



24 December 2018

Companies Announcement Office
Via Electronic Lodgement

NEW URANIUM TOLL MILLING AGREEMENT SIGNED

Peninsula Energy Limited (**Peninsula or Company**) is pleased to announce that its wholly owned subsidiary, Strata Energy, Inc (**Strata**) has signed a new uranium toll milling agreement with its existing toll milling service provider Uranium One Americas, Inc. (**Toll Milling Agreement**). The Toll Milling Agreement commences on 1 January 2019 and has an initial term of 5 years with the ability for Strata to extend the term at its option for an additional 5-year period thereafter.

Since production operations commenced at the Lance Projects in Wyoming, USA (Lance Projects) in December 2015, Strata has transported uranium-rich resin to the Irigaray Central Processing Plant owned by Uranium One Americas, Inc. At Irigaray, uranium is eluted from the resin, and is then precipitated, filtered, dried and drummed.

Commercial terms of the new Toll Milling Agreement have been modified from the previous agreement to reflect conditions in the global uranium market and the production ramp-up of the Company following the planned transition to low pH operations at the Lance Projects. The net effect of the revised commercial terms is a projected average toll milling cost rate that is less than the rate used in the recently completed Low pH Feasibility Study.

Wayne Heili, Peninsula's Managing Director/CEO, commented "We are very pleased to have negotiated a new agreement with the team at Uranium One Americas, Inc. This new agreement allows the existing process plant infrastructure at Irigaray to continue to be utilised, allows Peninsula to defer the requirement to invest near term capital in additional uranium processing at the Lance Projects and delivers a more favourable commercial outcome than the previous agreement."

Yours Sincerely,

A handwritten signature in blue ink, appearing to read "Wayne Heili", is positioned below the "Yours Sincerely," text.

Wayne Heili
Managing Director/CEO

For further information, please contact our office on +61 8 9380 9920
during normal business hours.