7.5 million Revolving Loan Facility which is re-drawable and repayable at Peninsula's discretion, and has a margin of USD LIBOR + 3.5%;
- Annual line fee of 2.0% and one-off establishment fee of 1.5%; and
- At current USD LIBOR rates, the all-in interest rate is less than 6% p.a. over the 24 month term.

NYSE MKT Listing

During the half-year period Peninsula was approved to file an application to list its securities on the NYSE MKT LLC (NYSE MKT). Final authorisation to list is subject to the satisfaction of the requirements set out in the NYSE MKT Company Guide and any other conditions detailed by the NYSE MKT and also the requirements of the United States Securities and Exchange Commission (SEC).

Peninsula has also filed a registration statement on Form 20-F to register securities with the SEC and, once declared effective, to register securities for trading on the NYSE MKT. Subsequent to the half-year end reporting date, Peninsula continues to address any remaining outstanding items with the SEC in parallel with the NYSE MKT process above. As previously announced, Peninsula is seeking a secondary listing of American Depositary Shares on the NYSE MKT.

Share Consolidation

On 24 September 2015 shareholders voted to approve the consolidation of the Company's securities on a "1 for 40" basis. This consolidation was completed on 1 October 2015, with the result being that Company security holders now hold 1 security for every 40 securities held prior to the consolidation having taken place.

Exercise of PENOC Options

A total of 1,967,880 listed PENOC options were exercised prior to their expiry on 31 December 2015, raising approximately A$2.36 million. Mr John (Gus) Simpson (Managing Director and Chief Executive Officer) exercised 66,667 options and Mr Warwick Grigor (Non-Executive Director) exercised 40,000 options.

Board Changes

On 1 July 2015 the Company appointed Mr Richard Lockwood as Non-Executive Chairman and Mr Alfred Gillman retired as Non-Executive Director.

On 3 August 2015 the Company appointed Mr Harrison Barker as a Non-Executive Director.

Assets and Capital

The Group's cash position, including commercial bills but excluding security deposits and performance bonds as at 31 December 2015 was $2.8 million. The net assets of the Group have increased by $2.1 million from 30 June 2015 to $181 million at 31 December 2015.

The Company had 174,198,060 shares on issue as at 31 December 2015, 43,333,437 PENOD listed options, 2,569,748 unlisted options and 630,000 performance rights.

EVENTS SUBSEQUENT TO REPORTING DATE

On 5 January 2016 Peninsula announced that it had completed its first U_3O_8 delivery under Strata's 2011 sale and purchase agreement with a United States utility. This followed Strata's execution of a variation to that agreement allowing Peninsula to complete delivery on 4 January 2016. The uranium delivered by Strata was borrowed material to ensure compliance with the delivery schedule in this existing uranium sale agreement.

On 29 January 2016 Peninsula filed an amended registration statement on Form 20-F with the SEC for review. The amended Form 20-F encompasses developments concerning the Company since the November 2015 filing, including changes to reflect that the Company is now in production, and to include information requested by the SEC following their review of the earlier filing.

In February 2016, the NRC notified Strata that it has accepted Strata's application that seeks to amend Source Materials License SUA-1601 to include the Kendrick Expansion Area (Kendrick) at the Lance Projects. Kendrick is adjacent to the Ross Permit Area and under the current life of mine plan is scheduled to come online during the 2019 calendar year to supply uranium to the CPP.

On 11 February 2016 Peninsula filed a second amended registration statement on Form 20-F with the SEC for review. The amended Form 20-F includes information requested by the SEC following their review of the earlier filing.

On 11 March 2016 Peninsula announced that it had entered into a long term uranium concentrate sale and purchase agreement with a major European utility and nuclear industry leader. The agreement is for the sale and purchase of 4.0 million pounds of U_3O_8 from the Lance Projects over a 10 year period beginning at the end of 2020 and contemplates increasing this to 50% of annual mine production from 2026 onwards.

Except for the above, no matter or circumstance has arisen since 31 December 2015, 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 years.

ROUNDING OF AMOUNTS

The consolidated group has applied the relief available to it under ASIC Class Order 98/100. Accordingly, amounts in the financial report and the Directors' Report have been rounded to the nearest thousand dollars.

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 Simpson
Managing Director/CEO
15 March 2016

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DECLARATION OF INDEPENDENCE BY WAYNE BASFORD TO THE DIRECTORS OF PENINSULA ENERGY LIMITED

As lead auditor for the review of Peninsula Energy Limited for the half-year ended 31 December 2015, 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.

Wayne Basford

Director

BDO Audit (WA) Pty Ltd

Perth, 15 March 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Note	31 December 2015 $000s	31 December 2014 $000s (Restated)
Interest revenue		53	68
Other income		88	24
Employee benefits expense		(1,408)	(1,156)
Share-based payments expense	5	(961)	(516)
Depreciation expense		(169)	(105)
General and administrative expenses		(898)	(578)
Professional fees		(398)	(477)
Foreign exchange gain		1,671	492
LOSS BEFORE INCOME TAX		(2,022)	(2,248)
Income tax expense		-	-
LOSS FROM CONTINUING OPERATIONS		(2,022)	(2,248)
Other comprehensive income:			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign controlled entities		3,066	12,646
TOTAL COMPREHENSIVE INCOME FOR THE HALF-YEAR		1,044	10,398
Loss from continuing operation attributable to:			
Equity holders of the Parent		(2,022)	(2,248)
Non-controlling interests		-	-
		(2,022)	(2,248)
Total comprehensive income attributable to:			
Equity holders of the Parent		1,369	10,350
Non-controlling interests		(325)	48
		1,044	10,398
LOSS PER SHARE			
Basic loss per share (cents per share)		(1.17)	(2.56)

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

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2015

	Note	31 December 2015 $000s	30 June 2015 $000s
CURRENT ASSETS			
Cash and cash equivalents		2,826	32,644
Trade and other receivables		4,755	3,752
TOTAL CURRENT ASSETS		7,581	36,396
NON-CURRENT ASSETS			
Property, plant and equipment		26,352	17,169
Mineral exploration and evaluation	6	10,617	11,809
Mineral development	7	151,140	119,867
Other financial assets		4	4
TOTAL NON-CURRENT ASSETS		188,113	148,849
TOTAL ASSETS		195,694	185,245
CURRENT LIABILITIES			
Trade and other payables		3,013	3,704
Borrowings	8	2,295	266
Funds held on trust		1,599	-
Provisions	9	79	66
TOTAL CURRENT LIABILITIES		6,986	4,035
NON-CURRENT LIABILITIES			
Borrowings	8	952	1,175
Provisions	9	6,548	983
TOTAL NON-CURRENT LIABILITIES		7,500	2,158
TOTAL LIABILITIES		14,486	6,194
NET ASSETS		**181,208**	**179,051**
EQUITY			
Issued capital	10	207,321	205,653
Reserves		32,567	29,769
Accumulated losses		(60,147)	(58,125)
Equity attributable to equity holders of the Parent		179,741	177,297
Non-controlling interest		1,467	1,754
TOTAL EQUITY		**181,208**	**179,051**

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 2015

	Issued Capital $000s	Accumulated Losses $000s	Option & SBP Reserve $000s	Foreign Currency Translation Reserve $000s	Total $000s	Non-controlling interest $000s	Total Equity $000s
Balance 1 July 2014 - Restated	**138,326**	**(52,945)**	**11,522**	**(2,834)**	**94,069**	**1,650**	**95,719**
Transaction With Owners							
Shares issued during the half year	40,739	-	-	-	40,739	-	40,739
Share-based payments expense	92	-	424	-	516	-	516
Salary sacrifice program	27	-	(9)	-	18	-	18
Shares - debt facility agreement	192	-	-	-	192	-	192
Options - equity facility agreement	(89)	-	89	-	-	-	-
Transaction costs	(1,034)	-	-	-	(1,034)	-	(1,034)
Total Transactions With Owners	**39,927**	**-**	**504**	**-**	**40,431**	**-**	**40,431**
Comprehensive Income							
Other comprehensive income	-	-	-	12,598	12,598	48	12,646
Foreign translation reclassification	-	165	-	(165)	-	-	-
Loss for the half-year	-	(2,248)	-	-	(2,248)	-	(2,248)
Total Comprehensive Income	**-**	**(2,083)**	**-**	**12,433**	**10,350**	**48**	**10,398**
Balance 31 December 2014	**178,253**	**(55,028)**	**12,026**	**9,599**	**144,850**	**1,698**	**146,548**
Balance 1 July 2015	**205,653**	**(58,125)**	**13,009**	**16,759**	**177,297**	**1,754**	**179,051**
Transaction With Owners							
Shares issued during the half year	242	-	-	-	242	-	242
Share-based payments expense	1,539	-	(578)	-	961	-	961
Salary sacrifice program	15	-	(15)	-	-	-	-
Transaction costs	(128)	-	-	-	(128)	-	(128)
Total Transactions With Owners	**1,668**	**-**	**(593)**	**-**	**1,075**	**-**	**1,075**
Comprehensive Income							
Other comprehensive income	-	-	-	3,391	3,391	(287)	3,104
Loss for the half-year	-	(2,022)	-	-	(2,022)	-	(2,022)
Total Comprehensive Income	**-**	**(2,022)**	**-**	**3,391**	**1,369**	**(287)**	**1,082**
Balance 31 December 2015	**207,321**	**(60,147)**	**12,416**	**20,150**	**179,741**	**1,467**	**181,208**

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 2015

	31 December 2015 $000s	31 December 2014 $000s (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(3,283)	(2,208)
Interest received	53	68
Net cash (used in) operating activities	(3,230)	(2,140)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for mineral exploration and evaluation	(622)	(867)
Payments for mineral development	(20,924)	(2,706)
Payments for interest on borrowings	-	(1,203)
Proceeds from the sale of property, plant & equipment	466	-
Payments for mineral exploration performance bonds and rental bonds	(395)	(243)
Purchase of prospects	(29)	-
Purchase of property, plant and equipment	(10,225)	(1,926)
Net cash (used in) investing activities	(31,729)	(6,945)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	40,739
Equity raising transaction costs	(128)	(1,034)
Proceeds from borrowings	2,032	-
Repayment of borrowings	(226)	(19,142)
Proceeds from applications to exercise options	1,841	-
Return of unused restricted cash held in escrow	-	(8,637)
Net cash provided by financing activities	3,519	11,926
Net (decrease)/increase in cash held	(31,440)	2,841
Cash at the beginning of financial year	32,644	17,151
Effects of exchange rate fluctuations on cash held	1,622	1,825
Cash at the end of period	2,826	21,817

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

Notes to the Consolidated Financial Statements

NOTE 1: BASIS OF PREPARATION

This general purpose interim financial report for the half-year reporting period ended 31 December 2015 has been prepared in accordance with the requirements of the Corporations Act 2001, International Accounting Standards and other authoritative pronouncements of the International Accounting Standards Board (IASB). This interim financial report also complies with Australian Accounting Standards and Interpretations as issued by the Australian Accounting Standards Board (AASB). Compliance with International Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the IASB. Peninsula is a for-profit entity for the purpose of preparing financial statements.

The half-year report has been prepared on an accruals and historical cost basis.

This interim 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 entity 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 2015 and any public announcements made by Peninsula during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim financial report was approved by the Board of Directors on 15 March 2016.

The interim financial report has been prepared on the going concern basis that contemplates normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. 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 2015 annual financial statements contained within the annual report of Peninsula.

Going concern

The accounts have been prepared on the basis that the consolidated group can meet its commitments as and when they fall due and can therefore continue normal business activities, and realise assets and liabilities in the ordinary course of business.

The consolidated group is in the process of ramping up production activities at its Lance ISR Uranium Project which is expected to generate positive cash flow in the near term. In addition, the consolidated group has available a working capital debt facility that is only partially drawn down and the Directors have an appropriate plan to raise additional funds as and when it is required. In light of the consolidated group's current exploration and development projects, the Directors believe that the additional capital required can be raised in the debt and equity markets.

Accordingly, the Directors are satisfied the going concern basis of preparation for the interim financial statements is appropriate.

Rounding of amounts

The Consolidated Group has applied the relief available to it under ASIC Class Order 98/100. Accordingly, amounts in the Financial Report and the Directors' Report have been rounded off to the nearest thousand dollars.

Correction of prior period errors

(i) *Correction of error – BlackRock Financial Management, Inc. funds held in escrow*

In December 2012, the Company issued US$22 million of secured notes to funds managed by BlackRock Financial Management, Inc (BlackRock). During the preparation of the consolidated financial statements for the year ended 30 June 2015, with a change in auditors and subsequent review of the accounting treatment of these transactions, it was determined that the treatment of these notes was not compliant with AASB 139 Financial Instruments: Recognition and Measurement. The impact to 31 December 2014 prior period balances is minimal as the notes were fully redeemed on 19 December 2014.

Please refer to the 30 June 2015 Annual Report for a more detailed description of the restatement.

The error has been corrected by restating each of the affected financial statement items for the prior period as shown in the table below.

(ii) *Correction of error in accounting for control of an incorporated Joint Venture*

On 19 December 2013, the Company announced that all conditions precedent had been met that enabled the completion of the acquisition of the South African uranium assets held by AREVA. The Company acquired a 74% interest in Lukisa JV Company (Pty) Ltd (BEE partner Lukisa Invest 100 (Pty) Ltd continues to hold the remaining 26% interest), which in turn holds a 100% interest in subsidiary Beaufort West Minerals (Pty) Ltd.

At the date of acquisition, it was determined that the Company held joint control of Lukisa JV Company and recorded the acquisition as an equity investment under AASB 11 (Joint Ventures) and AASB 128 (Investments in Associates and Joint Ventures). Joint control was assessed on the basis that the BEE partner who held 26% interest in the Joint Venture had substantive rights which gave the BEE partner joint control.

During the preparation of the consolidated financial statements for the year ended 30 June 2015, with a change in auditor and subsequent review of the accounting treatment, it was determined that the BEE partner only had protective rights (which protect the rights of minority shareholders) and therefore it did not have joint control of the Lukisa JV Company. Therefore, on the basis that the Company (via a subsidiary) is the appointed Manager and has the substantive rights which enables the Company to direct the day to day operations, the Lukisa JV Company has been consolidated within the financial statements in accordance with AASB 10 Consolidated Financial Statements. A correction of error is required in order to reflect consolidation of the Lukisa JV Company from the date of acquisition in accordance with AASB 10.

The consideration transferred and the fair value of the net assets acquired were:

Consideration transferred	**$000s**
21,077,635 shares @ FV $0.045 on 19 December 2012	948
206,483,154 shares @ FV $0.022 on 19 December 2013	4,493
Total consideration	**5,441**

	Fair value acquired on acquisition 19-Dec-13
Assets	**$**
Cash and cash equivalents	7
Receivables	298
Property, plant and equipment	7,164
Exploration and evaluation	389
	7,858
Liabilities	
Borrowings - Peninsula	(741)
Borrowings - Non-controlling interest	(261)
	(1,002)
Non-controlling interest	**(1,415)**
Total identifiable assets at fair value	**5,441**

The fair value of the non-controlling interest's share of the acquired property, plant and equipment and exploration and evaluation was determined as to its relative value to the consideration paid by Peninsula.

The fair value of the shareholder loans was performed using a discounted cash flow.

The error has been corrected by restating each of the affected financial statement items for the prior period as shown in the table below.

The corrections for (i) BlackRock funds held in escrow and (ii) Accounting for control of an incorporated Joint Venture involves restating the following balances:

	31-Dec-14 previous policy $000s	Increase / (decrease) $000s	31-Dec-14 restated $000s
Consolidated income statement (extract)			
Share-based payments – debt facility fees (i)	(192)	192	-
General and administrative expenses (ii)	(659)	(2)	(661)
Loss for the year (extract)	**(851)**	**190**	**(661)**
Total loss for the year	**(2,438)**	**190**	**(2,248)**
Total comprehensive income	**9,291**	**1,107**	**10,398**
Consolidated cash flow statement (extract)			
Payments to suppliers and employees	(2,358)	150	(2,208)
Net cash outflow operating activities (extract)	**(2,358)**	**150**	**(2,208)**
Payments for mineral development (i)	(2,131)	(575)	(2,706)
Payments for mineral exploration performance bonds and rental bonds	(366)	123	(243)
Purchase of property, plant and equipment	(1,554)	(372)	(1,926)
Net cash outflow investing activities (extract)	**(4,051)**	**(824)**	**(4,875)**
Proceeds from borrowings	(2,292)	2,292	-
Return of unused escrow funds	-	(8,637)	(8,637)
Net cash inflow financing activities (extract)	**(2,292)**	**(6,345)**	**(8,637)**
Net increase/(decrease) in cash held	14,444	(11,603)	2,841
Cash & cash equivalents held at the beginning of the financial year (i)	7,021	10,130	17,151
Exchange rate fluctuations on cash held (i)	345	1,480	1,825
Cash & cash equivalents at the end of the financial year	**21,810**	**7**	**21,817**

NOTE 2: DIVIDENDS

The Company has not paid or provided for dividends during the half-year ended 31 December 2015.

NOTE 3: OPERATING SEGMENTS

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

The consolidated group has three reportable operating segments as follows:

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

Basis of accounting for purposes of reporting by operating segments

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

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.

Segment assets

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

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.

Unallocated items

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

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

Notes to the Consolidated Financial Statements

Segment Performance

The following table presents information regarding the Group's operating segments for the half-year ended 31 December 2015:

31 December 2015	Lance Projects Wyoming, USA $000s	Karoo Projects South Africa $000s	Corporate/ Other $000s	Total $000s
Revenue				
External sales	-	-	-	-
Inter-segment sales	-	-	1,014	1,014
Inter-segment interest	-	-	1,968	1,968
Interest revenue	1	2	50	53
Profit on sale of fixed assets	88	-	-	88
Total Segment Revenue	**89**	**2**	**3,032**	**3,123**
Inter-Segment elimination	-	-	(2,982)	(2,982)
Total Segment Revenue	**89**	**2**	**50**	**141**
Expenses				
Depreciation and amortisation	(162)	(2)	(5)	(169)
Allocated Segment Expenses	**(162)**	**(2)**	**(5)**	**(169)**
Unallocated				
Employee benefits expense	-	-	-	(1,408)
Share-based payments	-	-	-	(961)
General and administrative expenses	-	-	-	(898)
Professional fees	-	-	-	(398)
Foreign exchange gain	-	-	-	1,671
Loss before and after income tax	**-**	**-**	**-**	**(2,022)**

The following table presents information regarding the Group's operating assets as at 31 December 2015:

31 December 2015	Lance Projects Wyoming, USA $000s	Karoo Projects South Africa $000s	Corporate/ Other $000s	Total $000s
Segment Assets				
Exploration and evaluation	-	10,617	-	10,617
Development	151,140	-	-	151,140
Property, plant and equipment	20,358	5,954	40	26,352
Cash and cash equivalents	232	134	2,460	2,826
Trade and other receivables	2,661	261	1,833	4,755
Other financial assets	-	-	4	4
Total Assets	**174,391**	**16,966**	**4,337**	**195,694**

Notes to the Consolidated Financial Statements

The following table presents information regarding the Group's operating segments for the half-year ended 31 December 2014:

31 December 2014 - Restated	Lance Projects Wyoming, USA $000s	Karoo Projects South Africa $000s	Corporate/ Other $000s	Total $000s
Revenue				
Inter-segment sales	-	-	1,906	1,906
Inter-segment interest	-	-	1,047	1,047
Interest revenue	9	-	59	68
Other income	-	-	24	24
Total Segment Revenue	**9**	**-**	**3,036**	**3,045**
Inter-Segment elimination	-	-	(2,953)	(2,953)
Total Segment Revenue	**9**	**-**	**83**	**92**
Expenses				
Depreciation and amortisation	(97)	(2)	(6)	(105)
Allocated Segment Expenses	**(97)**	**(2)**	**(6)**	**(105)**
Unallocated				
Employee benefits expense	-	-	-	(1,156)
Share-based payments	-	-	-	(516)
General and administrative expenses	-	-	-	(578)
Professional fees	-	-	-	(477)
Foreign exchange gain	-	-	-	492
Loss before and after income tax	**-**	**-**	**-**	**(2,248)**

The following table presents information regarding the Group's operating assets as at 30 June 2015:

30 June 2015	Lance Projects Wyoming, USA $000s	Karoo Projects South Africa $000s	Corporate/ Other $000s	Total $000s
Segment Assets				
Exploration and evaluation	-	11,809	-	11,809
Development	119,867	-	-	119,867
Property, plant and equipment	10,018	7,110	41	17,169
Cash and cash equivalents	1,026	182	31,436	32,644
Trade and other receivables	2,510	367	875	3,752
Other financial assets	-	-	4	4
Total Assets	**133,421**	**19,468**	**32,356**	**185,245**

NOTE 4: CONTINGENT LIABILITIES

In December 2013, the Company completed the acquisition of the South African uranium assets held by AREVA. As part of the commercial arrangements, an additional amount of US$45 million is to be paid to AREVA at the time that at least 50% of project development funding is secured. If 50% of project development funding is not secured within 25 years, no additional contingent payment is liable to be made. In order to achieve at least 50% of project development funding, additional exploration and delineation drilling is required, a bankable feasibility study needs to be completed and a mineral reserve to support the first five to seven years of mining operations is required. Until these activities are completed, it is improbable that this additional payment is required.

The Board is not aware of any other circumstances or information which leads them to believe there are any other material contingent liabilities outstanding as at 31 December 2015.

NOTE 5: SHARE-BASED PAYMENTS

Share-based payment expenses for the half year to 31 December 2015 comprises:

	31 December 2015 $000s
Shares issued under service agreement (i)	18
Employee incentive shares issued (ii)	12
Options issued to Directors (iii)	170
Shares issued to Managing Director/CEO (iv)	761
Total share-based payments expense	**961**

(i) 740,000 (pre-consolidated) ordinary shares issued under a service agreement for the Lance Projects. Fair value of the shares issued was the market value on the date of issue.

(ii) 500,000 (pre-consolidated) ordinary shares issued under existing employment agreement during the period. Fair value of the shares issued was the market value on the date of issue.

(iii) Issues of 265,010 and 54,737 (post-consolidated) unlisted options to Non-Executive Directors as approved by shareholders in the Extraordinary General Meeting held on 24 September 2015 and the Annual General Meeting held on 19 November 2015 respectively. The options were valued independently using the Black & Scholes option model, refer to the relevant Notice of Meetings released on the ASX on 25 August 2015 and 16 October 2015 respectively for detailed valuation assumptions.

(iv) Issue of 555,556 (post-consolidated) ordinary shares to the Managing Director/CEO as approved by shareholders in the Extraordinary General Meeting held on 24 September 2015. Fair value of the shares issued was the market value on the date of issue.

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

NOTE 6: MINERAL EXPLORATION AND EVALUATION

	31 December 2015 $000s	30 June 2015 $000s
Exploration and evaluation		
Balance at the beginning of the period	11,809	9,820
Exploration and evaluation costs incurred	725	1,371
Foreign exchange translation	(1,917)	618
Carrying amount at the end of the year	**10,617**	**11,809**

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Notes to the Consolidated Financial Statements

NOTE 7: MINERAL DEVELOPMENT

	31 December 2015 $000s	30 June 2015 $000s
Development		
Balance at the beginning of the period	119,867	79,520
Development costs	19,652	15,444
Rehabilitation costs	5,565	983
Capitalised interest and borrowing costs	-	4,847
Capitalised costs written off	-	(47)
Foreign exchange translation	6,056	19,120
Carrying amount at the end of the year	**151,140**	**119,867**

NOTE 8: BORROWINGS

	31 December 2015 $000s	30 June 2015 $000s
CURRENT		
Borrowings – Investec (i)	2,032	-
Borrowings – Strata (ii)	262	266
Total Current	**2,295**	**266**
NON-CURRENT		
Borrowings – Strata (ii)	737	916
Lukisa Joint Venture loans (iii)	215	259
Total Non-Current	**952**	**1,175**

(i) In December 2015, the Company entered into an agreement with Investec Bank Plc for a US$15 million finance facility, which will serve as support financing to assist in covering inventory and other general costs over the next two years, while production and revenue increase at the Lance in-situ recovery uranium projects in Wyoming, USA.

(ii) Balances consist of the current and non-current portions of a mortgage over the Strata office building, Nuclear Regulatory Commission Promissory Note and loans for company vehicles and equipment.

(iii) In December 2013, the Company completed the acquisition of the South African uranium assets previously owned by AREVA. The assets were acquired by the acquisition of the AREVA held shares in Tasman-Lukisa JV Company (Pty) Ltd, which resulted in the Company acquiring 74% of this entity. The remaining 26% is held by the Black Economic Empowerment partner – Lukisa Invest 100 (Pty) Ltd. On the date of completion, Tasman-Lukisa JV Company (Pty) Ltd owed certain amounts by way of loans to AREVA and its subsidiaries (shareholder loans). These shareholder loans were acquired by the Company and Lukisa Invest 100 (Pty) Ltd in proportion to the respective ownership interest in Tasman-Lukisa JV Company (Pty) Ltd. As the Company consolidates the Tasman-Lukisa JV Company (Pty) Ltd in its financial statements, the amount shown represents the 26% share of the loans acquired by the shareholders that is attributable to Lukisa Invest 100 (Pty) Ltd. The acquired loans have a face value of US$117,721,899 at the date of acquisition, however, they were acquired for US$1 only by each of the Company and Lukisa Invest 100 (Pty) Ltd. The value of the acquired loans have been recognised at their fair value that has been determined by escalating the cash flow stream for a period of 30 years and discounting the value back to present value using a pre-tax discount rate of 30%. Under the terms of the shareholders agreement, the acquired loans are subordinated to other liabilities of Tasman-Lukisa JV Company (Pty) Ltd, including subordinated to the actual cash amounts that the Company has provided to the Tasman-Lukisa JV Company (Pty) Ltd to progress exploration and evaluation activities.

NOTE 9: PROVISIONS

	31 December 2015 $000s	30 June 2015 $000s
CURRENT		
Employee Entitlements – Annual Leave	79	66
Total Current Provisions	**79**	**66**
NON-CURRENT		
Rehabilitation Provision (i)	6,548	983
Total Non-Current Provisions	**6,548**	**983**

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

NOTE 10: ISSUED CAPITAL

	31 December 2015 $000s	30 June 2015 $000s
174,198,060 fully paid ordinary shares (June 2015: 6,906,810,221 pre-consolidation shares)	**207,321**	**205,653**

For the six months ended 31 December 2015	**Number**	**$000s**
Balance at 1 July 2015 (pre-consolidation)	6,906,810,221	205,653
Employee incentive shares issued (pre-consolidation) (i)	28,777,778	748
Shares issued under service agreement (pre-consolidation) (Note 5)	740,000	18
Shares issued under employment agreement (pre-consolidation) (Note 5)	500,000	12
Share consolidation (ii)	(6,763,405,205)	-
Shares issued to Managing Director (post-consolidation) (Note 5)	555,556	761
Salary sacrifice scheme (post-consolidation) (iii)	18,194	15
Shares issued on exercise of options (post-consolidation)	201,516	242
Capital raising fees	-	(128)
Balance as at 31 December 2015	**174,198,060**	**207,321**

(i) 28,777,778 ordinary shares were issued to employees and consultants on 17 July 2015 at both Peninsula and Strata for achievements relating to the successful financing in February 2015 and the completion of key permitting milestones. Issue of the shares was approved on 12 June 2015.

(ii) On 24 September 2015 shareholders voted to approve the consolidation of the Company's securities on a "1 for 40" basis. This consolidation was completed on 1 October 2015, with the result being that Company security holders now hold 1 security for every 40 securities held prior to the consolidation having taken place.

(iii) On 23 October 2015, shares were issued in lieu of director's fees under the salary sacrifice program as approved by shareholders in the Extraordinary General Meeting held on 24 September 2015.

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 2015, the Company had on issue 43,333,437 PENOD listed options and 2,569,748 unlisted options.

For the twelve months ended 30 June 2015	Number	$000s
Balance at 1 July 2014	3,426,402,505	138,326
Equity raising – Share Placement	840,000,000	16,800
Equity raising – Entitlement Offer	2,626,627,006	52,533
Shares issued to consultants	3,360,215	81
Salary Sacrifice Scheme	1,419,282	27
BlackRock facility fees	8,000,000	192
Employee incentive shares issued	1,000,000	21
Shares issued on exercise of options	1,213	-
Capital raising fees – equity facility agreement	-	(109)
Capital raising fees – other	-	(2,218)
Balance as at 30 June 2015	**6,906,810,221**	**205,653**

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

On 5 January 2016 Peninsula announced that it had completed its first U_3O_8 delivery under Strata's 2011 sale and purchase agreement with a United States utility. This followed Strata's execution of a variation to that agreement allowing Peninsula to complete delivery on 4 January 2016. The uranium delivered by Strata was borrowed material to ensure compliance with the delivery schedule in this existing uranium sale agreement.

On 29 January 2016 Peninsula filed an amended registration statement on Form 20-F with the SEC for review. The amended Form 20-F encompasses developments concerning the Company since the November 2015 filing, including changes to reflect that the Company is now in production, and to include information requested by the SEC following their review of the earlier filing.

In February 2016, the NRC notified Strata that it has accepted Strata's application to amend Source Materials License SUA-1601 to include the Kendrick Expansion Area (Kendrick) at the Lance Projects. Kendrick is adjacent to the Ross Permit Area and under the current life of mine plan is scheduled to come online during the 2019 calendar year to supply uranium to the CPP.

On 11 March 2016 Peninsula announced that it had entered into a long term uranium concentrate sale and purchase agreement with a major European utility and nuclear industry leader. The agreement is for the sale and purchase of 4.0 million pounds of U_3O_8 from the Lance Projects over a 10 year period beginning at the end of 2020 and contemplates increasing this to 50% of annual mine production from 2026 onwards.

Except for the above, no matter or circumstance has arisen since 31 December 2015, 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 years.

Directors' Declaration

The directors declare that:

1. The financial statements and notes, as set out on pages 9 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 2015 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.

John Simpson
Managing Director/CEO

15 March 2016

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Peninsula Energy Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Peninsula Energy Limited, which comprises the consolidated statement of financial position as at 31 December 2015, 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, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Peninsula Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of Peninsula Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Peninsula Energy Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

BDO Audit (WA) Pty Ltd

BDO

Wayne Basford

Director

Perth, 15 March 2016